

Dated: 14.08.2018

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**

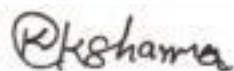
Dear Sir/Madam

Please find attached herewith Investor Presentation of the Company w.r.t. Financial Results of the Company for quarter ended and year ended 30<sup>th</sup> June, 2018, for your record and further dissemination.

Kindly take the same on record.

Thanking You,

Yours Sincerely

For **Salasar Techno Engineering Limited**

**Kalesh Kumar Sharma**  
(Chief Financial Officer)

**SALASAR TECHNO ENGINEERING LTD.**

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Ph. : +91 8938802180 / 7351991000 Fax : +91-11-45823834  
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CIN No. U23201DL2001PLC174076 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**

**Result Update Presentation  
August 2018**





# Disclaimer



**SALASAR**

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# Disclaimer

**Consolidated Financial Highlights**

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## Consolidated Financial Highlights

# Management Comment

**SALASAR**

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

*I am happy to share that we have been approved by Central Organisation for Railway Electrification (CORE) to supply railway overhead electrification towers which we see as a very big opportunity going forward. This development will help us to further diversify our business and help us achieve our goal of becoming one of the prominent players in the industry.*

*This quarter, we have registered a strong revenue growth of 39% and recorded significant increase in our overall profit of over 46%. This growth was driven by our telecom business, newly added railway overhead electrification towers business and EPC business. Our focus on increasing market share, major cost reduction initiatives and efficiency improvements have been on fast track in the last few months. Apart from growing our existing business we are also focusing on railway track electrification structures where we see robust demand.*

*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 – Q1 FY19 (YoY)

**SALASAR**

**+39%**

**Rs. 162.99\*\* Cr**

Revenue

**+44%**

**Rs. 17.59 Cr**

EBITDA

**+37bps**

**10.79%**

EBITDA Margin

**+46%**

**Rs. 8.92 Cr**

PAT

**+25bps**

**5.47%**

PAT Margin

**+9%**

**Rs 6.71 vs Rs 6.14**

**Q1 FY18**

**EPS\***

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

*\*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017*

*\*\*In accordance with the requirements of IND AS18, Revenue from operations for the quarter ended 30<sup>th</sup> June 2018 is shown net of GST*

# Consolidated Financial Highlights – Q1 FY19



Rs. Cr	Q1 FY19	Q1 FY18	Y-o-Y(%)	Q4 FY18
<b>Revenue from Operation</b>	162.99	125.06		145.77
Excise Duty	0.00	7.95		0.00
<b>Net Income from Operations</b>	<b>162.99</b>	<b>117.12</b>	<b>39.17%</b>	<b>145.77</b>
Cost of Material Consumed	124.97	83.11		111.76
Changes in Inventories, WIP	(5.33)	(5.43)		(17.42)
Employee Expenses	6.34	4.96		7.95
Other Expenses	19.42	22.28		27.44
<b>Total Expenditure</b>	<b>145.40</b>	<b>104.91</b>		<b>129.74</b>
<b>EBITDA</b>	<b>17.59</b>	<b>12.21</b>	<b>44.14%</b>	<b>16.04</b>
<b>EBITDA Margin</b>	<b>10.79%</b>	<b>10.42%</b>	<b>37 bps</b>	<b>11.00%</b>
Other Income	0.22	0.06		0.81
Depreciation	1.08	0.92		0.92
Interest / Finance Cost	3.03	2.30		1.77
Exceptional Item (Gain) / Loss	0.00	(0.16)		0.25
<b>PBT</b>	<b>13.70</b>	<b>8.89</b>	<b>54.07%</b>	<b>14.42</b>
Tax	4.78	2.78		4.95
<b>PAT</b>	<b>8.92</b>	<b>6.11</b>	<b>46.00%</b>	<b>9.47</b>
<b>PAT Margin</b>	<b>5.47%</b>	<b>5.22%</b>	<b>25 bps</b>	<b>6.49%</b>
Other comprehensive income	0.00	0.00		0.05
<b>Net Profit</b>	<b>8.92</b>	<b>6.11</b>	<b>46.00%</b>	<b>9.47</b>
<b>EPS</b>	<b>6.71</b>	<b>6.14</b>	<b>9.28%</b>	<b>7.74</b>

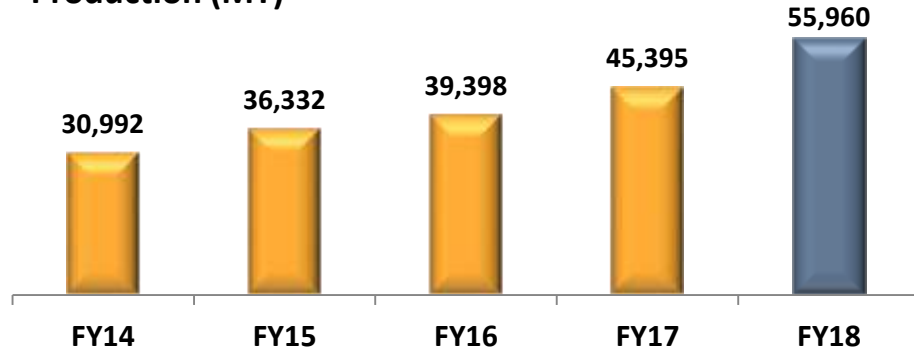
\*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017

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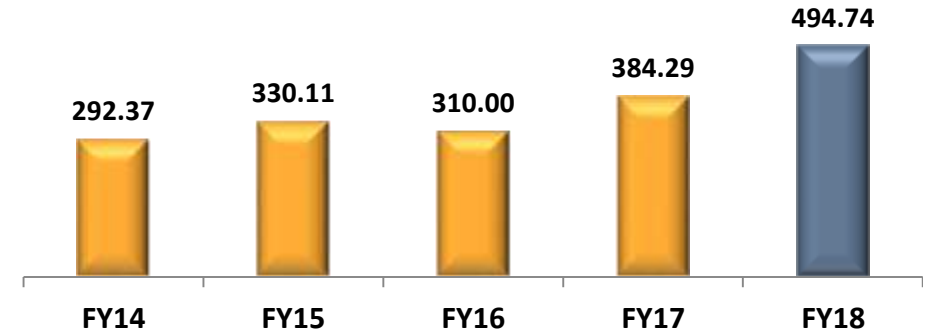


# Consolidated Financial Highlights – Annual

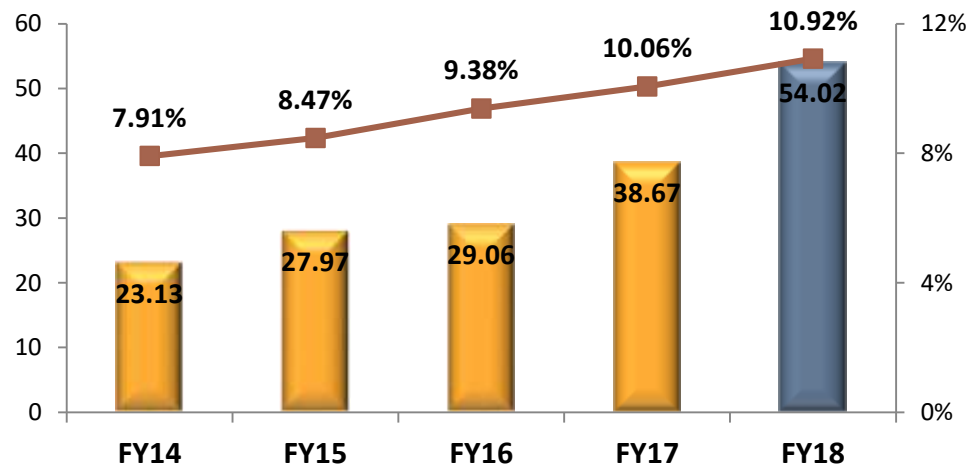
**Production (MT)**



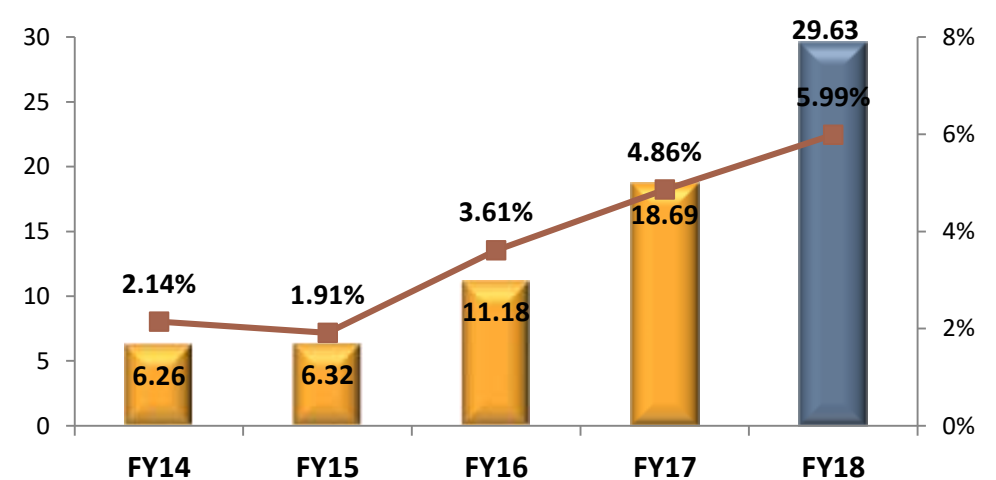
**Revenue (Rs. Crs)**



**EBITDA (Rs. Crs) / Margin (%)**



**PAT (Rs. Crs) / Margin (%)**



\*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017

\*\* Numbers have been Restated as per Indian Accounting Standards (Ind AS18)

# Consolidated Financial Highlights – Annual

**SALASAR**

**+28.74%**

**Rs 494.74\*\* Cr**

Revenue

**+39.67 %**

**Rs. 54.02 Cr**

EBITDA

**+86 bps**

**10.92 %**

EBITDA Margin

**+58.48%**

**Rs. 29.63 Cr**

PAT

**+113 bps**

**5.99 %**

PAT Margin

**+28.37 %**

**Rs 24.21 vs Rs  
18.86 FY17**

EPS\*

*\*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017*

*\*\* Numbers have been Restated as per Indian Accounting Standards (Ind AS18)*

# Consolidated Financial Highlights – Annual



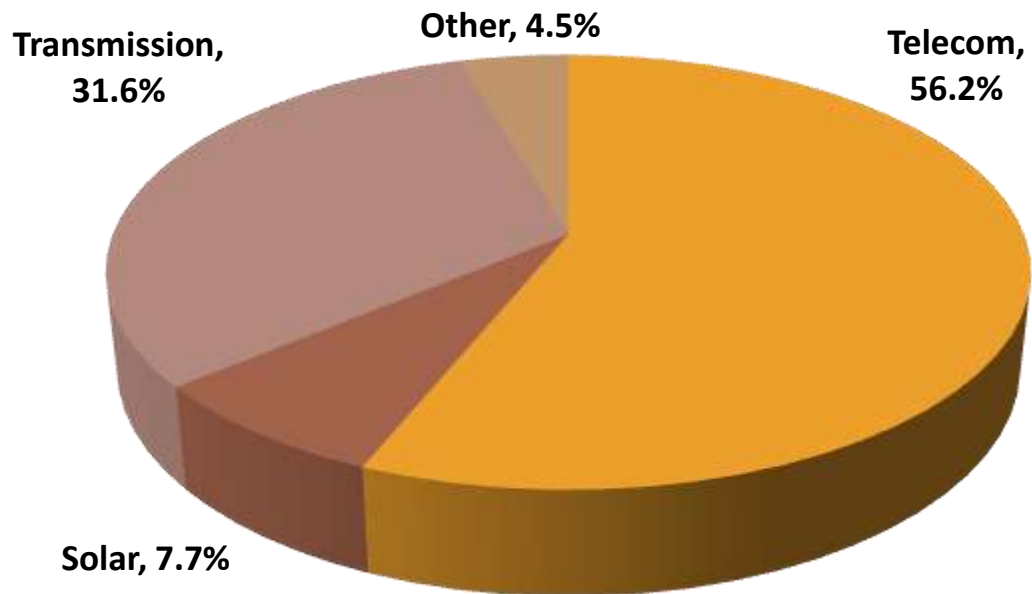
Rs. Cr	FY18	FY17	Y-o-Y(%)
<b>Revenue from Operation</b>	502.69	416.24	
Excise Duty	7.95	31.96	
<b>Net Income from Operations</b>	<b>494.74</b>	<b>384.29</b>	<b>28.74%</b>
Cost of Material Consumed	355.39	266.69	
Changes in Inventories	-19.01	-24.95	
Employee Expenses	22.96	14.25	
Other Expenses	81.39	89.62	
<b>Total Expenditure</b>	<b>440.73</b>	<b>345.61</b>	
<b>EBITDA</b>	<b>54.02</b>	<b>38.67</b>	<b>39.67%</b>
<b>EBITDA Margin</b>	<b>10.92%</b>	<b>10.06%</b>	<b>86bps</b>
Other Income	1.24	0.36	
Depreciation	3.86	3.29	
Interest / Finance Cost	8.42	7.45	
Exceptional Item (Gain) / Loss	0.26	0.51	
<b>PBT</b>	<b>43.23</b>	<b>28.80</b>	<b>50.11%</b>
Tax	13.61	10.11	
<b>PAT</b>	<b>29.63</b>	<b>18.69</b>	<b>58.48%</b>
<b>PAT Margin</b>	<b>5.99%</b>	<b>4.86%</b>	<b>113bps</b>
<b>Other comprehensive income</b>	<b>0.00</b>	<b>0.00</b>	
<b>Net Profit</b>	<b>29.63</b>	<b>18.69</b>	<b>58.48%</b>
<b>EPS</b>	<b>24.21</b>	<b>18.86</b>	<b>28.37%</b>

\*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017

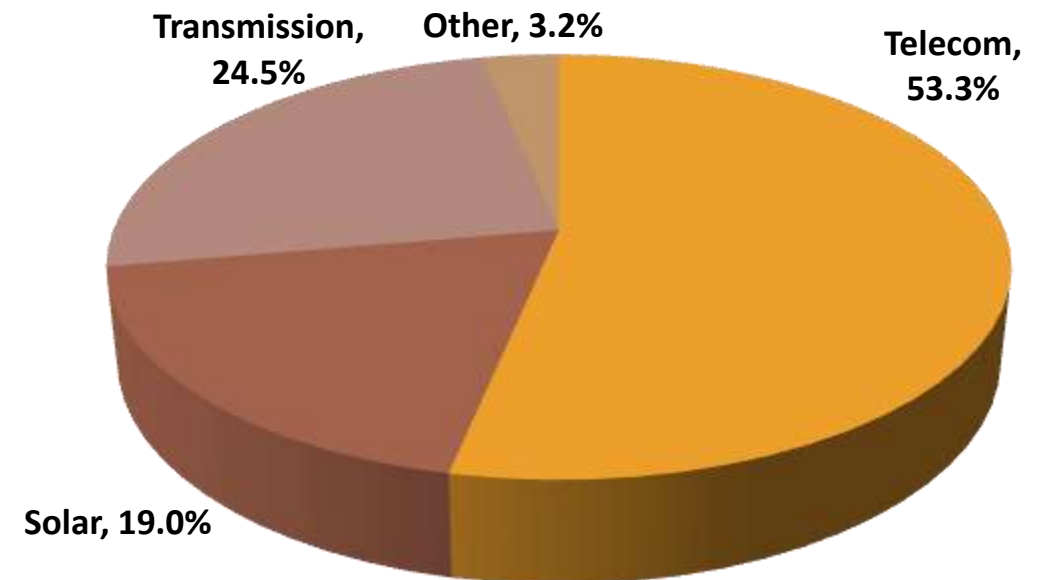
\*\* Numbers have been Restated as per Indian Accounting Standards (Ind AS18)

# Segmental Performance

### Revenue Break-up – FY18



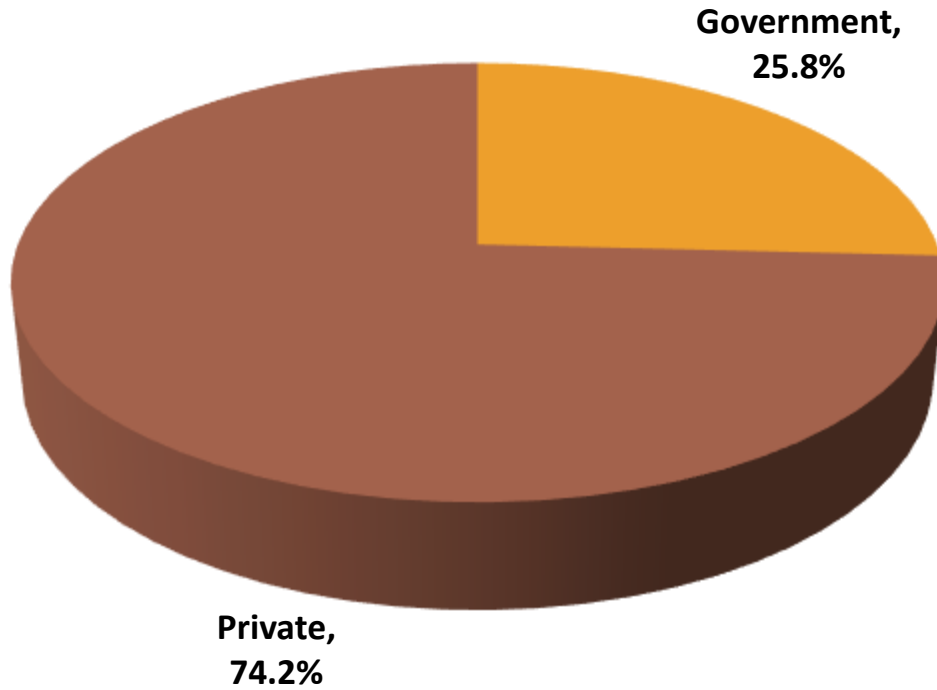
### Revenue Break-up – FY17



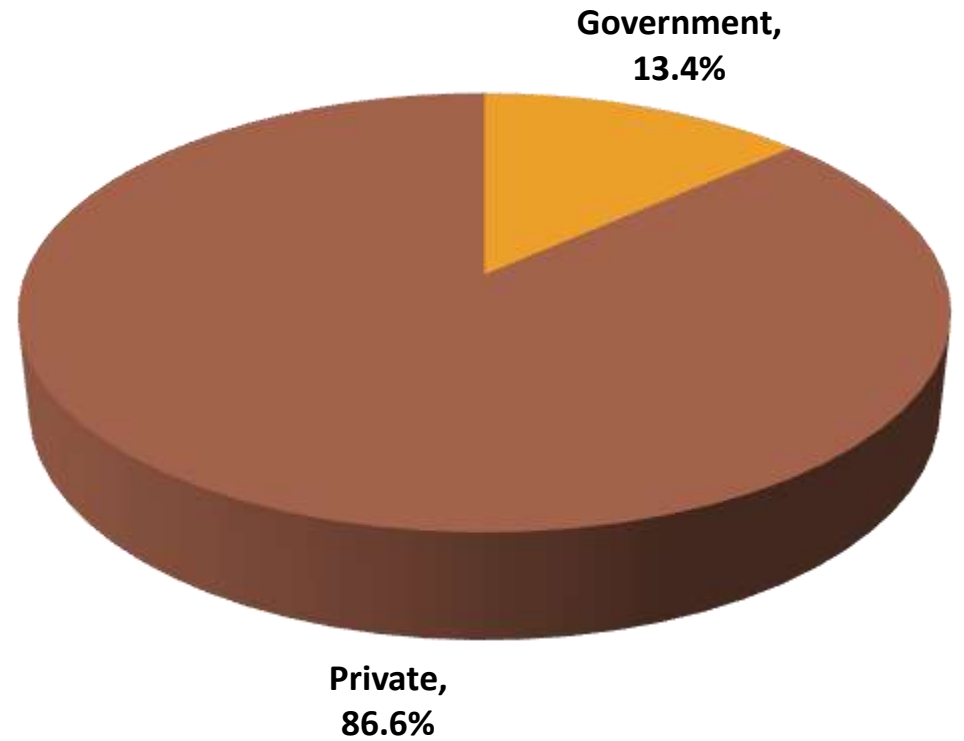
# Revenue Contribution – Govt. Vs Private



Revenue Break-up – FY18



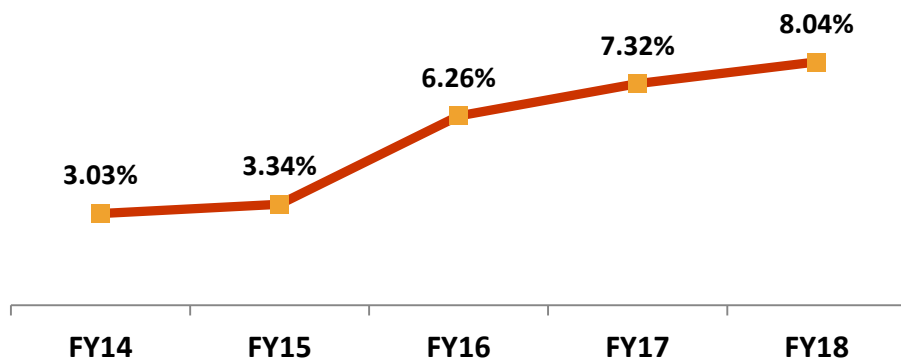
Revenue Break-up – FY17



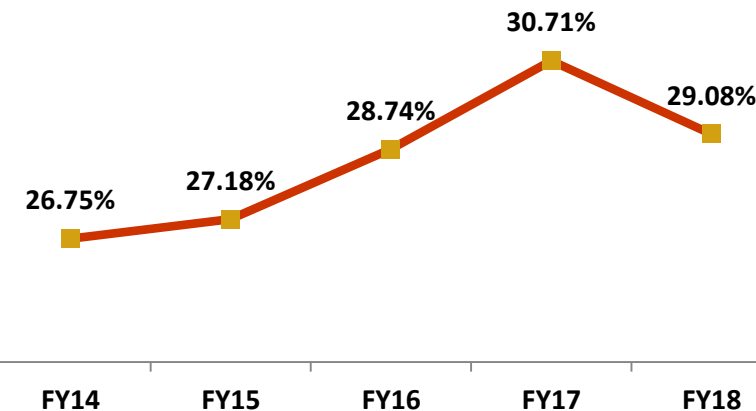
# Key Financials Ratios



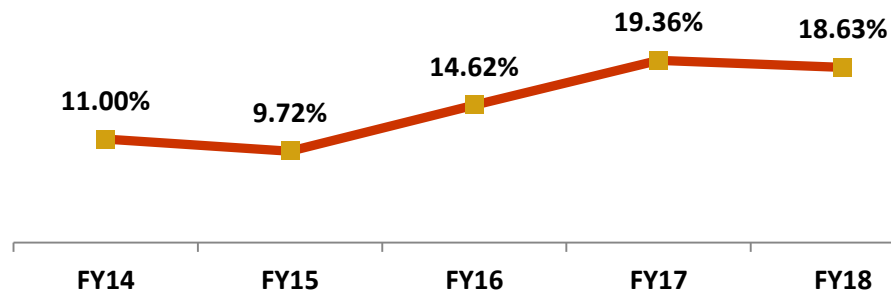
ROA (%)



RoCE (%)



RoE (%)



ROA= Net Profit / Total Assets; ROCE = EBIT/(Total Assets-Current Liabilities); ROE= Net Profit/ Net Worth

\*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017; \*\* Numbers have been Restated as per Indian Accounting Standards (Ind AS18)

# Consolidated Balance Sheet as on 31<sup>st</sup> Mar'18



Rs. Crs	Mar'18	Mar'17
<b>Equity</b>	<b>158.99</b>	<b>96.56</b>
Equity Share Capital	13.29	9.96
Other Equity	145.71	86.60
<b>Non-current liabilities</b>	<b>17.74</b>	<b>19.84</b>
<b>Financial Liabilities</b>		
(a) Borrowing	4.77	7.05
(b) Other Financial liabilities	8.29	7.51
Provisions	1.23	0.90
Deferred Tax Liabilities (Net)	1.97	2.06
Other Current Liabilities	1.47	2.32
<b>Current liabilities</b>	<b>191.60</b>	<b>138.98</b>
<b>Financial Liabilities</b>		
(a) Borrowings	104.25	61.60
(b) Trade Payables	32.01	34.10
(c) Other Financial Liabilities	0.20	0.12
Provisions	0.29	1.01
Other Current Liabilities	52.21	39.85
Current Tax Liabilities (Net)	2.63	2.30
<b>Total Equities &amp; Liabilities</b>	<b>368.33</b>	<b>255.38</b>

Rs. Crs	Mar'18	Mar'17
<b>Non-current assets</b>	<b>79.10</b>	<b>67.21</b>
Property, Plant and Equipment	71.71	61.58
Intangible Assets	0.00	0.00
Capital Work in Progress	1.08	0.00
<b>Financial Assets</b>		
Investments in JV	0.00	0.00
Other Financial Assets	6.31	5.63
<b>Current assets</b>	<b>289.23</b>	<b>188.17</b>
Inventories	89.01	68.82
<b>Financial Assets</b>		
Investments	0.41	1.21
Trade Receivables	151.62	79.71
Cash & Cash Equivalent	6.15	0.23
Bank Balance other than above	8.94	6.15
Other Financial Assets	9.48	17.79
Current Tax Assets	0.00	0.00
Other Current Assets	23.63	14.27
<b>Total Assets</b>	<b>368.33</b>	<b>255.38</b>



## Company Overview



## Focus on Innovative Products

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

Installation of new Galvanizing Plant at its wholly owned subsidiary – Salasar Stainless Limited

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

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

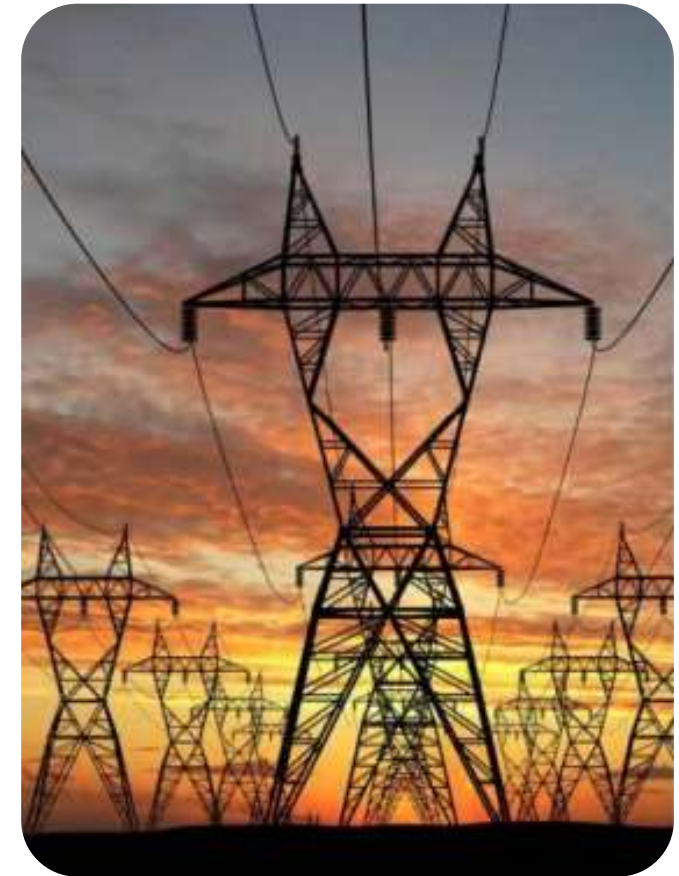
For Telecommunication Towers, Transmission Towers & Substation Structures and Solar Module Mounting Structures

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

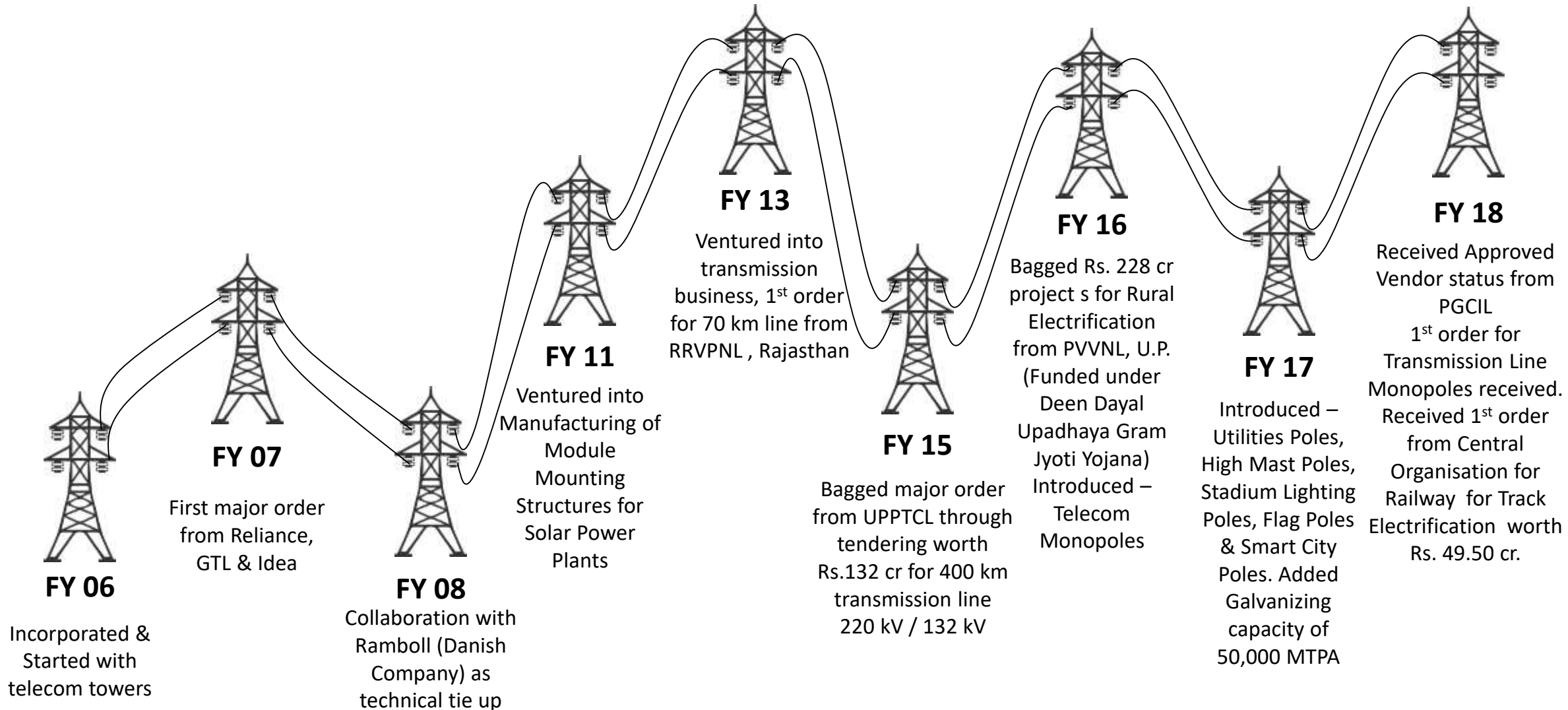
for Ramboll's technical expertise in Telecom towers structural design

**Leading player in Telecom Tower Business**

Supplied more than 20,000 towers of various designs of Angular, Tubular and Hybrid Ground Based Towers (GBT) and Roof Top Towers (RTT) since inception



# 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. Kamlesh Kumar Sharma**

**Chief Finance Officer**

- Member of Institute of Chartered Accountants of India
- More than 5 years of experience in finance & internal auditing
- Prior association with M/s Supreme Alloys Limited as an Internal Auditor



# 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

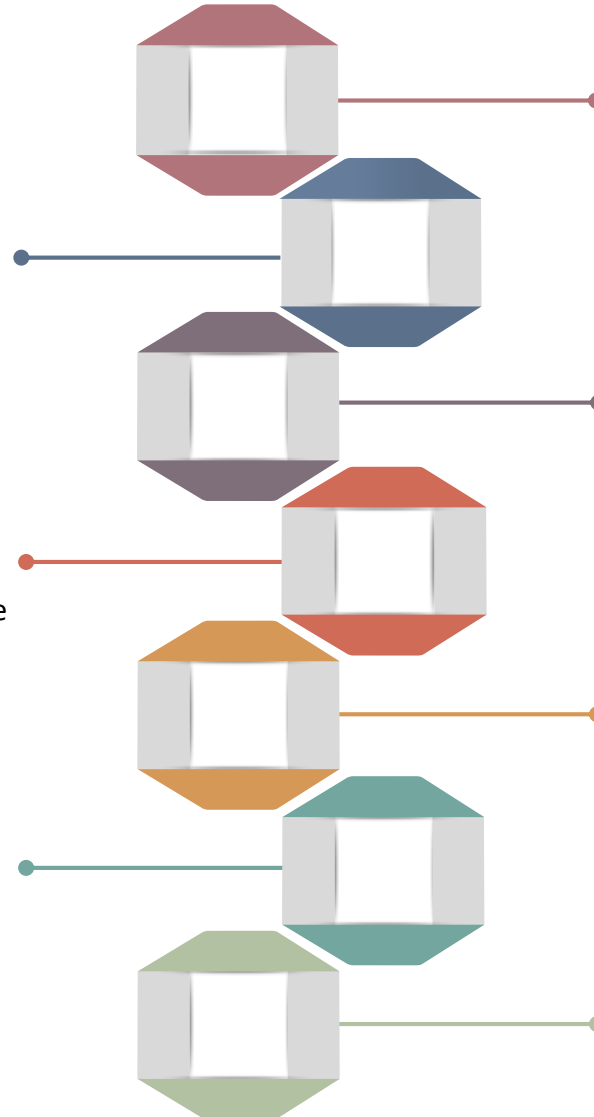
- Upward trend in EBITDA Margins
- Strong return ratios

## 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) – Salasar Stainless Ltd.

## Other Specifications

- 3 state of the art manufacturing units including 1 Subsidiary unit
- 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

**SALASAR**





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 the 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 the fifth largest power generation capacity in the world
- The 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 the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all

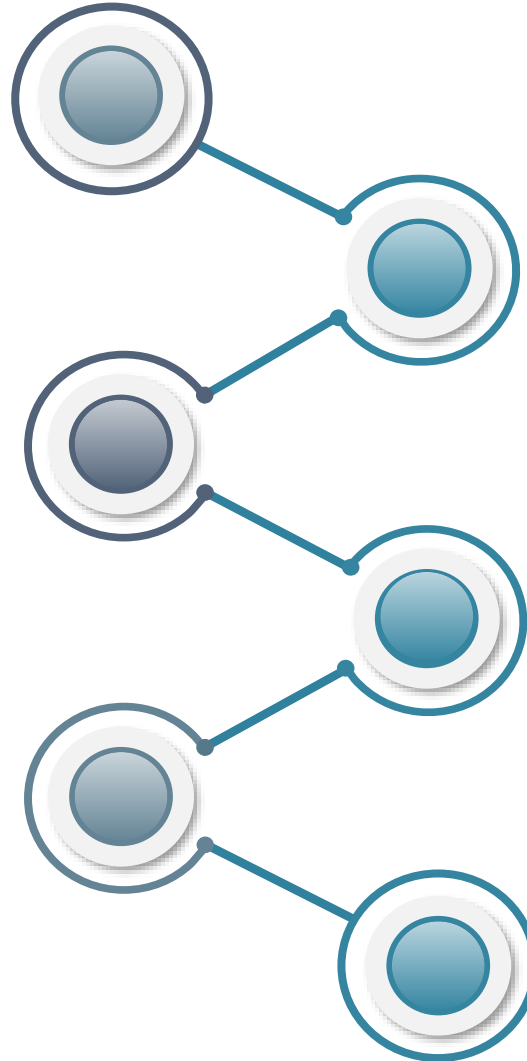


# Industry Opportunities

- 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

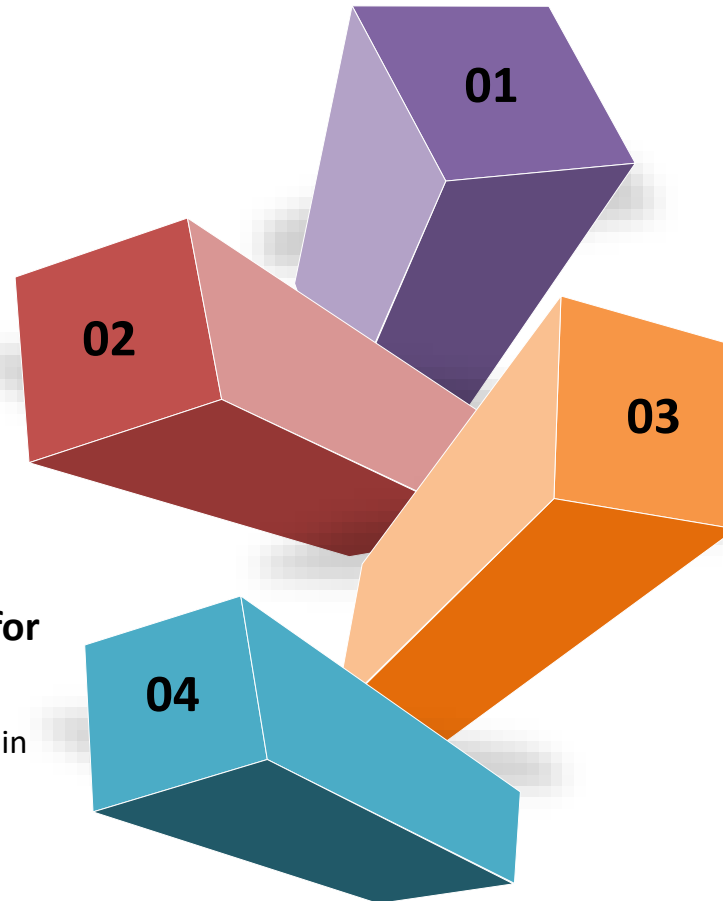


## Expanding Design & Engineering Capabilities

- 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**

 **SALASAR IN**

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