



Salasar Techno Engineering Limited

Dated: 30.06.2020

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. Financial Results of the Company for quarter and year ended 31st March, 2020, for your record and further dissemination.

Kindly take the same on record.

Thanking You

Yours faithfully

Pramod Kumar Kala
Chief Financial Officer

CIN No. - L23201DL2001PLC174076

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Salasar Techno Engineering Limited

Investor Presentation Q4 & FY20





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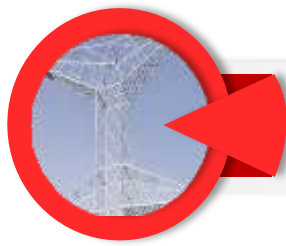
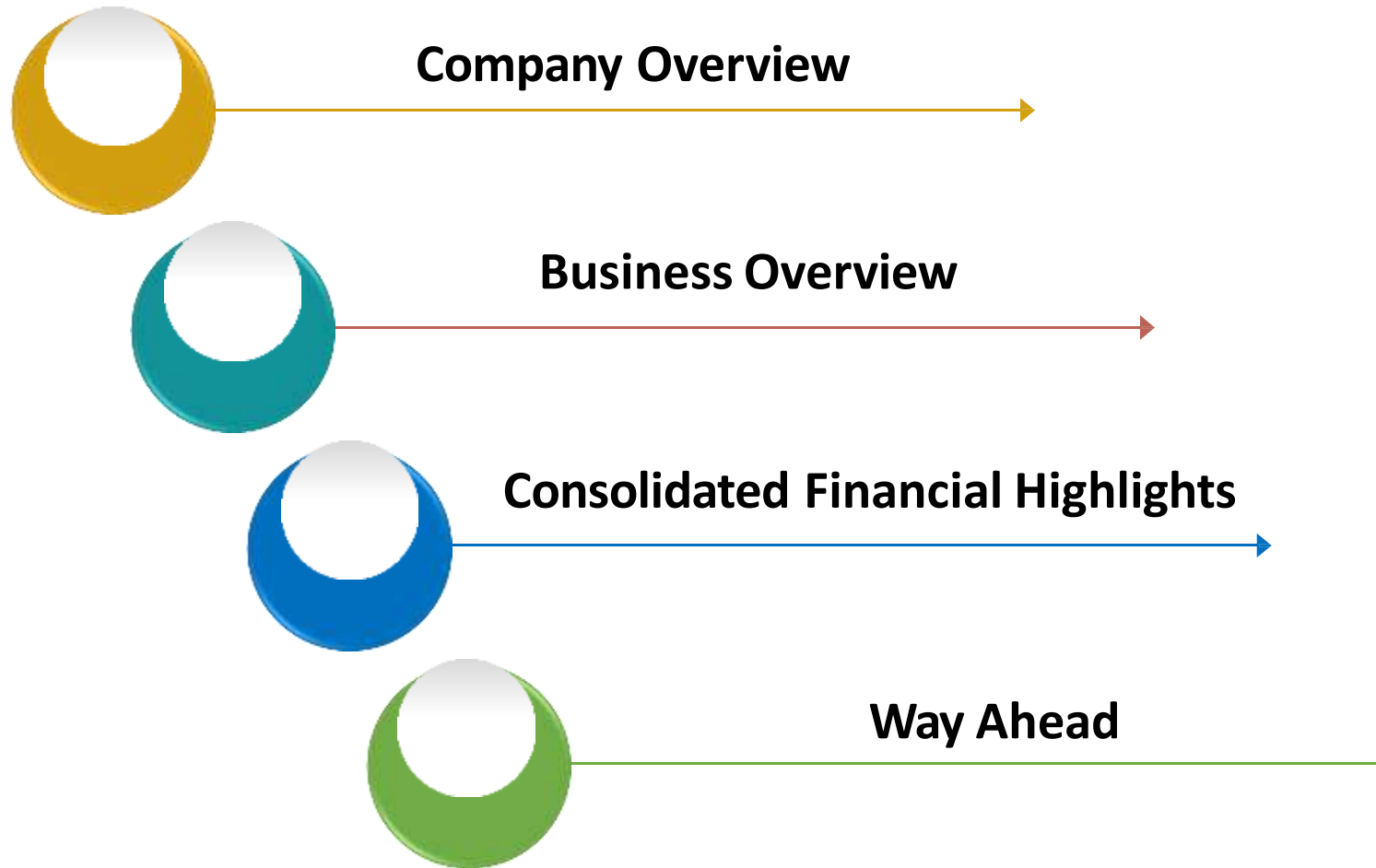


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Company Overview





About Us



Among Leading Manufacturers & Fabricators of Steel Structures in India

Provider of Customized Infrastructure Solutions

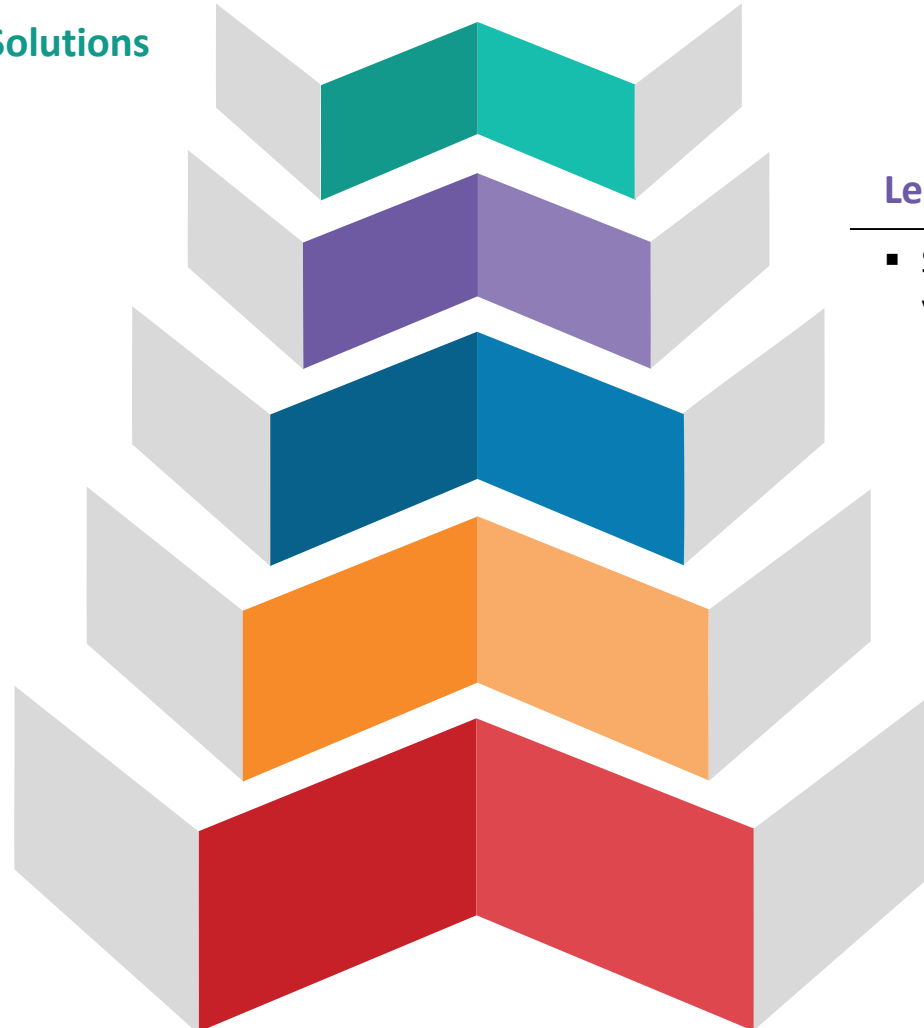
- Manufacturing and fabrication of steel structures for Telecom Towers, Transmission Towers, Substations Structures and Solar Module Mounting Structures

Diversified Product Portfolio

- Camouflaged Towers Solution
- Cold Formed Structures
- Products for Indian Railways
- Cell on Wheels, etc.

State of art Manufacturing Facility

- 1,00,000 MT installed capacity of Steel Galvanizing equipped with latest technology



Leading Manufacturer of Telecom Towers

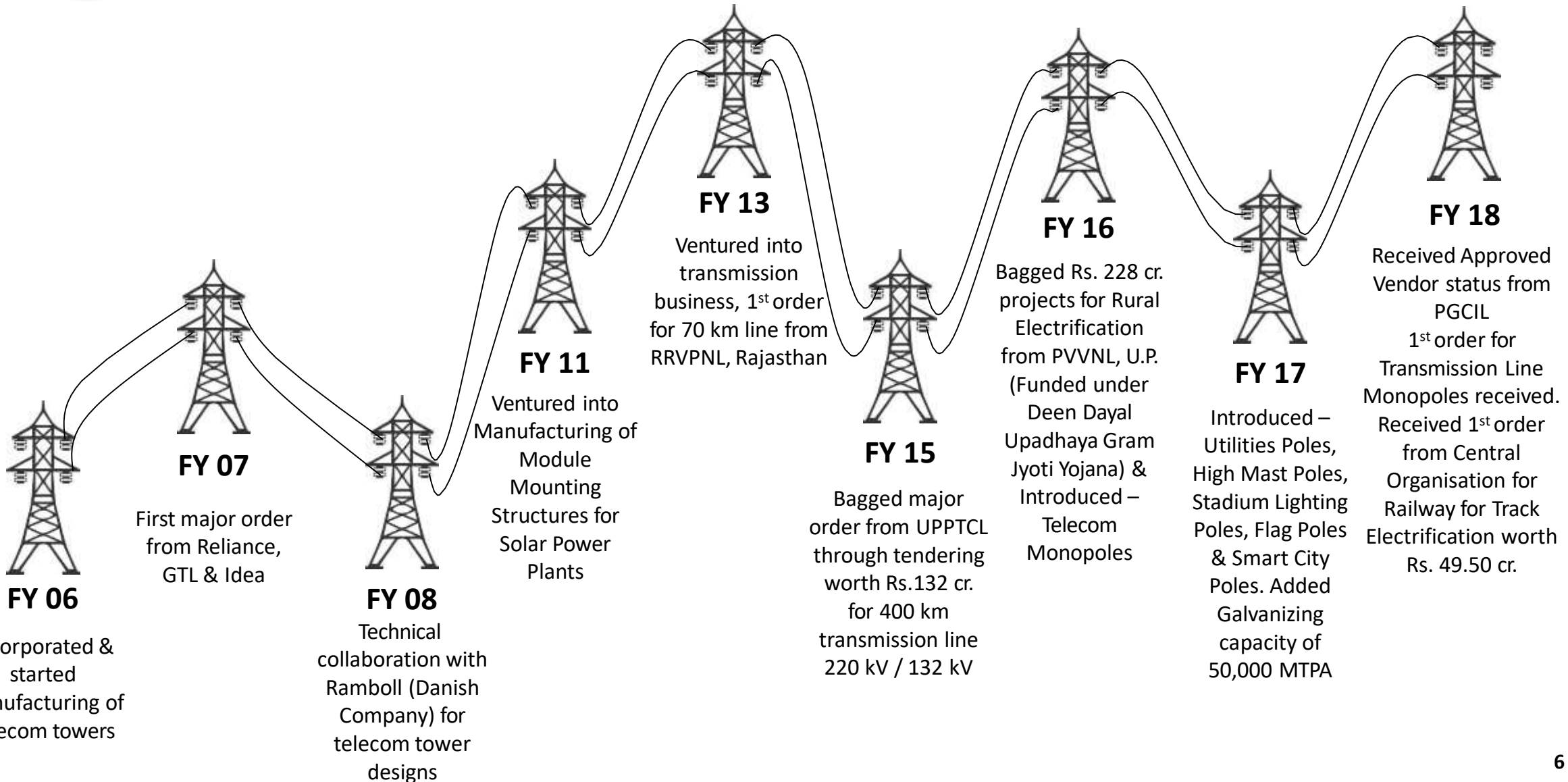
- Supplied more than 25,000 towers of various designs since inception

Technical Tie-Up

- Technical tie-up with Ramboll - leading Danish Company for structural designs



Timeline






Management Team



Mr. Alok Kumar
Chairman & Managing Director

- B.Sc. from Punjab University
- Over 40 years of experience in trading, manufacturing and fabrication of iron & steel products
- Responsible for purchases & finance



Mr. Shashank Agarwal
Joint Managing Director

- B.E. (Mech.) from MIT, Manipal
- Responsible for operations, sales & marketing of telecom towers & solar mounting structures




Mr. Shalabh Agarwal
Director

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



Ms. Tripti Gupta
Director

- MBA in Finance & Marketing from Institute of Management Technology, Nagpur
- Over 5 years of experience in strategic Mgmt, business development, policy making & 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

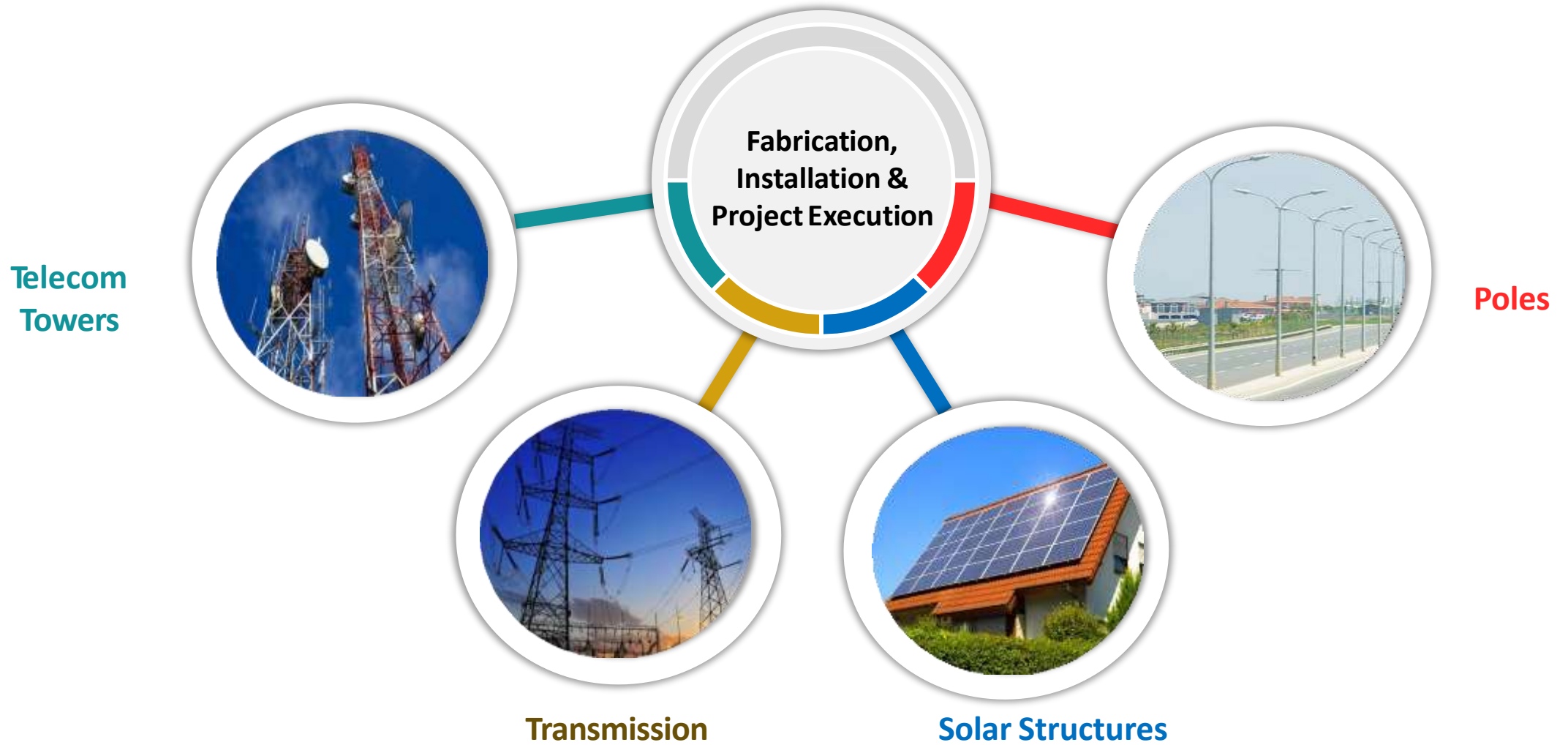


Business Overview





Business Verticals





Product Portfolio

- **Customized Galvanized and Non-galvanized steel structures**
 - ✓ Process of applying protective zinc coating to steel or iron, to prevent rusting
 - ✓ Forms zinc coating - serves as sacrificial anode and protects base metal from corroding

Angular

- Preferred for small towers with relatively light loads, mainly because of wide range of sizes, simple connections and low manufacturing cost

Monopoles

- Designed tapered single-pole tubular section
- Least intrusive – popular tower types in wireless communication



Tubular

- Made of bolted angles, especially used when stresses are low enough to allow relatively simple connections
- Lighter than angular towers because of reduced wind load on circular sections

Hybrid

- Built for large sites - requires independence from grid - employ independent source of energy



Product Portfolio contd...

Transmission Towers and Substation Structures

- Tall structure usually steel lattice used to support overhead power line
- Used in high-voltage AC and DC systems, and available in wide variety of shapes and sizes



Solar Module Mounting Structures

- Used to fix solar panels on surfaces like roofs, building facades or ground



Feeder Segregation and Rural Electrification

- Carrying out separation of high feeder for agricultural and non-agricultural consumers



Lighting Poles for Smart Cities

- Steel Structure to provide light on edge of road or walk way to provide visibility in darkness



Product Portfolio



Smart Poles

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





Key Strengths

State of Art Infrastructure

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

Partnership with Ramboll

- Tie up with Ramboll for technical expertise in Structural Design of Tubular Telecom Towers
- Market leader in innovative design & supply of tower solutions

Requisite Qualifications

- Qualified to bid for Rural Electrification projects
- Qualified by CORE (Central Organization for Railway Track Electrification)

Customer Centric

- Experienced team to work in any terrain and weather thereby attaining highest level of customer satisfaction



Strong Financial Capabilities

- Improving EBITDA Margins
- Strong return ratios

Operational Excellence

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

On time Delivery

- Capable to service and provide solutions within stipulated time frame
- Provides on time delivery of products to clients



State of art Manufacturing Facilities



Other Specifications

- Three state of art manufacturing units
- Approximately 1,30,000 square yards area in heart of National Capital Region's industrial hub
- Heavy overhead cranes and multiple Hydra equipment for seamless material loading and unloading
- Three fully equipped in-house Galvanizing plants
- Fabrication equipment and installed machinery is regularly upgraded

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)





Awards & Recognitions



- Best Tower Partner award from Indus Towers for 2014-15
- Excellence thru Collaboration award from Indus in 2014
- Best Partners award from Bharti Infratel for 2014-15

- One of Top PAN India Tower Supplier in VIOM and ATC
- **'Gold Award'** in Infra Structures (category: Tower manufacturing)
- Recognised as Indus **"Platinum Partner of the Year 2018 - 19"**





Bouquet of Satisfied Customers



Consolidated Financial Highlights





Joint Managing Director's Message

Commenting on the quarterly and Annual results, **Mr Shashank Agarwal**, Joint Managing Director, **Salasar Techno Engineering Ltd.** said,

“ We present the quarterly and Annual results of M/s Salasar Techno Engineering Ltd for the period ending Mar 2020. Our telecom business contributed 60 %, whereas transmission business contributed nearly 30 %. All our business segments offer significant headroom for growth and operating leverage as they scale up. Railways electrification continues to remain a key growth segment and will remain a focus area for us. Further the telecom has offered some very new and exciting opportunities due to huge data demand increase during the recent lockdown period. Overall, for our industry in particular, the whole mood is quite upbeat .

The overall slow down in the economy and the restructuring of Telecom Tower business by Jio and then partial impact on sales due to COVID 19 affected our overall sales in this quarter also. However towards the later half of this quarter the demand had started to build up and it is expected that the sales will further pick up in coming quarter. We envisage a good growth overall from telecom sector, as all our existing customers in this sector are expected to register good growth in the coming quarters and observe that there is thrust to create and strengthen the network for 4G and 5G.

As on 31st March your company was having an EPC order book in hand amounting to Rs 325 Crores to be executed in next six to eight quarters. Even during the lockdown orders worth Rs 60 Crores were received by your company from two State Power Corporations totaling the current orders in hand for EPC business amounting to Rs 385 Cr.

I would like to thank entire team of Salasar Techno Engineering for their untiring efforts and we assure that we at Salasar tirelessly work to achieve our goals of growth and value addition for all the stake holders.





Key Financial Highlights – Q4 FY20

Rs. 108.62 Cr

Revenue from Operations

Rs. 9.63 Cr

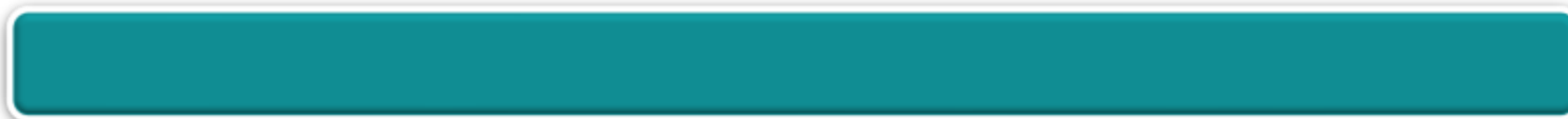
EBITDA

8.87 %

EBITDA Margin

Rs. 3.74

PAT





Q4FY20 Financial Highlights

Particulars (Rs. Cr.)	Q4 FY20	Q4 FY19	Q3 FY20
Income from Operation	108.62	187.59	100.97
Revenue from Operations	108.62	187.59	100.97
Cost of Material Consumed	93.37	142.95	60.87
Changes in Inventories	-12.66	4.33	19.82
Raw Material Expenses	80.71	147.28	80.69
Gross Profit	27.91	40.31	20.28
Gross Profit Margin	25.70%	21.49%	20.09%
Employee Expenses	9.84	8.28	6.28
Other Expenses	8.44	8.75	4.46
Total Expenditure	98.99	164.31	91.42
EBITDA	9.63	23.28	9.55
EBITDA Margin	8.87%	12.41%	9.45%
Other Income	0.95	0.13	0.34
Depreciation	1.28	1.19	1.27
Interest / Finance Cost	4.65	5.12	5.68
PBT	4.65	17.10	2.95
Tax	0.91	6.93	0.79
PAT	3.74	10.17	2.16
PAT Margin	3.44%	5.42%	2.14%
EPS	2.82	7.66	1.62



Key Financial Highlights – FY20

Rs. 526.25 Cr

Revenue from Operations

Rs. 51.81 Cr

EBITDA

9.84 %

EBIDTA Margin

Rs. 22.38 Cr

PAT

Delivered strong & consistent performance in telecom and transmission



FY20 Financial Highlights

Particulars (Rs. Cr.)	FY20	FY19
Income from Operation	526.25	654.88
Revenue from Operations	526.25	654.88
Cost of Material Consumed	397.58	534.06
Changes in Inventories	17.50	-8.04
Raw Material Expenses	415.08	526.02
Gross Profit	111.17	128.86
Gross Profit Margin	21.13%	19.68%
Employee Expenses	31.04	28.03
Other Expenses	28.33	27.47
Total Expenditure	474.44	581.52
EBITDA	51.81	73.36
EBITDA Margin	9.84%	11.20%
Other Income	1.71	0.86
Depreciation	4.99	4.60
Interest / Finance Cost	20.58	16.32
PBT	27.96	53.30
Tax	5.58	20.03
PAT	22.38	33.27
PAT Margin	4.25%	5.08%
EPS	16.84	25.04



Consolidated Balance Sheet as on 31st Mar2020

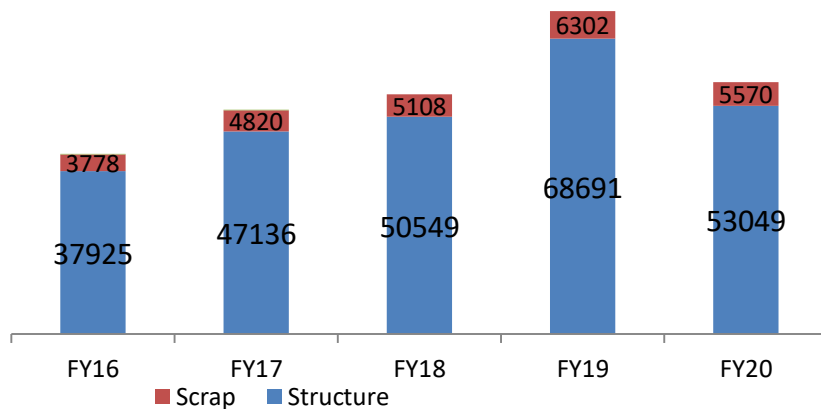
Rs. Crs	Mar-20	Mar-19
Equity	207.15	189.44
Equity Share Capital	13.29	13.29
Other Equity	193.86	176.15
Non-current liabilities	10.74	21.17
Financial Liabilities		
(a) Borrowing	5.22	4.89
(b) Other Financial liabilities	0.11	9.26
Provisions	2.33	1.28
Deferred Tax Liabilities (Net)	3.08	5.10
Other Current Liabilities	0.00	0.63
Current liabilities	235.65	261.53
Financial Liabilities		
(a) Borrowing	159.06	145.39
(b) Trade Payables	21.45	58.27
(c) Other Financial Liabilities	0.59	0.27
Provisions	0.34	0.15
Other Current Liabilities	54.21	56.67
Current Tax Liabilities (Net)	0.00	0.79
Total Equities & Liabilities	453.54	472.13

Rs. Crs	Mar-20	Mar-19
Non-current assets	105.59	86.56
Property, Plant and Equipment	91.42	77.30
Intangible Assets	0.00	0.00
Goodwill ON consolidation	0.00	0.00
Capital work in progress	0.00	0.00
Financial Assets		
Investments in JV	0.00	0.00
Other Financial Assets	14.17	9.27
Current assets	347.95	385.57
Inventories	93.54	117.93
Financial Assets		
Investments	1.49	2.05
Trade Receivables	214.10	217.24
Cash & Cash Equivalent	0.66	1.83
Bank Balance other than above	8.49	9.90
Other Financial Assets	11.77	9.42
Current Tax Assets	1.59	0.00
Other Current Assets	16.31	27.19
Total Assets	453.54	472.13

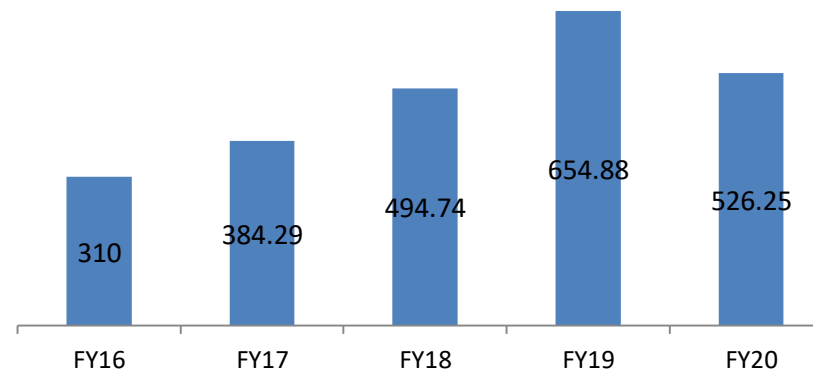


Key Financial Highlights - Yearly

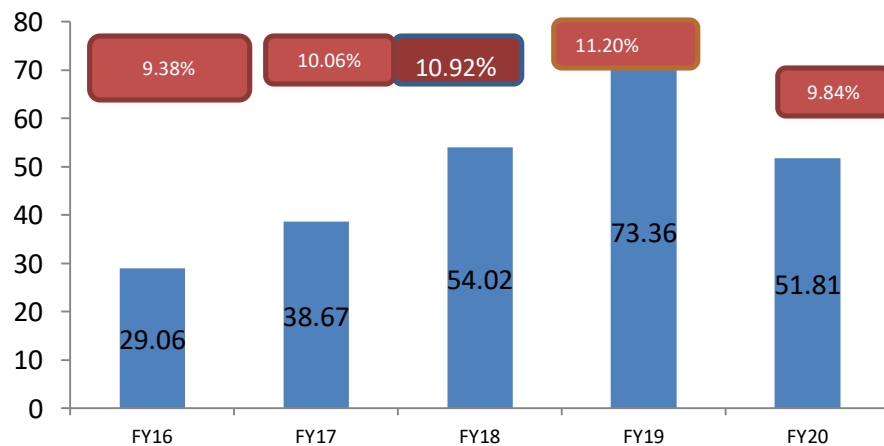
Dispatch Volumes (MT)



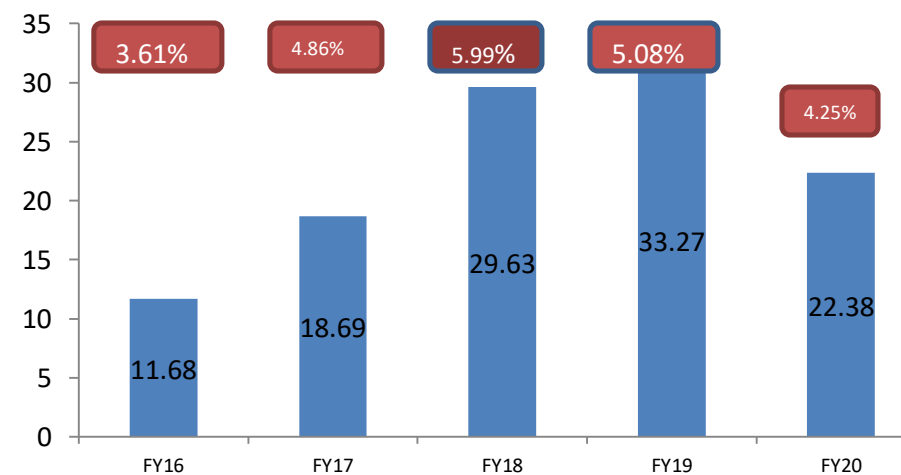
Revenue from Operations (Rs. Crs)



EBITDA (Rs. Crs) / Margin (%)



PAT (Rs. Crs) / Margin (%)





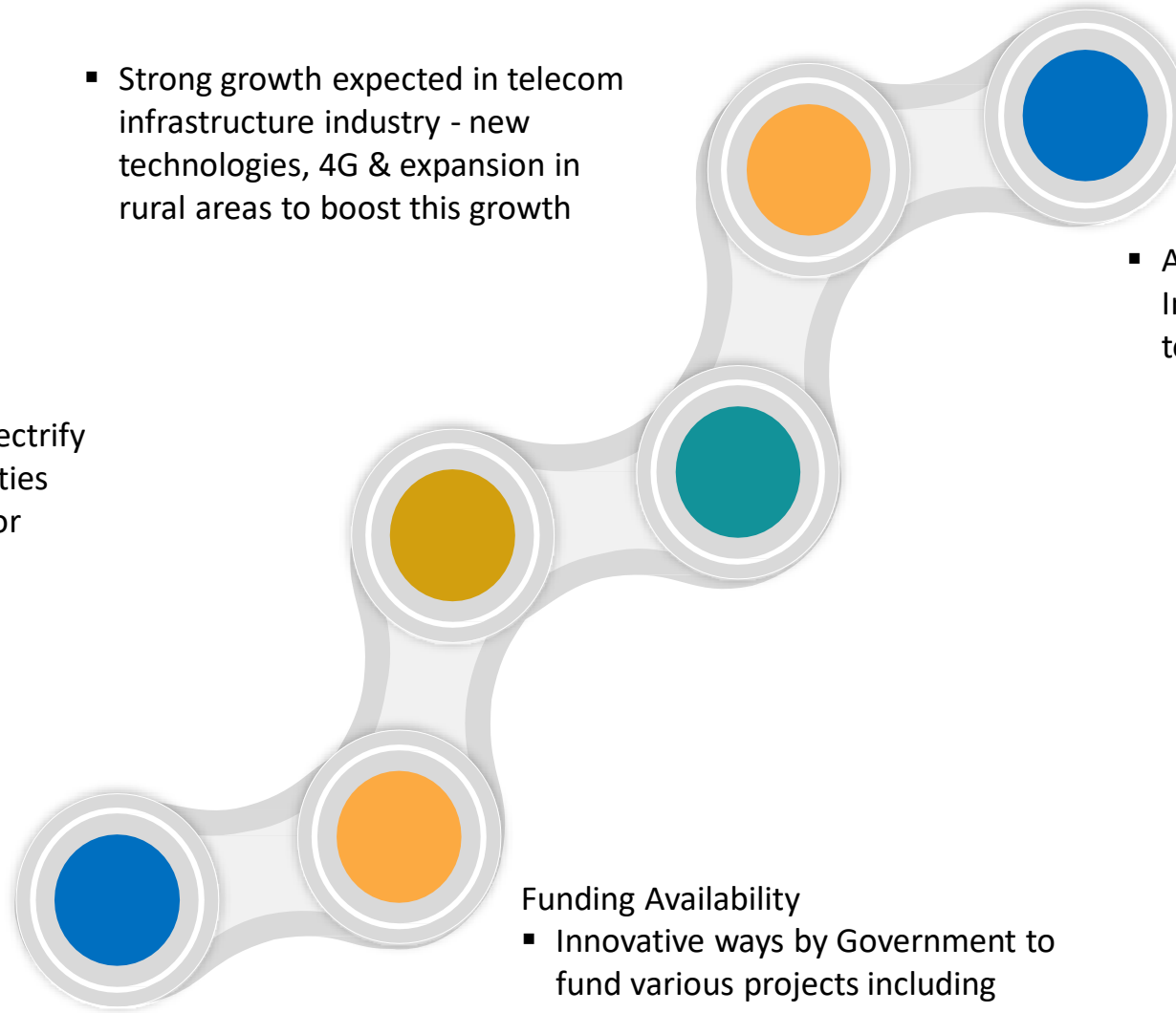
Way Ahead





Industry Opportunities

- Governments initiatives to electrify rural areas and build smart cities thereby increasing demand for Smart Poles
- Strong growth expected in telecom infrastructure industry - new technologies, 4G & expansion in rural areas to boost this growth
- Around 70 per cent of towers in India are owned and operated by tower companies
- Funding Availability
 - Innovative ways by Government to fund various projects including Smart City and others





Way Ahead

Utilization of Incremental Capacity and Expanding Product Portfolio

- Fully utilize additional 50,000 MT Galvanizing unit installed in FY18
- Continue to expand product portfolio by upgrading existing and introducing new products to maintain market share and engage new customers
- Continued focus on EPC esp. Power & Railway

Expanding Design & Engineering Capabilities

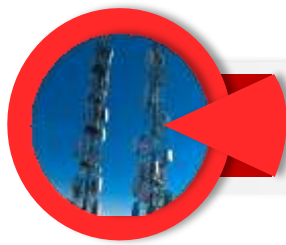
- Invest in design and engineering services to provide additional value to customers
- Emphasis on process, product innovation and value engineering solutions in order to meet requirements of wider range of products

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

Developing Camouflaging Capabilities for Monopoles

- Develop capabilities to provide better camouflage solution for evolving telecom industry
- To meet demands of consumers who prefers small towers



Thank You



For further information, please contact:

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