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**Sub.: Investor Presentation**

**Salasar Techno Engineering Limited**

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# BUSINESS OVERVIEW

Broadening Horizons For  
Sustainable Growth

# Salasar At Glance

Salasar is one of the leading companies in India, providing customized steel structures and EPC solutions to diverse range of industries including telecom, power, railways and others

1,15,000 MT  
Annual Production  
Capacity

50,000+  
Telecom Tower  
Supplies

702 KM  
Power Transmission  
Lines

600+  
Clients and  
customers served

423 TKM  
Railway Track  
Kilometre

25+  
Countries Exported

# SALASAR JOURNEY

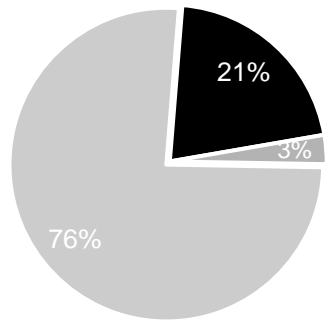
Started as tower manufacturing company;  
currently provides whole range of steel infrastructure  
solutions to its clients

Incorporated In the year 2006, Salasar started out as a tower manufacturer company with the vision of transforming the industry by providing multiple solutions under one roof.

Salasar sought to fill this gap by aspiring to become a one-stop shop for India's telecom giants by carrying out engineering, designing, procurement, fabrication, galvanization and EPC under one roof.

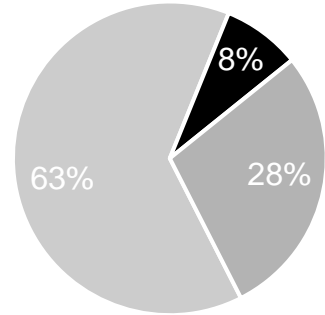
Owing to its persistence, expertise, and capability to work wonders with steel, today Salasar is no longer confined to towers and have expanded its range of products and services to encompass all the infrastructural needs of a rapidly developing nation.

Revenue by Segments Q3 FY22 \*



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

Revenue by Segments Q3 FY23 \*



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

\* Based on standalone numbers

# STATE- OF- THE- ART MANUFACTURING FACILITIES

Strong base of operations with technology - driven facilities for efficient steel structure manufacturing and galvanizing

Plant	Unit ԁ I	Unit ԁ II	Unit - III
Location	Jindal Nagar, Distt. Hapur , Uttar Pradesh	Khera, Distt. Hapur , Uttar Pradesh	
Tower/structure manufacturing and Galvanization (GI)	Overall - 1,00,000 MT		
Heavy Steel Structure Division (HSD) (MT)	-	-	15,000 MT*
Total Area (Sq. yards)	41,442	18,811	81,526
Covered Area ( Sq.m.)	19,455	5,833	34,327
Uncovered Area ( Sq.m)	21,987	12,978	47,199
Machinery ! CNC Machines ! Industrial Machinery ! Hydra & Cranes	HSD plant at Unit - III: Having robust order book ; plant is fully booked for next one year for manufacturing rail/road bridge structures, Plant structures, pre - fabricated building structures, etc .		Raw Materials ! Steel Shape and Section ! Zinc (for Galvanizing) ! Nuts and Bolts

\* Expected 4 - 5x Revenue at Full Capacity

# STRONG & EXPERIENCED LEADERSHIP TEAM

Chairman &  
Managing Director

Mr. Alok Kumar

B.Sc from Punjab University, Chandigarh

- ! Wide experience spanning over 4 decades in trading, manufacturing and fabrication of iron & steel
- ! Driving force behind groups commitment of timely delivery with superior quality

Mr. Shashank Agarwal

B.E. (Mech.) from MIT, Manipal

- ! First generation entrepreneur with 25+ years of experience
- ! Involved in every aspects of business and has been the driving force in creating the brand and image of Salasar

Joint Managing  
Director



Mr. Shalabh Agarwal  
Director



Ms. Tripti Gupta  
Director



Ms. Garima Dhamija  
Non - Executive Independent Director



Mr. Mukesh Kumar Garg  
Non - Executive Independent Director



Mr. Sanjay Chandak  
Non - Executive Independent Director



Mr. Vijay Kr jain  
Non - Executive Independent Director



Mr. Pramod Kumar Kala  
Chief Financial Officer

# Q3 FY23 HIGHLIGHTS

Delivering Consistent  
Performance

# CONSOLIDATED P&L STATEMENT Q3 FY23

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# ORDER BOOK POSITION

Particulars	Value
Orders EPC (Domestic) outstanding as on 31 <sup>st</sup> Dec 2022	Rs. 1,288 crore
+ Orders EPC (Exports) outstanding as on 31 <sup>st</sup> Dec 2022	Rs. 143 crore
+ Manufacturing orders outstanding under new heavy steel structure plant as on 31 <sup>st</sup> Dec 2022	Rs. 129 crore
+ Monopoles orders in hand as on 31 <sup>st</sup> Dec 2022	Rs. 95 crore
+ Export order in hand	Rs. 60 crore
<b>Total</b>	<b>Rs. 1,715 crore</b>

! In addition, the company normally has regular monthly orders of telecom towers of approx. Rs 30 to 35 Crores

# GROWTH STRATEGY

Unlocking Value,  
Delivering Results

# GROWTH STRATEGY



# OFFERING 360- DEGREE SOLUTIONS TO CLIENTS

Providing whole range of services including Engineering, Strengthening, Designing, Procurement, Fabrication, Galvanization and Repair & Maintenance services along with entire EPC works to its clients

## Business Verticals

Telecommunication

Power

Renewables

Poles

Smart City

## Product Offering

Telecommunication Towers & monopoles  
Cell on wheels & Skid base Towers  
Transmission lines towers & Monopoles  
Substation Structures  
Railways Overhead Electrification Structures  
Solar Module Mounting Solution  
Solar Trees

Smart City Poles  
Poles & High Masts  
Camouflaging Solutions  
Mounts & Cable Trays  
Customized Galvanized & Non Galvanized Structures  
Cold Formed Structures  
Wind Mill Towers

# FORAY INTO FAST GROWING STEEL STRUCTURE DIVISION

New Heavy Steel Structure Division enables Salasar to cater to growing demand of high infrastructure for refineries, steel plants, power plants, rail and roadways

- end

## Bridges

### Categories:

- ! Rail or Road Over Bridges
- ! Open Web Girders
- ! Bow String Bridge
- ! Pedestrian Bridge
- ! Cable Stay Bridge

## Buildings

### Categories:

- ! High Rises
- ! Stadiums
- ! Warehouses
- ! Airports & Railway Stations
- ! Multilevel Car Parks
- ! Hospitals

## Heavy & Complex Structures

### Categories:

- ! Thermal Power Plants
- ! Steel Plants
- ! Petrochemical Plants
- ! Cement Plants

# COLLABORATION WITH RAMBOLL, DENMARK

**Strong tie - up with Industry Leader RAMBOLL helping Salasar to deliver superior quality products as compared to its peers**

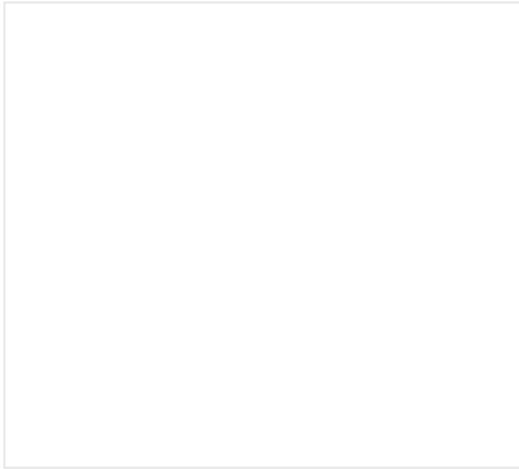
Salasar has a long-standing technical tie-up with Ramboll (Denmark) to manufacture lighter and lower costing tower structures and high mast poles. Their designs reduce the cost by 20% compared to conventional angular towers.

Ramboll 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. With Ramboll's continuous efforts towards innovation, quality, a multidisciplinary engineering and widely accepted designs, we are definite that we will ceaselessly grow and offer our customers with superior products and services.

# SELECT MARQUEE CLIENTS

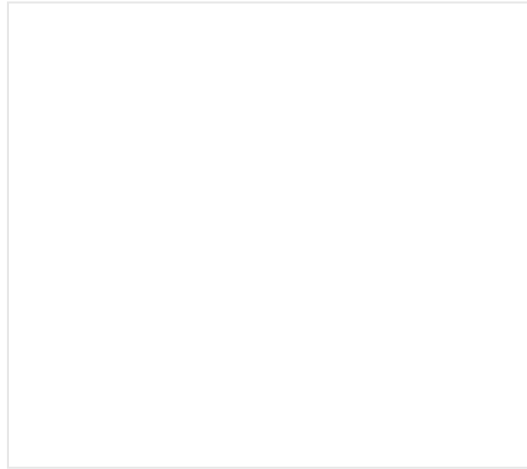
Salasar has a strong and diverse client base which has helped us establish ourselves in a leading position in the industry

Telecom Sector



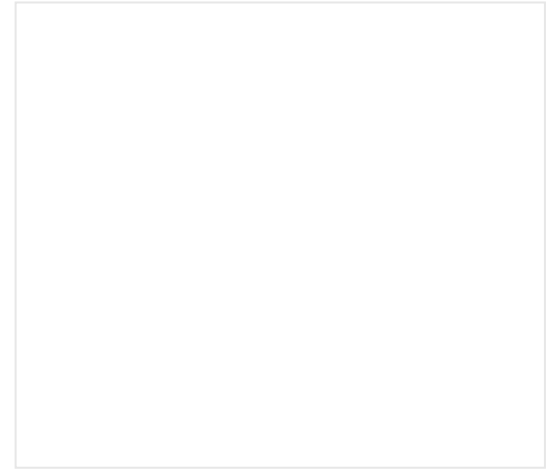
Approved vendor for Power Grid Corporation Ltd.

Power Sector



Qualified to bid for rural electrification projects

Others/ EPC

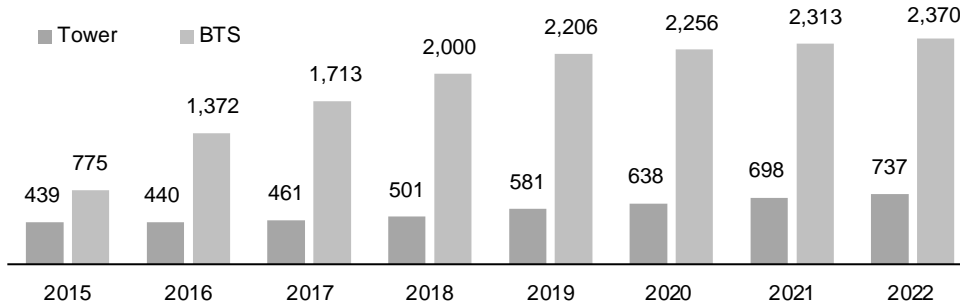


Qualified by CORE (Central Organization for Railway Electrification)

# BACKED BY STRONG TRIGGERS IN MAJOR INDUSTRIES (1)

India is the second largest telecom market in the world with a subscriber base of 1.17 billion

Yearly growth of towers and base stations (BTS) (Ô000s)



## Key Drivers

- ! Increase in data consumption led by 4G, and the launch of 5G
- ! Tower sharing (leading to increase in revenue of telecoms)
- ! Increasing tele-density in largely untapped rural market
- ! Smart city opportunities
- ! Development of IoT for manufacturing and services sectors

Source - Ministry of Communications, TAIPA, EY analysis

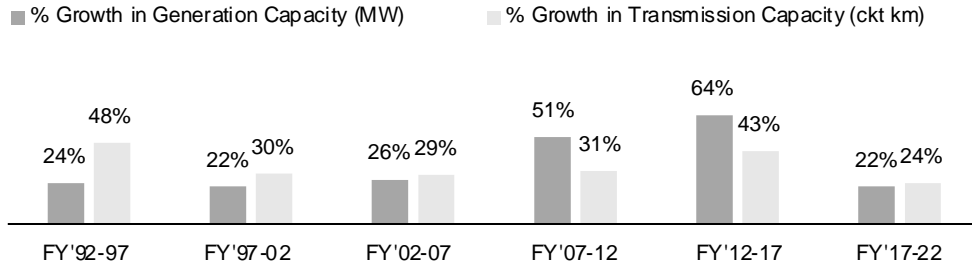
## Key Facts and Developments

- ! Leading player in the Telecom Tower manufacturing segment with market share around 50%
- ! The Company sees a lot of opportunities as telecom operators are working their way towards improving their connectivity. Demand for telecom towers in the next 10 years is going to be greater than that in the last 25 years. All the operators are expected to do capex.
- ! As the rollout of 5G begins, the Company expects an exponential growth in demand for telecom towers
- ! There are about ~6,00,000 towers in India at the moment, with about 8,00,000 points of connectivity. To have a seamless 5G experience across India, at least 10,00,000 more towers are needed and at least 15,00,000 points of connectivity are needed in the next 10 years
- ! Long standing relationships with Telecom giants such as Airtel, Jio, Indus, American Tower, Bharti Infratel
- ! Host of product offerings in the segment which includes Towers, Monopoles, Smart City Solutions and Portable Towers

# BACKED BY STRONG TRIGGERS IN MAJOR INDUSTRIES (2)

## Increased Demand For Power Transmission Infrastructure Development Supported By Strong Policy Support

### Historical Generation and Transmission Investment



### Key Drivers

- ! Expansion in industrial activity, growing urban & rural population
- ! Increasing per -capita power usage & ambitious projects across the value chain
- ! Highest ever coal production, increase of 74 mn tonnes in 2 years
- ! 14,895 ckm of Transmission lines (220 kV and above) and 37,200MVA Transformation capacity has been added as on March 2022

Source: CEA report and other industry sources

### Key Facts and Developments

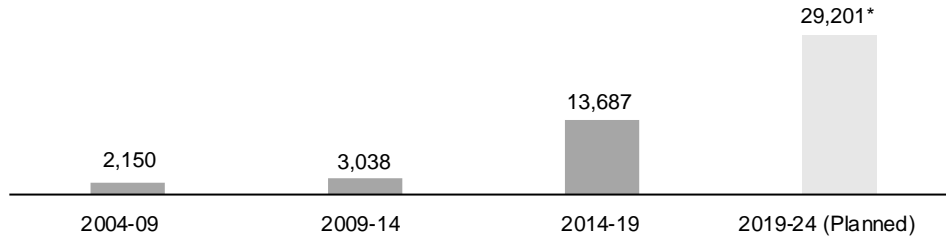
- ! Design and Construction of Power Transmission lines of 66 kV, 132kV, 220kV & 400 kV
- ! Design and Construction of Grid Sub Stations ranging 66 kV, 132kV, 220kV & 400 kV
- ! India's electricity consumption can continue to grow at >5% on a low base
- ! At a conservative avg. GDP growth rate of 5% over next decade power demand estimated to rise by 16x
- ! As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of INR 11 lakh crore
- ! Estimated INR 6-8 trillion market opportunity in transmission till FY2029
- ! ICRA expects an investment of INR 18 trillion (INR 18 lakh crore) over the five-year period from FY21 (financial year 2020-21) to FY25 in the power transmission segment at an all-India level, driven by evacuation infrastructure for RE projects

# BACKED BY STRONG TRIGGERS IN MAJOR INDUSTRIES (3)

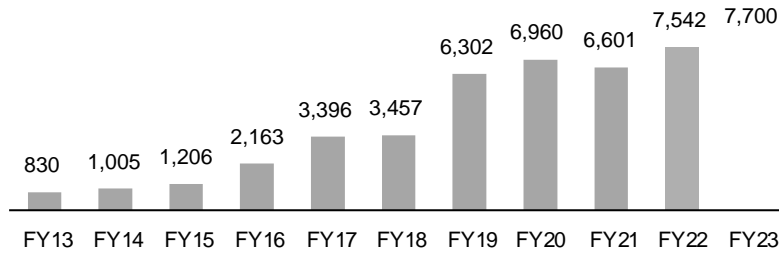
Government has an ambitious plan to secure infrastructure for 100% electrification of the railway network by 2024

## Growth of Railway Electrification (Route Km, RKM)

\* 6,886 RKM already commissioned till Jan 2021



## Budget Allocation for Railway Electrification (Rs Crore)



Source: Indian Railways.gov.in

## Key Facts and Developments

- ! Government of India plans to fully electrify the balance 42% network till 2024
- ! Close to 30 billion units of electricity shall be required for railway electrification on annual basis by 2024 leading excellent opportunities for IPPs of conventional power
- ! Overhead line equipment suppliers to gain massive opportunities to supply for the equipment like conductors, transformers & insulators etc.
- ! Sub-station capacity to enhance leading for opportunities for transmission & distribution utilities
- ! EPC contractors shall have multitude of opportunity in terms of infrastructure creation for railway electrification
- ! Opportunity for rolling stock companies shall be massive, electric locomotives shall gain pace
- ! OEM's shall have greater opportunity coming their way in terms of equipment supplies & order

# STRUCTURED PLANT EXPANSION TO CATER HIGH INDUSTRY DEMAND

## Expanding product portfolio with optimal utilization of existing capacity

Location	Unit III, Khera, Distt. Hapur , Uttar Pradesh	Bhilai , Chhattisgarh
Facility	New Galvanization Plant	Heavy Steel Structure Division (HSD) Ð II
Annual Capacity	96,000 MT	25,000 MT
Project Cost	Rs 50 Crore	Rs 60 Crore
Status	Expected Commissioning Ð Early Q1FY 24	Expected Commissioning Ð Q2FY24

- ! Post commencement of new Galvanizing Facility, it will become the Largest steel galvanizing plant in Asia.
- ! \* Post commissioning of new GI capacity, one of the existing GI plant would serve as a backup in case of an emergency and the new GI Plant will also enable Salasar to manufacture monopoles upto 3 Metre Diameter used in higher KVA transmission lines which fetches better margins
- ! HSD plant ÐII (Bhilai Chhattisgarh): Tapping Southern & Eastern India via setting up steel fabrication unit at Bhilai , Chhattisgarh

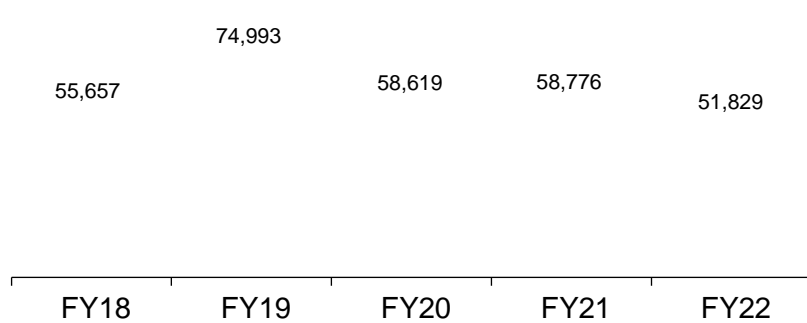
\* Expected 4 - 5x Revenue at Full Capacity

# FINANCIAL SUMMARY

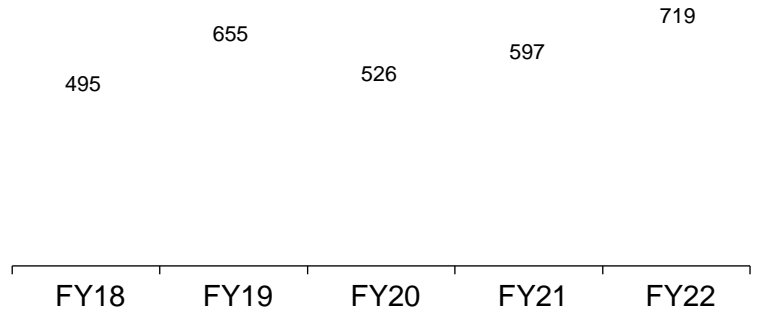
Gaining Strengths

# KEY FINANCIAL HIGHLIGHTS

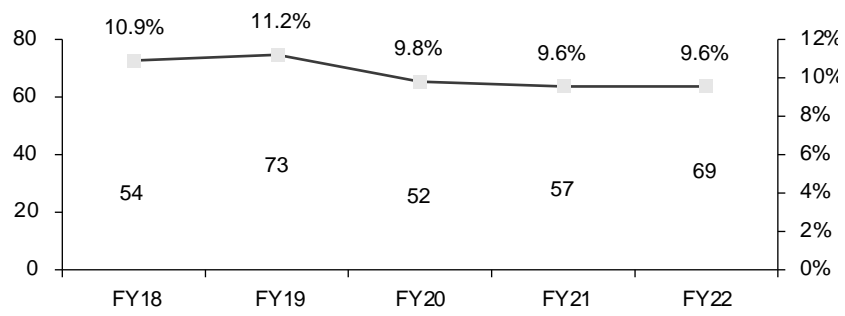
Sales Volume (MT)



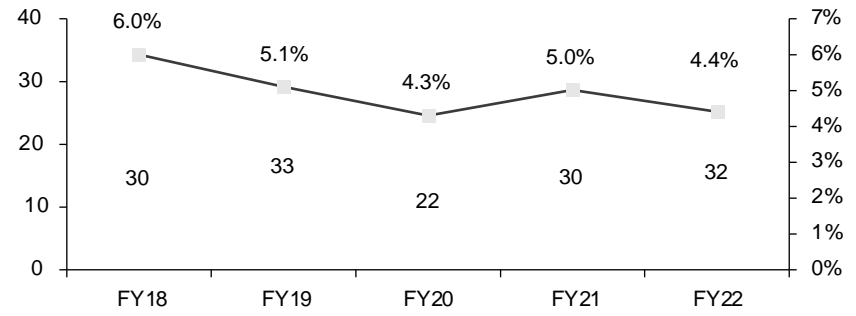
Revenue (Rs Crore)



EBITDA (Rs Crore) / EBITDA Margin (%)

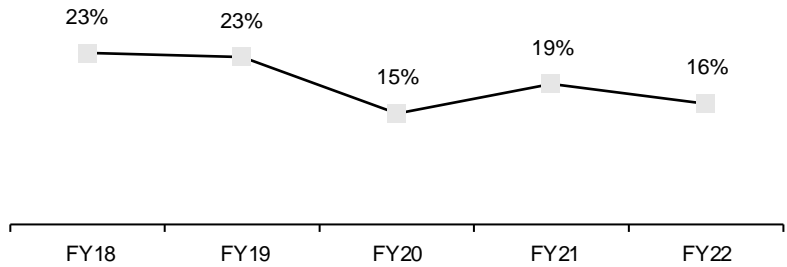


PAT (Rs Crore) / PAT Margin (%)

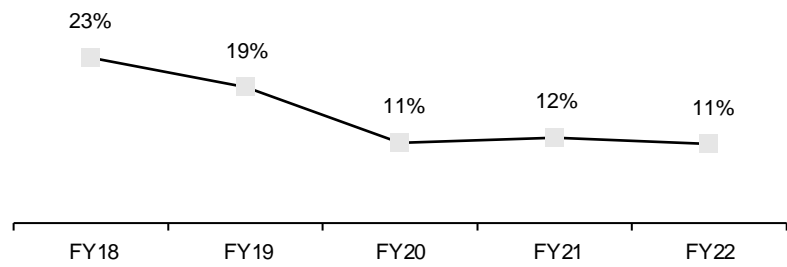


# KEY FINANCIAL RATIOS

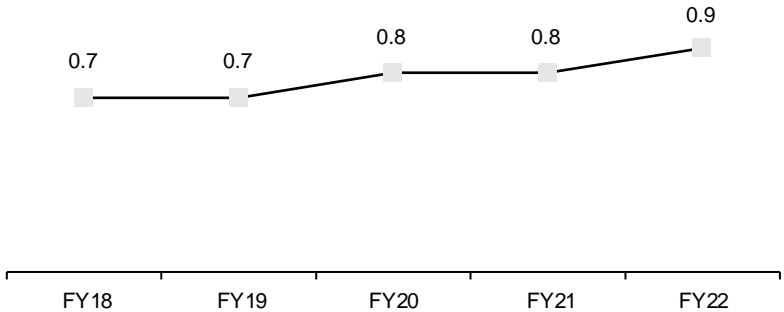
### ROCE (%)



### ROE (%)



### Debt to Equity (x)



RoCE  $\Delta$  EBIT/ Average Capital Employed, ROE  $\Delta$  Profit/Average Shareholders Funds, D/E  $\Delta$  Average Debt/ Average Equity

# CONSOLIDATED P&L STATEMENT

Domestic	643.3	561.1	498.5
Exports	75.6	35.5	27.8
Net Sales	718.9	596.6	526.3
Cost of Goods Sold	570.8	473.0	415.1
Employee Cost	40.0	30.9	31.0
Other Indirect Expenses	39.1	35.7	28.3
Total Expenditure	649.9	539.6	474.5
EBITDA	68.9	57.0	51.8
EBITDA Margin%	9.6%	9.6%	9.8%
Other Income	2.2	10.2	1.7
Interest	21.8	17.6	20.6
Depreciation	7.1	5.6	5.0
Profit Before Tax	42.3	43.9	27.9
Provision for Tax	10.8	14.0	5.6
Profit After Tax	31.5	29.9	22.4
PAT Margin%	4.4%	5.0%	4.3%

# CONSOLIDATED BALANCE SHEET

## EQUITY & LIABILITY

Share Capital	28.6	14.3	13.3
Other Equity	253.4	238.4	193.9
Non - Controlling Interest	0.3	0.3	-
Shareholder's Funds	282.3	253.0	207.1
Non - Current Liabilities:			
Secured Loans	43.3	33.9	5.2
Deferred Tax Assets / Liabilities	5.0	5.0	3.1
Other Long Term Liabilities	0.1	0.1	0.1
Long Term Provisions	3.3	3.1	2.3
Total Non - Current Liabilities	51.8	42.1	10.7
Current Liabilities:			
Trade Payables	50.8	31.3	21.4
Other Current Liabilities	92.1	60.7	54.2
Short Term Borrowings	205.2	162.6	159.1
Short Term Provisions	0.3	0.4	0.3
Other Financial Liabilities	0.0	1.8	0.6
Current Tax Liabilities (Net)	-	1.5	-
Total Current Liabilities	348.5	258.3	235.7

## ASSETS

### Non - Current Assets:

Net Block	124.9	112.4	91.1
Capital Work in Progress	5.5	0.1	0.3
Intangible Assets	1.3	0.3	-
Other Non Current Assets	33.6	15.4	14.2
Total Non - Current Assets	165.3	128.1	105.6

### Current Assets:

Inventories	152.4	120.0	93.5
Current Investments	0.1	10.2	1.4
Sundry Debtors	292.7	240.1	214.1
Cash and Bank	10.5	5.2	10.6
Other Financial Assets	25.3	14.7	11.8
Other Current Assets	35.2	35.1	16.3
Current Tax assets (Net)	1.1	-	1.6
Total Current Assets	517.3	425.3	349.3



Thank You

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