Press Release

Salasar Techno Engineering Limited

October 07, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	813.73 (Enhanced from Rs. 680.45)	IVR A/ Stable (IVR A; with Stable Outlook)	IVR A/RWDI (IVR A with Rating Watch with Developing Implication)	Rating removed from Watch and Reaffirmed	Simple
Short Term Bank Facilities	18.00	IVR A1 (IVR A One)	IVR A1/RWDI (IVR A One with Rating Watch with Developing Implication)	Rating removed from Watch and Reaffirmed	Simple
Total	**831.73**	**Rupees Eight Hundred Thirty One Crore and Seventy Three Lakh Only**			

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has removed the rating from watch and reaffirmed long term rating at IVR A with Stable outlook and short-term rating at IVR A1 for the bank loan facilities of Salasar Techno Engineering Limited (STEL).

The resolution of Rating Watch with Developing Implications and Assigning of Stable outlook is on account of no further order passed by ED against the promoter or against the company till date and there is no disruption to the Company's operations, with all business activities continuing in the normal course.

The rating continues to draw comfort from the established track record of operations and experienced management, diversified product portfolio and geographical presence, healthy order book, reputed clientele with low counterparty risk, improving scale of operations and comfortable financial risk profile. However, these strengths are partially offset by decline in profitability margins and debt protection metrics, working capital intensive nature of operations, tender based nature of business and susceptibility of profitability to raw material prices volatility.

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The 'Stable' outlook indicates improvement in scale of operations and financial risk profile. IVR believes STEL's business risk profile will be maintained over the medium term. IVR believes STEL's will continue to benefit from its operational track record in the business, its reputed clientele and inflow of orders as per the current order book position.

IVR has principally relied on the standalone audited financial results of STEL upto 31 March 2025 (refers to period April 1st, 2024, to March 31, 2025), Q1FY26 unaudited results and projected financials for FY2026, FY2027 and FY2028, and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Substantial improvement in the scale of operations with TOI above 1680 crore
- Improvement in debt protection metrics
- Sustenance of the overall gearing below 0.60x

Downward Factors

- Significant reduction in the scale of operations and profitability margins,
- Deterioration in debt protection metrics and overall gearing

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of operations and experienced management:**
  The company commenced its operations in 2006 and has a successful track record of around 16 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.

- **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 Delhi, Haryana, Uttar Pradesh, Jharkhand, Himachal Pradesh, Assam, Gujarat, Rajasthan, Bihar, Orissa and Uttarakhand. Also, the company is exporting its products to countries like Nepal, Oman, Dubai, Africa etc.
- **Reputed clientele with low counterparty risk:**

In tower, heavy steel structures and EPC business, the company is dealing with government and private clients namely Indus Tower Limited, Bharti Airtel Limited, Delhi Metro Rail Corporation, Power Grid Corporation of India Limited, RITES Limited, Paschim Anchal Vidyut Vitran Nigam Limited, IRCON International Limited etc., which carries low credit default risk. The majority of the orders in the EPC segment are backed by government-funded programmes, providing payment assurance. Furthermore, electrification and telecom being a part of infrastructure, enjoys special focus from the Government of India (GoI). Hence, regular order inflows from both the sectors are expected in near future.

- **Healthy order book position:**
  Under EPC segment the company has a healthy unexecuted order book position to the tune of about Rs. 1,807.51 crore, besides this, the company has orders of Rs. 210.25 crores for heavy steel structures, monopoles orders of Rs. 40.12 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 2025 stood at Rs. 2057.88 crore, thereby providing revenue visibility for the medium term.

- **Improving scale of operations:**
  The Total operating income (TOI) has improved by 18.02% to Rs. 1412.61 crore in FY2025 from Rs. 1196.92 crore in FY2024 due to increase in sales volumes Heavy steel structures, better price realization in galvanized steel structure to some extent and increase in orders under EPC segment. In Q1FY26 the TOI stood at Rs. 293.24 crore.

- **Comfortable financial risk profile:**
  The adjusted tangible networth (after adjusting investment in group companies) stood comfortable at Rs. 551.81 crore in FY2025. Overall adjusted gearing stood comfortable at 0.57x in FY2025. TOL/ATNW stood comfortable at 1.59x.

Key Rating Weaknesses

- **Decline in profitability margins and debt protection metrics:**
  Operating profit and net profit margins declined to 8.96% and 3.58% respectively in FY2025 from 10.01% and 4.27% respectively in FY2024 mainly due to marginal increase in overall raw material cost and interest cost. In terms of the debt protection metrics, the interest service coverage ratio (ISCR) and debt service coverage ratio (DSCR) declined to 2.52x and 1.69x respectively in FY2025 from 2.75x and 1.95x respectively in FY2024.

- **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 94.73% and 85.97% respectively during the last 12 months ending 31st August 2025. They have an elongated operating cycle of 165 days in FY2025 (FY2024:175 days) mainly due to the high receivable period of 98 days in FY2025 (101 days in FY2024). 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.

- **Tender based nature of business:**
  The company has around Rs 1807.51 crore an unexecuted order book position to the tune of about under engineering, procurement and construction (EPC) segment. For this segment it is mostly getting its orders through tenders floated by various government departments. As the infrastructure industry is highly fragmented due to presence of many organized and unorganized 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, political issues etc.

- **Susceptibility of profitability to raw material price volatility:**
  The company is exposed to volatility in raw material prices. The prices of these raw materials are highly volatile and can lead to volatility in the profitability margins. However, this risk of volatility in prices is partially mitigated by the company's long-standing relations and understanding with clients on the price front and price escalation clauses that work on both sides; in case raw material prices decline, the company passes on the benefit to customers, and in case the prices move upward, the company gets compensated for the same. Additionally, most of the orders in the telecom sector are of a short duration; hence, volatility in raw material prices can be incorporated in the new purchase order, preventing the company from large price movements.

Analytical Approach: For arriving at the ratings, IVR has analysed STEL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

Rating Methodology for Manufacturing Companies
Financial Ratios & Interpretation (Non-Financial Sector)
Criteria for Assigning Rating Outlook
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities
Policy for Placing Ratings on Rating Watch

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Liquidity – Adequate

The company has an adequate liquidity position. There are long-term secured borrowings from banks, amounting to Rs. 40.31 crore, as on 31st March 2025. Against a current portion of long-term debt (CPLTD) of Rs 17.46 crore in FY2025, the company had a cash accrual of Rs. 63.94 crore in FY2025. The company projected to generate cash accruals b/w Rs. 85.28 crore - Rs. 143.77 crore in FY2026-FY2028 which are sufficient future repayment obligations. With the adequate expected cash accruals against repayments, the liquidity position will remain adequate.

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).

Financials (Standalone):

(Rs. crore)

For the year ended as on	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1196.92	1412.61
EBITDA	119.80	126.55
PAT	51.31	50.71
Total Debt	348.29	316.02
Adjusted Tangible Networth	447.71	551.81
EBITDA Margin (%)	10.01	8.96
PAT Margin (%)	4.27	3.58
Overall Gearing Ratio (x)	0.78	0.57
Interest Service Coverage Ratio (x)	2.75	2.52

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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Rating History for last three years:

Sr. No.	Type of Instrument/Facility	Current Ratings (Year 2025-26)			Rating History for the past 3 years				
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26 23 Apr 2025	Date(s) & Rating(s) assigned in 2024-25 05 Sep 2024	Date(s) & Rating(s) assigned in 2023-24 16 Jan 2024	Date(s) & Rating(s) assigned in 2023-24 22 Aug 2023	Date(s) & Rating(s) assigned in 2022-23 05 Aug 2022
1.	Fund Based	Long Term	428.73	IVR A /Stable	IVR A /RWDI	IVR A /Positive	IVR A /Stable	IVR A /Stable	IVR A /Stable
2.	Non-Fund Based	Long Term	385.00	IVR A /Stable	IVR A /RWDI	IVR A /Positive	IVR A /Stable	IVR A /Stable	IVR A /Stable
3.	Non-Fund Based	Short Term	18.00	IVR A1	IVR A1 /RWDI	IVR A1	IVR A1	IVR A1	IVR A1

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit/WCDL	-	-	-	320.00	IVR A/Stable
Proposed CC	-	-	-	80.00	IVR A/Stable
Term Loan	-	-	September 2027	16.48	IVR A/Stable
GECL-TL	-	-	December 2025	1.16	IVR A/Stable
GECL-TL	-	-	March 2026	2.26	IVR A/Stable
GECL-TL	-	-	April 2026	0.33	IVR A/Stable
GECL-TL	-	-	December 2027	3.94	IVR A/Stable
GECL-TL	-	-	May 2028	4.56	IVR A/Stable
Bank Guarantee*	-	-	-	310.00	IVR A/Stable
Proposed-BG*	-	-	-	75.00	IVR A/Stable
Letter of Credit				15.00	IVR A1

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LER	-	-	-	3.00	IVR A1

*BG Tenor is more than 12 months and also includes LC as sublimit

Annexure 2: Facility wise lender details:
https://www.infomerics.com/admin/prfiles/lensalasar-oct25.pdf
Annexure 3: Detailed explanation of covenants of the rated securities/facilities: Not Applicable
Annexure 4: List of companies considered for consolidated/combined analysis: Nil
Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.