# Salasar Techno Engineering Limited

## September 22, 2026

### Rating Action

| | | |
|---|---|---|
| **Total Bank Loan Facilities Rated** | **Rs. 831.73 Crore** | **Regulator^** |
| **Long Term Rating** | **IVR A/ RWNI* (Rating Reaffirmed and Rating Placed on Watch with Negative Implications)** | **RBI** |
| **Short Term Rating** | **IVR A1/RWNI* (Rating Reaffirmed and Rating Placed on Watch with Negative Implications)** | **RBI** |
| ^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available. | | |

** RWNI-Rating Watch with Negative Implications*

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

**Note:** *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

### Rationale

Infomerics Valuation and Rating Limited (IVR) has placed the ratings under 'Rating Watch with Negative Implication (RWNI)' for the bank loan facilities of Salasar Techno Engineering Limited (STEL).

Rating watch will be resolved, and appropriate rating action will be taken once there is further clarity on the outcome after 180 days and impact on the company business and financial performance.

Further the reaffirmation STEL ratings continue to draw comfort from the improving scale of operations, healthy order book, diversified product portfolio and geographical presence, comfortable financial risk profile, established track record of operations and experienced management. The ratings, however, remain constrained by decline in in profitability margins and debt protection metrics, working capital intensive nature of operations, exposure to group companies and tender based nature of business.

IVR has principally relied on the standalone audited financial results of the company up to 31 March 2026, (i.e. review period from 1st April 2025 to 31st March 2026), projected financials of FY2027-FY2029 and publicly available information/ clarifications provided by the company's management.

## Rating Watch: RWNI

The rating has been placed under RWNI, on account of Provisional Attachement Order (PAO) dated 12th September 2026 under Section 5(1) of the Prevention of Money Laundering Act, 2002 ("PMLA") which is in connection with earlier search proceedings conducted by the Directorate of Enforcement ("ED") on April 16, 2025. Pursuant to the said PAO, certain immovable properties having an aggregate value of Rs. 98,31,25,000/- have been provisionally attached for a period of 180 days. IVR will continue to monitor the developments in this regard including any further observations by the ED and the impact on STEL's business.

## Analytical Approach

| Approach | Comments |
|---|---|
| Consolidation/ Standalone | Standalone<br>For arriving at the rating, IVR has considered Standalone financials of STEL. |
| Parent/ Group Support | Not Applicable |

List of companies considered for consolidation analysis is given at Annexure 4

## Key Rating Drivers with Detailed Description

### Strengths

- **Improving in scale of operations:**

  Total operating income (TOI) has improved by 3.30% to Rs. 1459.17 crore in FY2026 from Rs. 1412.61.00 crore in FY2025 mainly due to increase in sales volumes heavy steel structures and better price realization in galvanized steel structure. TOI from galvanized/heavy steel structures have increased by 21.35% in FY2026 and EPC business reduced by 13.46% in FY2026. In Q1FY27 TOI of Rs. 290.77 crore, 2.55% lower than Q1FY26 of Rs. 298.37 crore due to decrease in EPC business due to slower execution of projects in state of Tamil Naidu for TANGEDCO Project due to change in government as well as staff.

- **Healthy Order Book**

  Under EPC segment the company has a healthy unexecuted order book position to the tune of about Rs. 1,738.33 crore which is to be executed by FY2028, the OB/TOI stood at 3.5x for EPC order book, besides this, the company has orders of Rs. 218.23 crore for heavy steel structures, monopoles orders of Rs. 132.36 crore and telecom orders are received on a rolling basis on a site-to-site basis, and the company always has Rs. 30 crore- Rs 35 crore orders in hand on a monthly basis for the telecom tower structure. The total overall unexecuted orders in hand as on 30th June 2026 stood at Rs. 2118.92 crore, thereby providing revenue visibility for the medium term.

- **Comfortable financial risk profile**

  The adjusted tangible networth (after adjusting investment in group companies) stood comfortable at Rs. 556.80 crore in FY2026 (FY2025: Rs. 500.05 crore). Overall adjusted gearing and TOL/ATNW has declined but stood comfortable at 0.73x and 2,28x respectively in FY2026 (FY2025: 0.63x and 1.75x respectively). Nevertheless, the indicators remain adequate and shall remain amongst key monitorable.

- **Diversified product portfolio and geographical presence**

  The company manufactures and sells products like telecom and transmission towers, utilities poles, railway over bridges, railway overhead electrification structures, stadium lights etc. It is also engaged by carrying out engineering, designing, fabrication, galvanization and deployment of towers, transmission lines and railway electrification lines. Their products are sold in PAN India and EPC services are being provided in the states Tamil Naidu, Uttar Pradesh, Jharkhand, Arunachal Pradesh, Assam, Gujarat, Rajasthan and Puducherry. Also, the company is exporting its products to countries like Nepal, Africa, Oman, Philippines etc.

- **Established track record of operations and experienced management**

  The company commenced its operations in 2006 and has a successful track record of around 20 years in the existing line of business. Overall activities of STEL are managed by four directors with Mr. Alok Kumar being the Chairman. He has more than 4 decades' experience in the steel and EPC business. He is ably supported by three other directors, namely Mr. Shashank Agarwal (Managing Director), Mr.

Shalabh Agarwal and Ms. Tripti Gupta, who have effective experience in steel and EPC business as well as supported by qualified and well experienced management team.

## Weaknesses

- **Decline in profitability margins and debt protection metrics**
  Operating profit and net profit margins declined to 8.40% and 3.04% respectively in FY2026 from 8.96% and 3.58% respectively in FY2025 mainly due to increase in overall raw material cost, marginal increase in interest cost and depreciation. In terms of the debt protection metrics, the interest service coverage ratio (ISCR) and debt service coverage ratio (DSCR) declined to 2.27x and 1.54x respectively in FY2026 from 2.52x and 1.69x respectively in FY2025.

- **Working capital intensive nature of operations**
  STEL's operations are working capital intensively in nature, supported largely by bank borrowings. The average utilization of fund based, and non-fund based working capital limits of the company stood high around 91.70% and 86.16% respectively during the last 12 months ending 31st August 2026. They have an elongated operating cycle of 179 days in FY2026 (FY2025:142 days) mainly due to the high receivable period of 104 days in FY2026 (75 days in FY2025). The receivables are high due to retention money, besides receivables from government entities usually takes more than 90 days in the case of a project of a long duration.

- **Exposure to group companies**
  STEL provides comfort to group companies/related parties in the form of equity investments given to them. These companies are operating under EPC business (Power). The equity investment in group or associate companies stood at Rs. 179.35 crore as on 31st March 2026. Any further increase in the investment to Group companies would remain a key monitorable.

- **Tender based nature of business**
  The company is mostly getting its EPC orders through tenders floated by various government departments. As the infrastructure industry is highly fragmented due to presence of many organised and unorganised players tender driven nature of business leads to volatility in revenue and profitability. Further, being in

infrastructure segment the company is exposed to inherent risks associated in this industry like slowdown in new order inflows, risks of delays in execution etc.

## Liquidity – Adequate

The expected gross cash accruals are expected to cover the scheduled term-debt repayment obligations (Rs. 18.92 crore - Rs. 19.72 crore) over FY2027-2029. Cash flow from operations at Rs. 11.69 crore and free cash and bank balances stood at Rs. 1.68 crore as on March 31, 2026, providing additional cushion. The current ratio stood at 1.12x in FY2026. With adequate cash accruals expected against repayments, the liquidity position will remain adequate.

## Rating Sensitivities:

**Upward Factors**

- Interest coverage sustained above 2.80x and TOL/ATNW below 1.35x
- Reduction in financial exposure to group/associated company to below 13% of TNW of the company

**Downward Factors**

- Any significant reduction in the scale of operations and profitability margins
- TOL / ATNW exceeding 2.40x, or interest coverage below 2.00x, on a sustained basis
- Low orders inflow or delay in execution of projects

## About the Company

Salasar Techno Engineering Limited (STEL) was incorporated in 2006 under the leadership of Mr. Alok Kumar and Mr. Shashank Agarwal. It is currently managed by directors namely Mr. Alok Kumar (Chairman), Mr. Shashank Agarwal (Managing Director), Mr. Shalabh Agarwal and Ms. Tripti Gupta. The company is engaged in manufacturing and sale of galvanized steel structures for telecom towers, transmission towers, utilities poles, railway over bridges, railway overhead electrification structures, stadium lights etc. It is also engaged EPC solutions by carrying out engineering, designing, fabrication, galvanization and deployment of towers, transmission lines and railway electrification lines. The company has three manufacturing units is in Hapur, Uttar

Pradesh with total installed capacity of 1,96,000 metric tonne per annum (MTPA). Also, the company has heavy steel structure division (HSD) with a capacity of 15,000 MTPA which mainly manufacture heavy steel girders for use in rail/road over bridges, prefabricated buildings and other steel structures. It is an ISO certified company. The company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

**Key Financial Indicators (Standalone):**

| For the year ended/ As on* | 31-03-2025 | 31-03-2026 |
|---|---|---|
| | Audited | Audited |
| Total Operating Income | 1412.61 | 1459.17 |
| EBITDA | 126.55 | 122.51 |
| PAT | 50.71 | 44.58 |
| Total Debt | 316.02 | 404.58 |
| Adjusted Tangible Net Worth (TNW)# | 500.05 | 556.80 |
| EBITDA Margin (%) | 8.96 | 8.40 |
| PAT Margin (%) | 3.58 | 3.04 |
| Overall Adjusted Gearing (times) | 0.63 | 0.73 |
| Interest Coverage (times) | 2.52 | 2.27 |

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

*# After adjusting investment or loans given to group companies and debtors more than 1 year.*

## Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria for assigning Rating outlook

Policy For Placing the Rating on Rating Watch

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

## Rating History for last three years:

| Sr. No. | Instruments/ Facilities | Current Ratings (Year 2026-27) | | | Rating History for the past 3 years | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Type (Long Term /Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2025-26 | | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in in 2023-24 | |
| | | | | | October 7, 2025 | April 23,2025 | September 5,2024 | January 16,2024 | August 22,2023 |
| 1. | Fund Based Facilities | LT | 428.73 | IVR A/RWNI | IVR A/Stable | IVR A/RWDI | IVR A/Positive | IVR A/Stable | IVR A/Stable |
| 2. | Non-Fund Based Facilities | LT | 385.00 | IVR A/RWNI | IVR A/Stable | IVR A/RWDI | IVR A/Positive | IVR A/Stable | IVR A/Stable |
| 3. | Non-Fund Based Facilities | ST | 18.00 | IVR A1/RWNI | IVR A1 | IVR A1/RWDI | IVR A1 | IVR A1 | IVR A1 |

## Annexure 1: Instrument/Facility Details

| Name of Facility/ /Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned / Outlook | Listing Status | Regulator ^ | Complexity Indicator |
|---|---|---|---|---|---|---|---|---|---|
| Cash Credit-1 | - | - | - | - | 120.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Cash Credit-2 | - | - | - | - | 95.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Cash Credit-3 | - | - | - | - | 10.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Cash Credit-4 | - | - | - | - | 50.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Cash Credit-5 | - | - | - | - | 45.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Proposed Cash Credit | - | - | - | - | 80.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Term Loan | - | - | - | September 2027 | 16.48 | IVR A/RWNI | Not Applicable | RBI | Simple |
| GECL-TL | - | - | - | December 2025 | 1.16 | IVR A/RWNI | Not Applicable | RBI | Simple |
| GECL-TL | - | - | - | March 2026 | 2.26 | IVR A/RWNI | Not Applicable | RBI | Simple |
| GECL-TL | - | - | - | April 2026 | 0.33 | IVR A/RWNI | Not Applicable | RBI | Simple |
| GECL-TL | - | - | - | December 2027 | 3.94 | IVR A/RWNI | Not Applicable | RBI | Simple |
| GECL-TL | - | - | - | May 2028 | 4.56 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Bank Guarantee 1* | - | - | - | - | 90.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Bank Guarantee 2* | - | - | - | - | 30.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Bank Guarantee 3* | - | - | - | - | 65.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Bank Guarantee 4* | - | - | - | - | 75.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Bank Guarantee 5* | - | - | - | - | 50.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| Proposed BG* | - | - | - | - | 75.00 | IVR A/RWNI | Not Applicable | RBI | Simple |
| LC | - | - | - | - | 15.00 | IVR A1/RWNI | Not Applicable | RBI | Simple |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| LER | - | - | - | - | 3.00 | IVR A1/RWNI | Not Applicable | RBI | Simple |

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**Note**: Bank Guarantee (BG) has tenor of more than one year and also includes LC as sublimit. Some Cash credit limits also have WCDL as sublimit.

## Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_salasartechno_sep26_ca1c2022b7.pdf

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for Consolidated analysis:** Not Applicable

## Annexure 5: List of activities / instruments and names of regulators

| Sr. No. | Instrument / activity Name | Regulator of the instruments |
|---|---|---|
| 1 | Listed/Proposed to be listed bonds/debentures/preference share (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $ | RBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)* | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)* | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^ | RBI |
| 9 | External Commercial Borrowings and other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11a | Fixed Deposits raised by NBFCs, HFCs, Fis | RBI |
| 11b | Fixed Deposits raised by Banks | + |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Borrowing programme ~ | - |
| 15 | Issuer Ratings # | - |
| 16 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 17 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18 | Listed Security Receipts $ | RBI |
| 19 | Unlisted Security Receipts | RBI |
| 20 | Independent Credit Evaluation (ICE) | RBI |

| | | |
|---|---|---|
| 21 | Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis) | + |
| 22 | Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities)) | SEBI |
| 23 | Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)) | MCA |
| 24 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) * | Investor-side regulator such as IRDAI, PFRDA @ |

***Footnotes***:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

*~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.*

*^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

*# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.*

*@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.*

*$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.*

*+ To be finalized following a discussion with the regulatory authorities.*

***Note:** For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

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## About Infomerics

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