

CONSOLIDATING GROWTH



STEELCAST LIMITED
48th Annual Report 2018-19

Navigating through...

Corporate Overview 1 - 13

○○○○

○ Key Reporting Principles	2
○ Steelcast Limited – At a Glance, Vision & Mission	3
○ Business Model	4
○ Industries Catered	6
○ Our Footprints	7
○ Performance Overview	8
○ Strategic Review	10
○ Environment and Communities	12
○ Corporate Information	13

Statutory Reports 14 - 65

○○○○

○ Ten-years Financial Highlights	14
○ Notice	15
○ Board's Report	25
○ Report on Corporate Governance	47
○ Management Discussion and Analysis	62

Financial Statements 66 - 108

○○○○

○ Standalone	66
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Investor information

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○ BSE Code	: 513517
○ Bloomberg Code	: STLCS:IN
○ AGM Date	: August 7, 2019
○ AGM Venue	: Efcee Sarovar Portico- Sarovar Hotels, Iscon Mega city, Opp. Victoria Park, Bhavnagar, Gujarat- 364002

Please find our online version at
[http://www.steelcast.net/
quarterly-results.html](http://www.steelcast.net/quarterly-results.html)

Or simply scan to download:



Disclaimer:

This document contains statements about expected future events and financials of Steelcast Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

Key Figures 2018-19

₹ 299.45 Crores

Market capitalisation as on
March 31, 2019

₹ 317.92 Crores


Net Sales in 2018-19

₹ 60.16 Crores

EBITDA in 2018-19

₹ 24.92 Crores

PAT in 2018-19



If the year 2017-18 was about transformation, 2018-19 was the demonstration of our ability to adapt to the transformation and change in response to it.

And yes, we responded positively by using our **ability to adapt** and change. We evaluated our strengths, analysed where we stood and recognised all that we can be.

We overcame the adversities by **planning and strategising** in a way that helped us stay afloat.

We reduced our **segment concentration** by foraying into diverse business segments.

We worked on **new products** and also entered **new markets**.

Today, we are **better equipped ever-growing demand** of the market.

The road, hereon, will drive our growth with the **abundance of opportunities** coming our way.

For us, it is **Consolidating Growth.**

Key Reporting Principles



Principle 1

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Business with ethics, transparency and accountability

The Company's Corporate Governance is designed keeping the highest standards of ethical and responsible conduct of business in mind. The basic motto is to create value for all stakeholders and the Company's CSR, HR and EHS policies are built keeping the commitment to ethics, transparency and accountability in mind.



Principle 2

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Manufacturing goods that are safe and contribute to sustainability throughout their life cycle

The Company serves the core sector of the economy and is well aware of the profound impact its products can have. Hence, sustainability is an imperative part of the products' engineering and design. The Company works actively towards enhancing efficiencies, promotes material recycling and use of alternative materials.



Principle 3

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Business should promote well-being of employees

The Company's employees form the foundation that the organisation is built on. Together, they give the Company its character and personality. Hence, the Company goals are well-aligned with individual aspirations. Timely trainings and orientation, safe environment to work within and an inclusive approach towards employment are given special attention.



Principle 4

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Responsive towards all stakeholders

The Company realises its role in responsibly safeguarding the interests of all its stakeholders. Hence, continuous efforts are made towards improving the value proposition offered to customers, shareholders, employees, suppliers and other stakeholders. The Company pays special attention to the marginalised sections of the society through its CSR activities.



Principle 5

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Business with protection of environment

The Company proactively identifies and assesses potential environmental risks and opportunities through a dedicated system in place for the task. We realise our responsibility towards conserving the environment and enhance adherence to all pollution control standards set by the relevant authorities. Regular internal checks are also conducted by the right authorities.

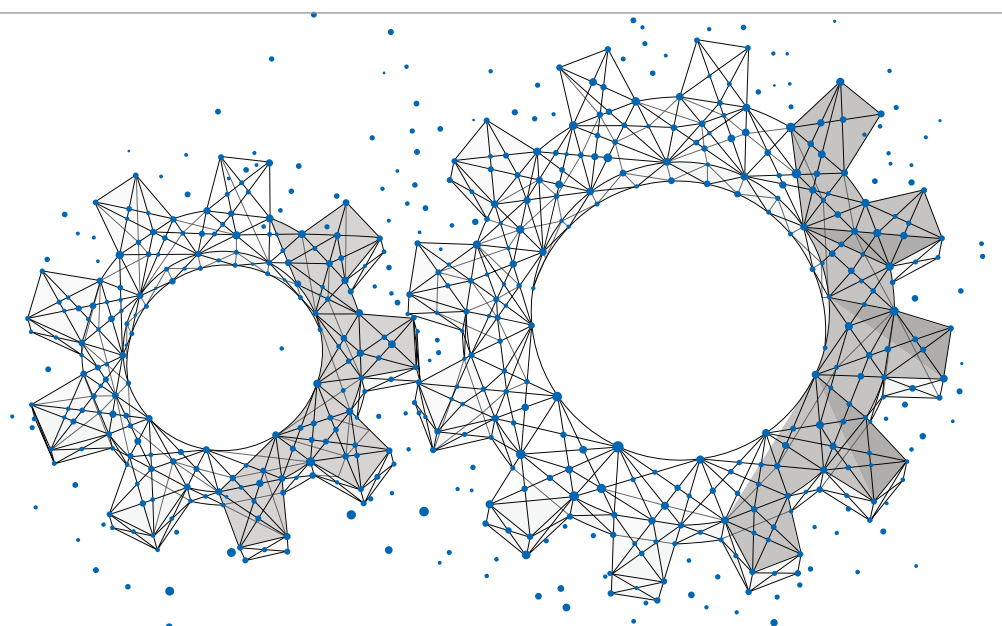


Principle 6

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Value to customers

The Company, as part of its regular process, engages with customers to understand their expectations and requirements better. We feel our success depends on our ability to consistently improve the value we offer to our customers. Hence, we invest adequately towards R&D, technology, designing, manufacturing and testing processes. This helps ensure repeat business while boosting customer satisfaction and confidence.



Steelcast Limited – at a glance

Steelcast Limited (henceforth, 'SL' or 'the Company') is one of India's leading manufacturer of Carbon steel and alloy steel castings in place of alloy and steel casting products. With over 5 decades of experience, the Company implements specialised technique of 'No Bake and Shell Moulding' into manufacturing of steel casting products.

So far, Steelcast Ltd manufactured products catering to the mining industry. Gradually over the years, it has expanded its operations into Equipment Manufacturing, Defence, Ground Engaging Tools, Locomotives and Railways, Oil exploration and the Transport industry. All the products developed by the Company primarily cater the Earth Moving and Construction Equipment manufacturers. Last year, the Company also forayed into other segments with new products and into newer markets.

30,000 MTPA

Total Casting Capacities

No. Bake: **13,000 MTPA**

No. Bake Automated Loop: **12,000 MTPA**

Shell Moulding Plant: **5,000 MTPA**

9

Countries where Products are Exported

811

Employees as on March 31, 2019



Vision

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- To be a reputed global provider of reliable and ready-to-use high quality castings
- To offer customer delight and employee growth with equal fairness towards all stakeholders
- To focus on innovation and creativity for promoting organisational participation and continuous learning
- To diversify into different products and businesses by providing state-of-the-art material



Mission

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- To continuously interact with customers to understand their needs
- To offer best-in-class customer service and provide them value for money to earn complete customer loyalty and facilitate access to larger markets
- To continuously develop processes for delivering high quality, reliable and consistent products
- To create a transparent, principled and system-based organisation that empowers employees at all levels to take initiatives, innovate, learn and grow while working with enthusiasm and commitment
- To be a debt-free company offering excellent shareholder returns, employee-friendly environment and pay all fair dues to the Government and society

Business Model

INPUT

Financial Capital

- Refers to the pool of funds or financial inputs required by the organisation
- Total capital employed: ₹ 179.39 Crores
- Debt-to-Equity ratio: 0.35

Manufactured Capital

- Refers to all the inputs like equipment, tools, plants, machinery and technology required for production
- No Bake: 13,000 tons
- No Bake automated loop: 12,000 tons
- Shell Moulding Plant: 5,000 tons

Intellectual Capital

- Refers to all the intangible resources like the innovation-led approach, strong R&D and State-of-the-art-technology, required for value creation

Human Capital

- Refers to the collective know-how of the organisation and investments made towards skill training of the workforce
- No. of employees: 811 skilled and motivated employees

Social and Relationship Capital

- Refers to the shared value, commitment and knowledge that forms the basis of the reputation and trust developed. It includes the efforts involved in maintaining relationship with regulatory bodies, shareholders, vendors, customers, channel partners and surrounding communities

Natural Capital

- Refers to aspects of the natural environment that deliver socio-economic value through ecosystem services.
- Capital invested: ₹ 461.37 Lakhs in energy conservation equipment

VALUE-ENABLERS

Value-enablers

- Product Range
- Diversified Segments
- Quality
- Research and Development
- Experienced Management Team
- Talented Workforce

AND STRATEGIES

Long-term Strategy

- Widening of Customer Base
- Entry into New Industry Segments
- Development of New Casting Products for Existing Customers

Medium-term Strategy

- Improvement in Product Quality
- Control and Minimising Rejections
- Cost Reduction

VALUES-CREATED

Financial Capital

- Revenues: ₹ 319.34 Crores
- PAT: ₹ 24.92 Crores
- EBIDTA : ₹ 60.16 Crores

Manufactured Capital

- Production: 13,219 MTPA
- Capacity utilisation: 44.06%

Intellectual Capital

- Innovative cost-controlling methods of working
- Efficient quality control
- Developed a mechanism to treat liquid steel with Calcium and other rare Earth elements
- Developed an alternate to No Bake Binder, compatible with Olivine sand for producing Manganese steel casting
- Developed higher MEF exothermic Sleeve for improved yield of casting

Human Capital

- Generating value through employee skills

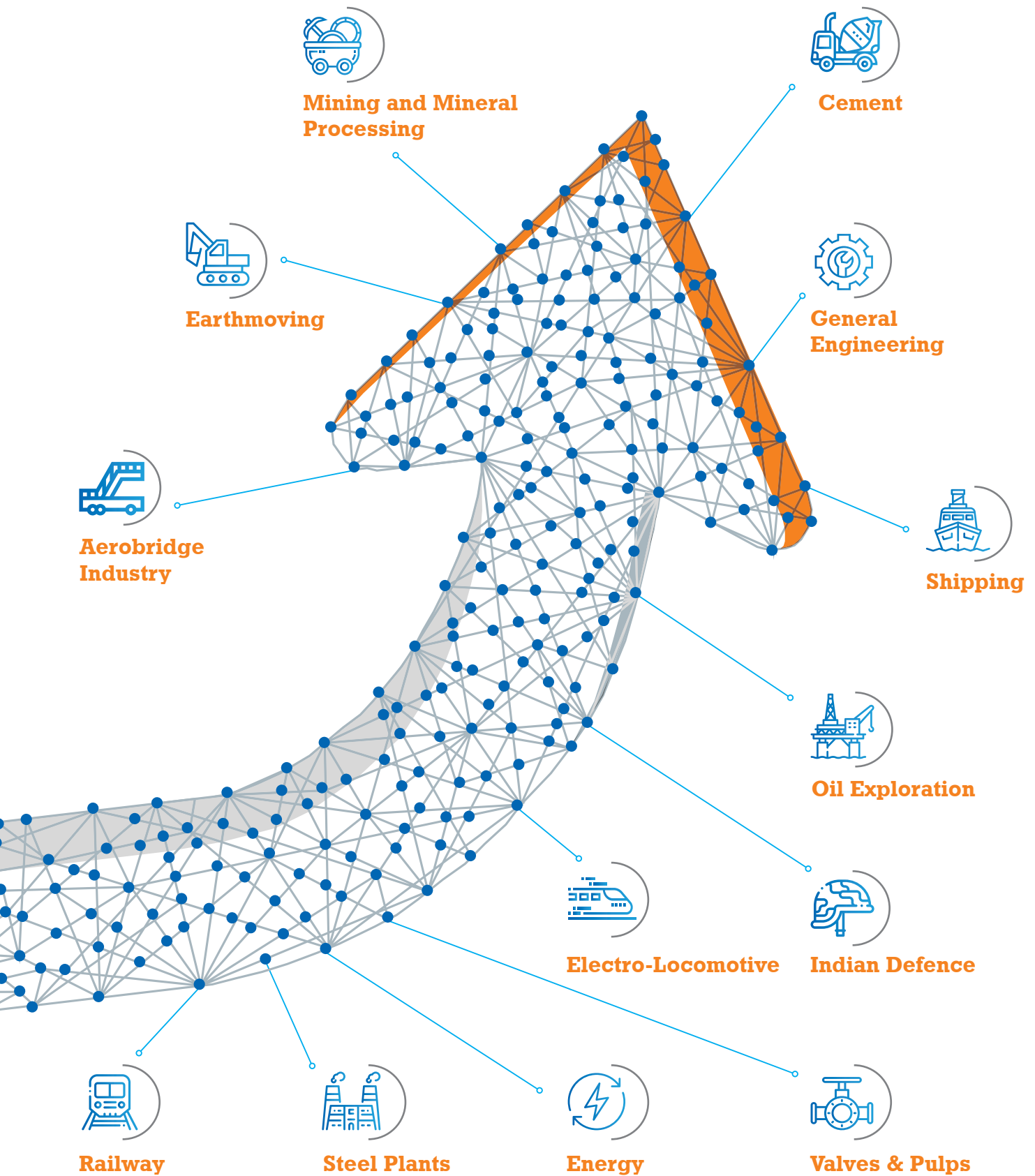
Social and Relationship Capital

- Trust and optimum customer satisfaction
- Long-term relationship with partners, vendors and stakeholders
- Positive impact on community by promoting education, ensuring environmental sustainability, eradicating extreme hunger and poverty and working for welfare of the society

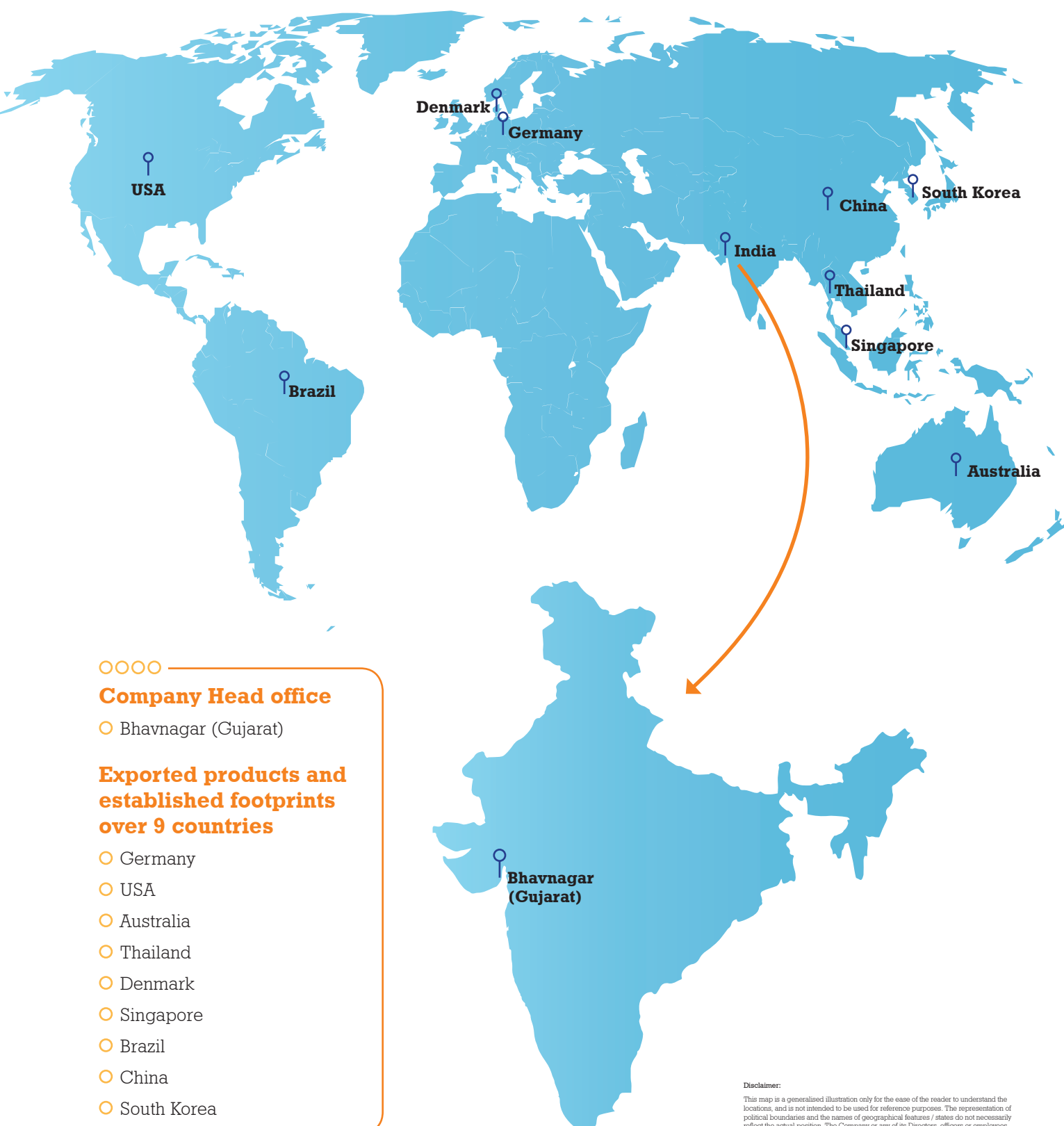
Natural Capital

- Removal of excess cooling pumps in shakeout pre-reclaimer system for energy conservation
- Power saving by installing temperature control system in polymer quenching tank

Industries Catered



Our Footprints



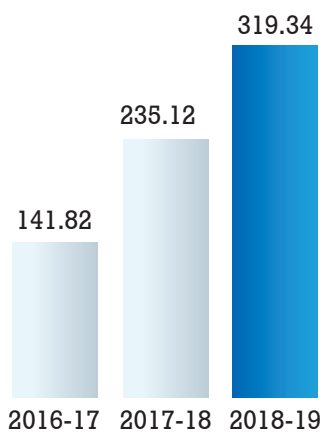
Disclaimer:
This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Performance Overview

Key Performance Indicators

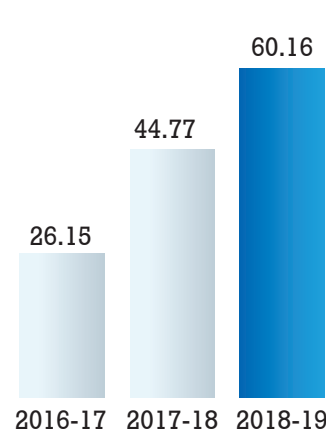
Revenue

(₹ Crores)



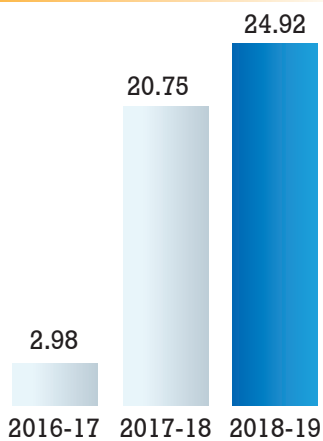
EBIDTA

(₹ Crores)



PAT

(₹ Crores)



EBIDTA Margin

(%)

