

23<sup>rd</sup> May, 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 31<sup>st</sup> March, 2018, for your record and further dissemination.

Kindly take the same on record.

Thanking you,

For **Salasar Techno Engineering Limited**



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

**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 : +91-11-45823834  
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Office : KL - 46, Kavi Nagar, Ghaziabad-201002 (U.P.) Ph. : +91 120 - 6546670, Fax : 91 - 11 - 45823834  
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  
May 2018**





# Disclaimer



**SALASAR**

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# Disclaimer



01 Consolidated Financial Highlights



02 Company Overview



03 Business Overview



04 Industry Overview



05 Way Ahead



## Consolidated Financial Highlights

# Management Comment

**SALASAR**

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

*“This financial year, we have registered a strong revenue growth of 29% and recorded significant increase in our overall profit of over 58%. Our telecom business has contributed more than 56% backed by strong demand from telecom operators to develop new sites and increase their coverage area. Also, our EPC business has contributed 32% and played a major role, as we try to increase our share of EPC business in overall revenue.*

*Our Company has continued to maintain its strong position in the manufacturing of telecom tower products. Our ability to offer a complete portfolio of angular, tubular and various other designs has made us a preferred partner with our customers.*

*Our focus will continue to deliver value to our clients; to contribute to the manufacturing drive of the nation; give career & growth opportunities to our employees and grow profitability ultimately leading to maximization of shareholder value & return. 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 – Q4 FY18

**SALASAR**

**+7.87%**

**Rs. 145.77\*\* Cr**

Revenue

**+16.71%**

**Rs. 16.04 Cr**

EBITDA

**+83bps**

**11.00%**

EBITDA Margin

**+32.04%**

**Rs. 9.47 Cr**

PAT

**+119bps**

**6.49%**

PAT Margin

**+7.50%**

**Rs 7.74 vs Rs 7.20**

**Q4 FY17**

**EPS\***

**Delivered strong & consistent performance in telecom and transmission**

*\*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 31<sup>st</sup> March 2018 is shown net of GST*

# Consolidated Financial Highlights – Q4 FY18



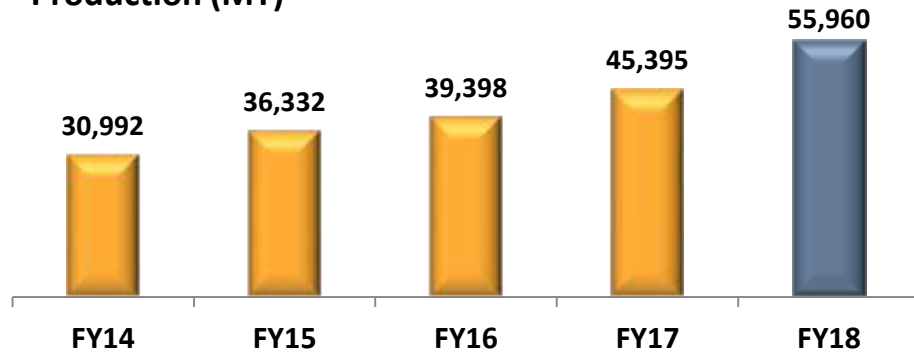
Rs. Cr	Q4 FY18	Q4 FY17	Y-o-Y(%)	Q3 FY18
<b>Revenue from Operation</b>	145.77	145.90		132.26
Excise Duty	0.00	10.76		0.00
<b>Net Income from Operations</b>	<b>145.77</b>	<b>135.14</b>	<b>7.87%</b>	<b>132.26</b>
Cost of Material Consumed	111.76	88.03		94.25
Changes in Inventories, WIP	(17.42)	(8.72)		(2.13)
Employee Expenses	7.95	4.63		4.89
Other Expenses	27.44	37.46		20.50
<b>Total Expenditure</b>	<b>129.74</b>	<b>121.40</b>	<b>6.87%</b>	<b>117.52</b>
<b>EBITDA</b>	<b>16.04</b>	<b>13.74</b>	<b>16.71%</b>	<b>14.75</b>
<b>EBITDA Margin</b>	<b>11.00%</b>	<b>10.17%</b>	<b>83bps</b>	<b>11.15%</b>
Other Income	0.81	0.20		0.30
Depreciation	0.92	0.86		1.09
Interest / Finance Cost	1.77	2.30		2.43
Exceptional Item (Gain) / Loss	0.25	0.02		0.04
<b>PBT</b>	<b>14.42</b>	<b>10.80</b>	<b>33.51%</b>	<b>11.57</b>
Tax	4.95	3.63		3.10
<b>PAT</b>	<b>9.47</b>	<b>7.17</b>	<b>32.04%</b>	<b>8.46</b>
<b>PAT Margin</b>	<b>6.49%</b>	<b>5.30%</b>	<b>119bps</b>	<b>6.40%</b>
Other comprehensive income	0.05	0.00		0.00
<b>Net Profit</b>	<b>9.47</b>	<b>7.17</b>	<b>32.04%</b>	<b>8.46</b>
<b>EPS</b>	<b>7.74</b>	<b>7.20</b>	<b>7.50%</b>	<b>6.92</b>

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

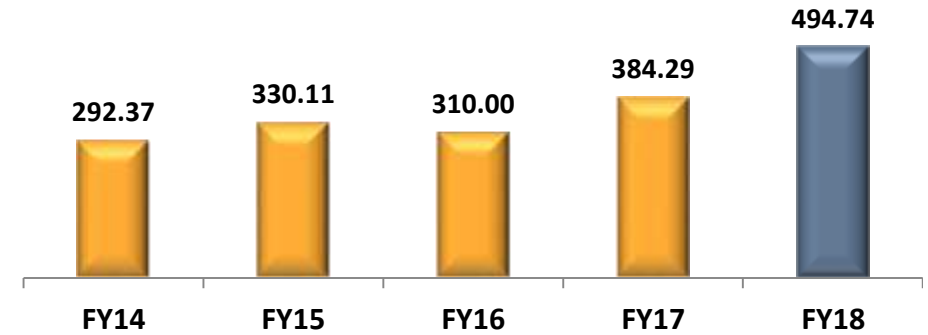
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# Consolidated Financial Highlights – Annual

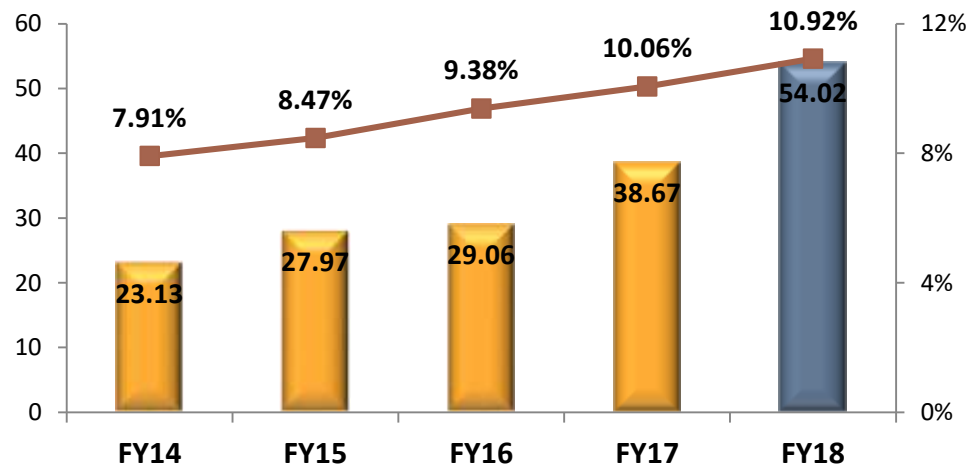
**Production (MT)**



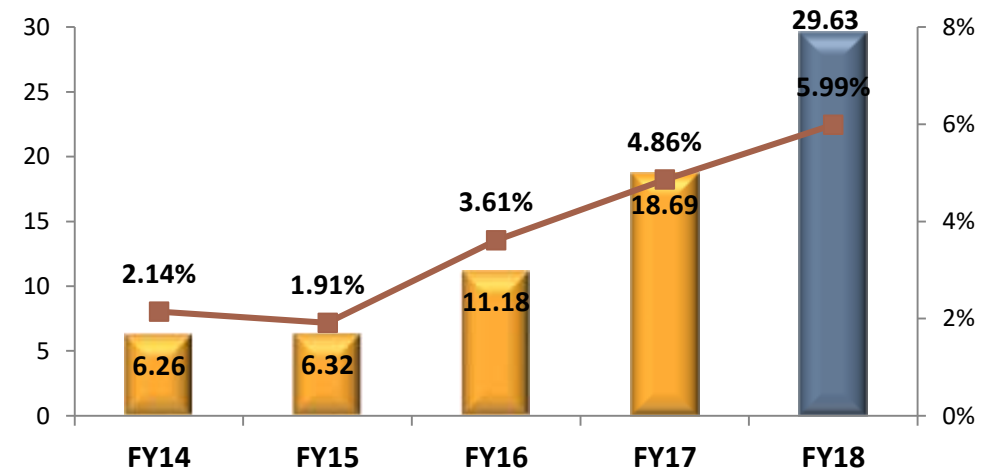
**Revenue (Rs. Crs)**



**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



**+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



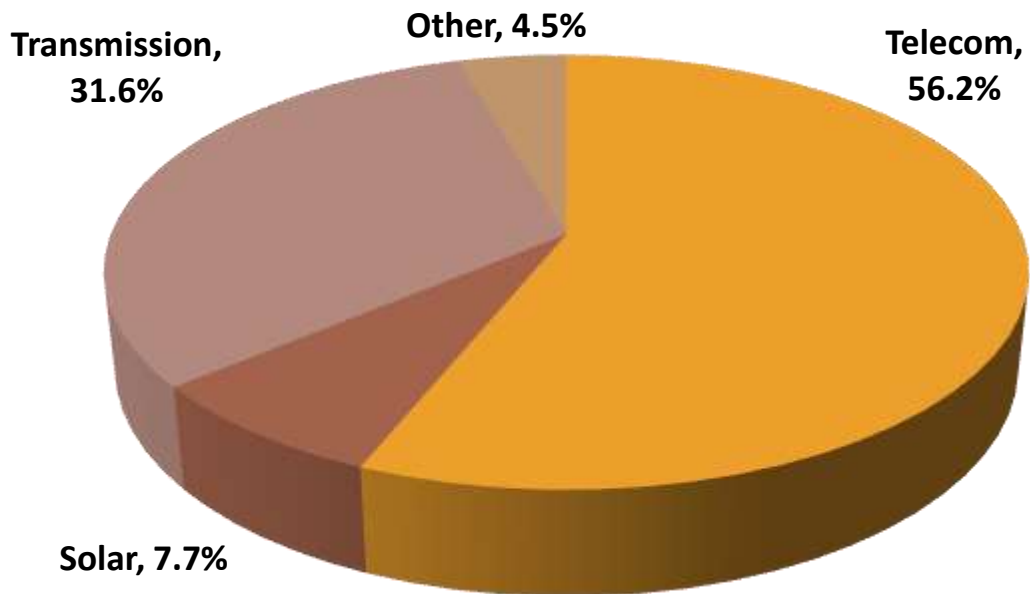
Rs. Cr	FY18	FY17	Y-o-Y(%)
<b>Revenue from Operation</b>	502.69	416.24	
Excise Duty	7.95	31.96	
<b>Net Income from Operations</b>	<b>494.74</b>	<b>384.29</b>	<b>28.74%</b>
Cost of Material Consumed	355.39	266.69	
Changes in Inventories	-19.01	-24.95	
Employee Expenses	22.96	14.25	
Other Expenses	81.39	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

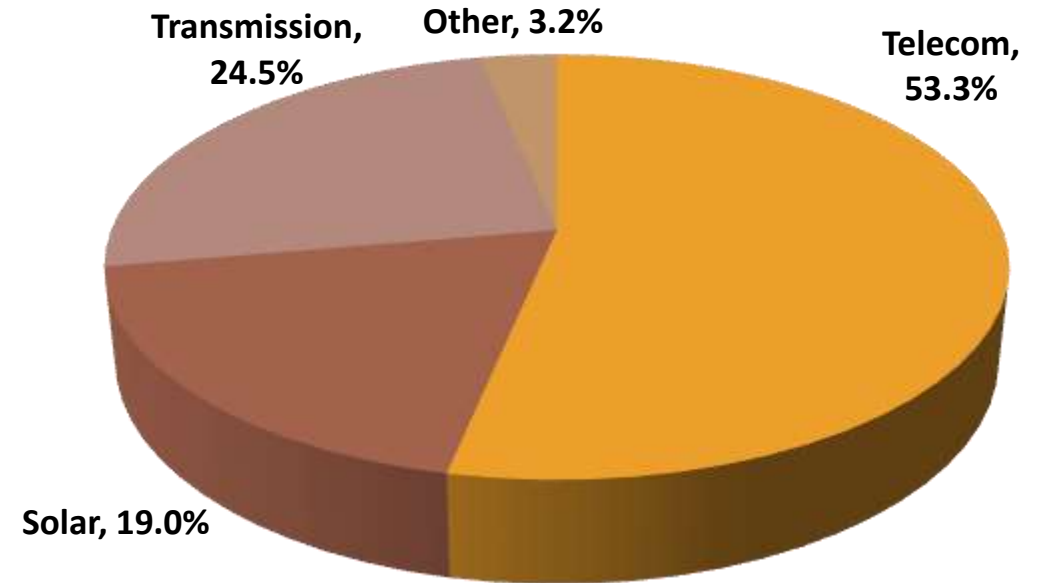
\*\* Numbers have been Restated as per Indian Accounting Standards (Ind AS18)

# Segmental Performance

Revenue Break-up – FY18

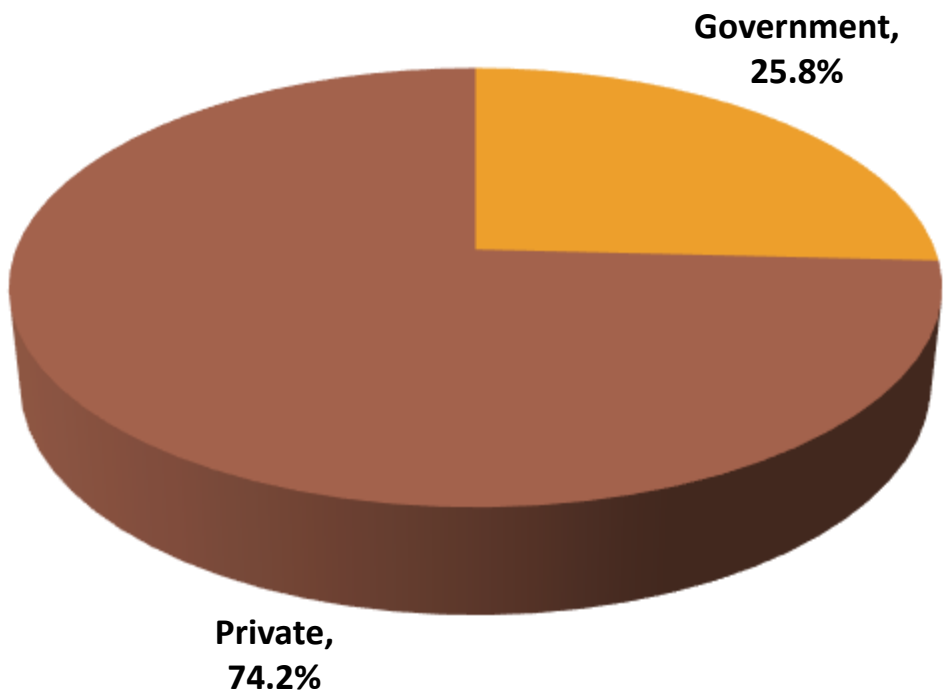


Revenue Break-up – FY17

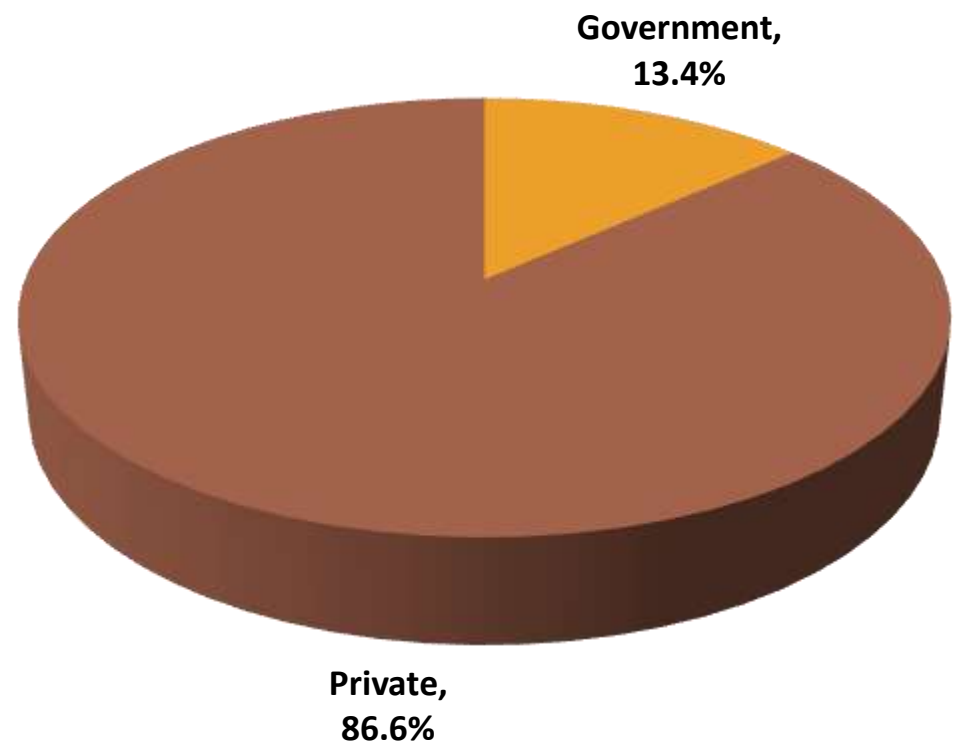


# Revenue Contribution – Govt. Vs Private

Revenue Break-up – FY18

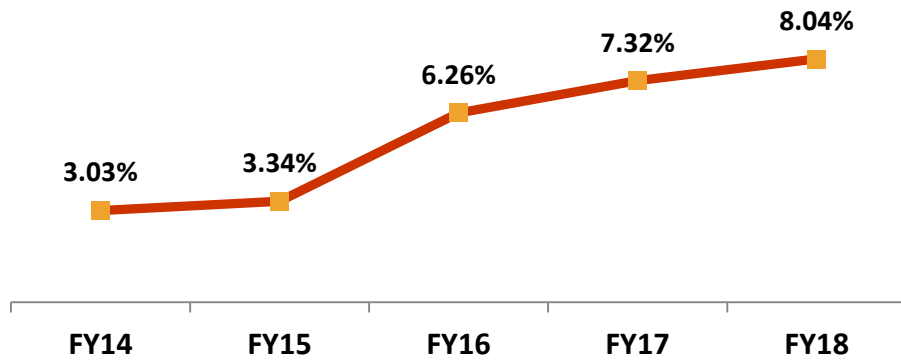


Revenue Break-up – FY17

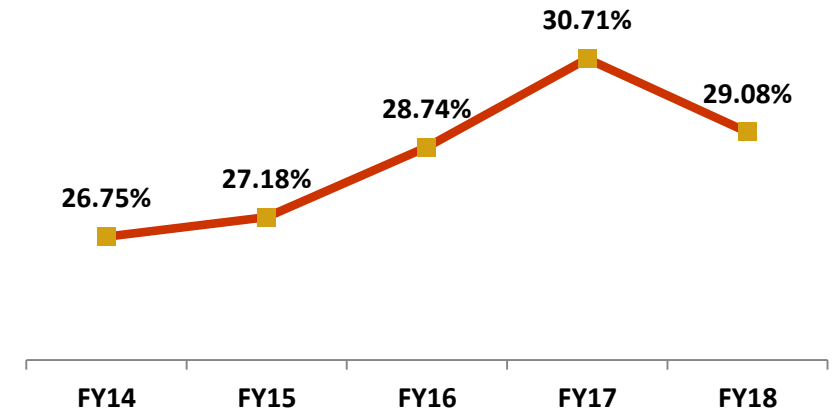


# Key Financials Ratios

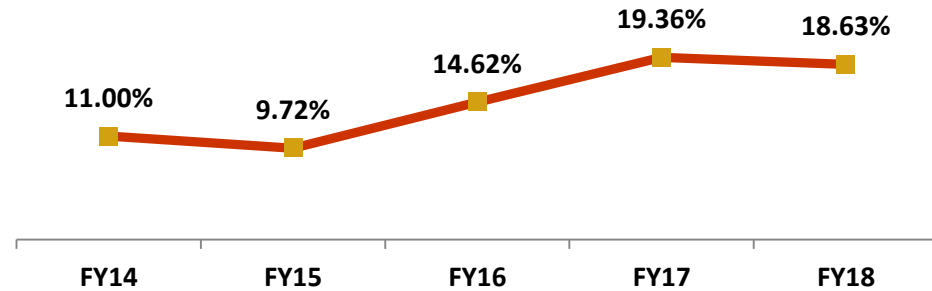
ROA (%)



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>



**SALASAR**

**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**

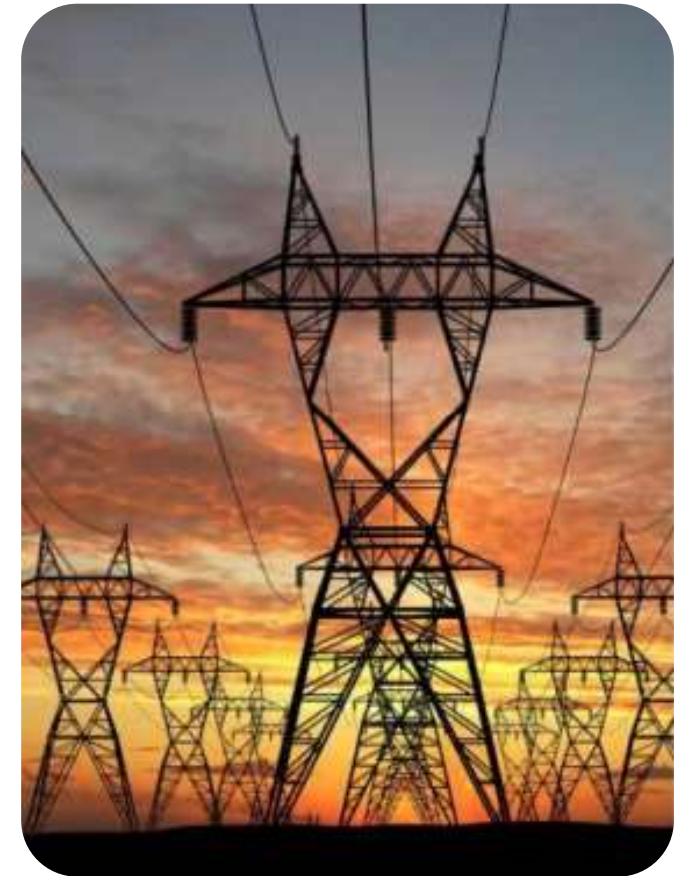
For Telecommunication Towers, Transmission Towers & Substation Structures and Solar Module Mounting Structures

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

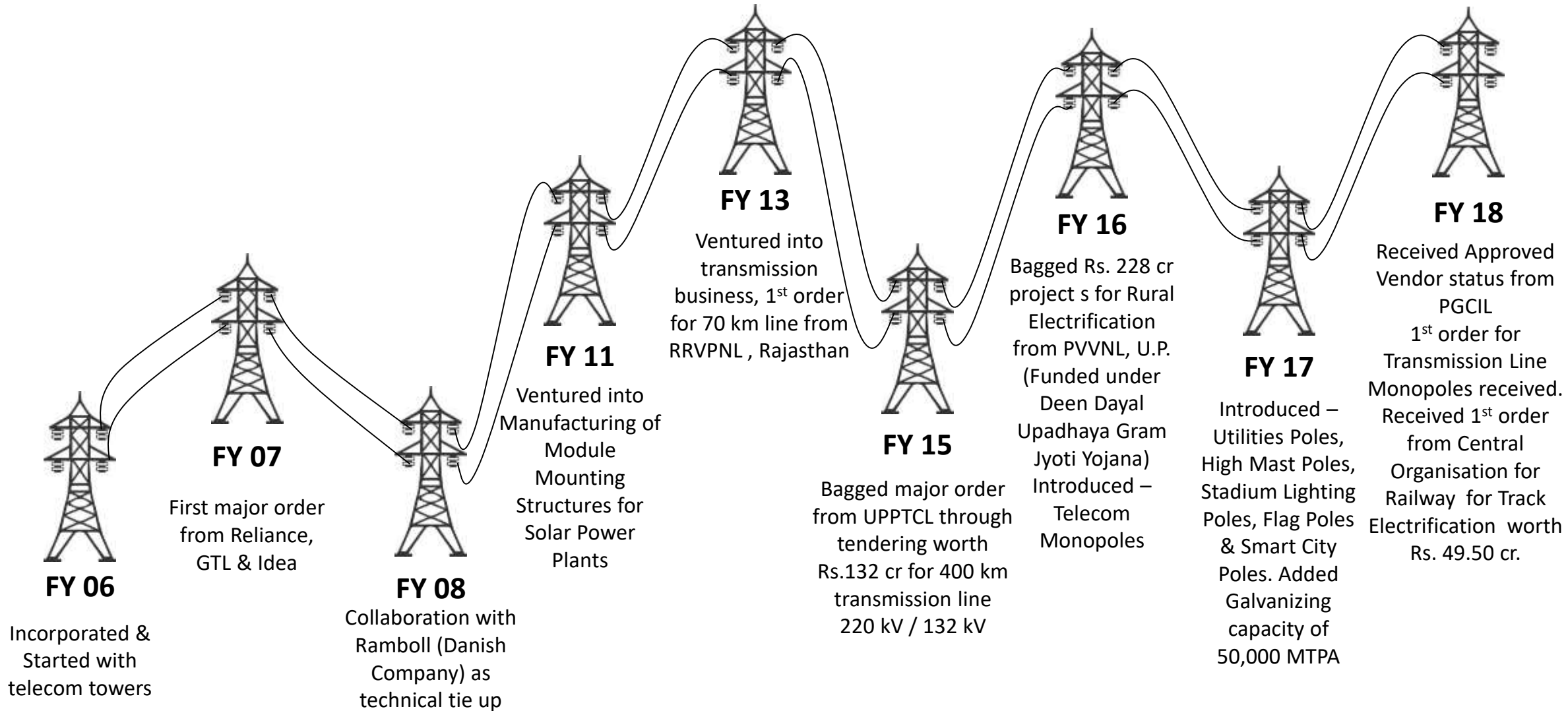
for Ramboll's technical expertise in Telecom towers structural design

**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

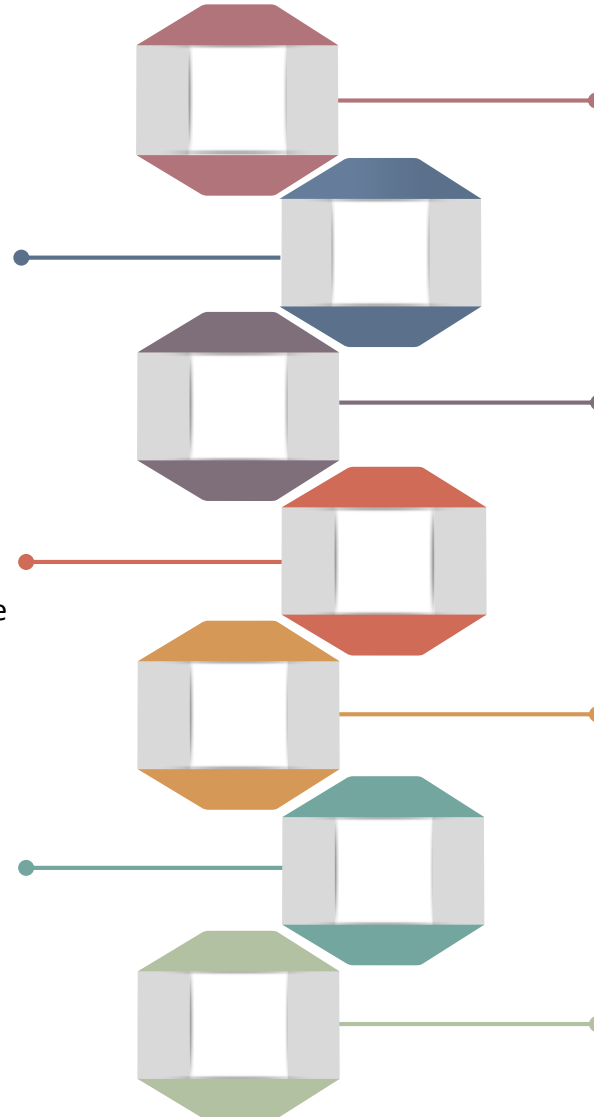
- Upward trend in EBITDA Margins
- Strong return ratios

## 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



- 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

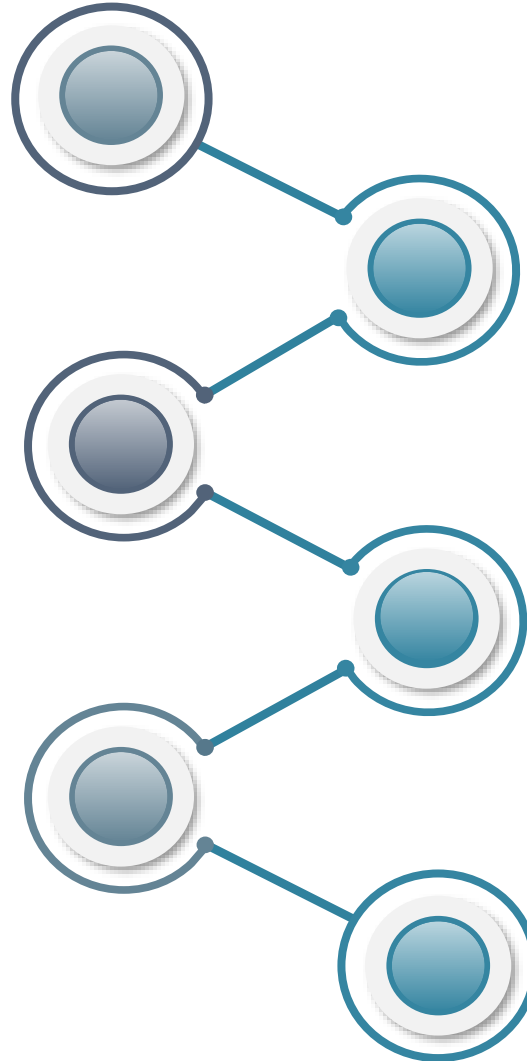
- India has the fifth largest power generation capacity in the world
- The country ranks third globally in terms of electricity production
- Electricity production in India reached 1,095.756 Billion Units (BU) during April 2017-February 2018
- As per the 13th Five Year Plan, India is targeting a total 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



Way Ahead

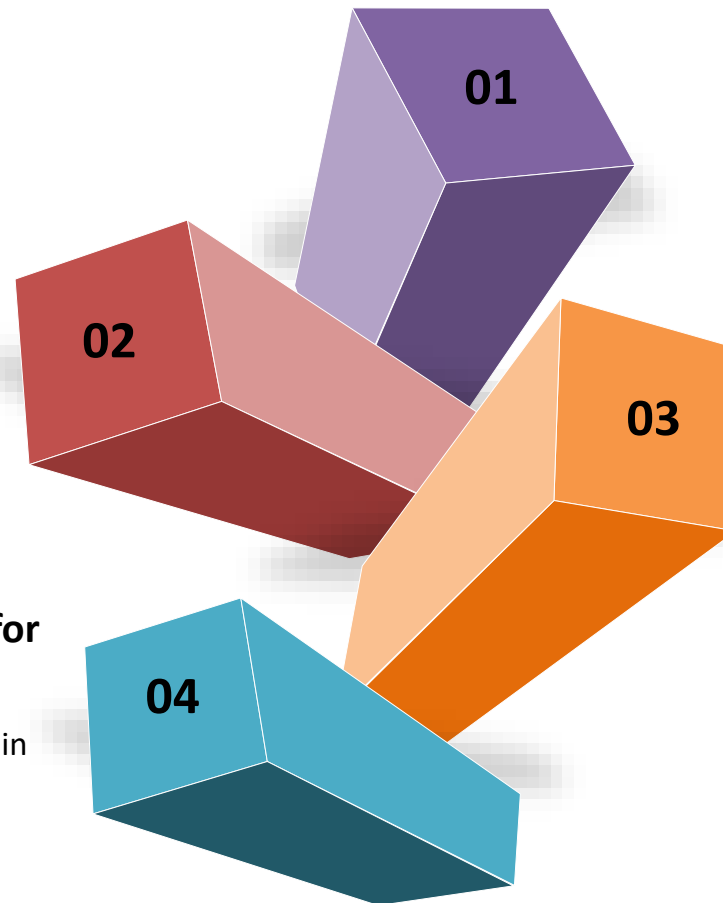


## Expanding Design & Engineering Capabilities

- 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

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**For further information, please contact:**

**Company :**

**Investor Relations Advisors :**

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**Bridge Investor Relations Pvt. Ltd.**  
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