

# NEXT LEVEL

Lighter Balance Sheet leading to a  
sustainably larger business

## 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.

## Contents

### Corporate Overview

- 01** Corporate Information
- 02** Significant Financial Indicators
- 04** Corporate snapshot
- 08** How we have grown over the years
- 10** Chairman's strategy audit
- 12** Operational review
- 16** Steelcast's business model
- 18** Our Stakeholder Value-Creation Report, 2021-22
- 24** Steelcast's culture of manufacturing excellence
- 26** How our products feature in everyday life
- 30** How Steelcast widened and deepened its international footprint
- 35** Environment, social and government (ESG) review
- 37** Our corporate social responsibility

### Statutory Reports

- 40** Notice
- 51** Board's Report
- 77** Corporate Governance Report
- 94** Management Discussion and Analysis

### Financial Statements

- 101** Financial Statements

## Investor Information

### Corporate Id No.

L27310GJ1972PLC002033

### ISIN

INE124E01020

### Scrip Code at BSE

513517

### Scrip Symbol at NSE

STEELCAS

### Bloomberg Code

STLCS:IN

### AGM Date

4th August, 2022

### 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>

## CORPORATE INFORMATION

### Board of Directors & Invitee

**Mr. Chetan M Tamboli**

Chairman & Managing Director

**Mr. Rajendra V Gandhi**

Independent Director

**Mr. Apurva R Shah**

Independent Director

**Mr. Kumar Tipirneni**

Permanent Invitee to the Board

**Mr. Hemant D Dholakia**

Independent Director

**Mr. Rushil C Tamboli**

Non-Executive Non-Independent Director  
(W.e.f. 01.04.2022)

**Ms. Vidhi C Tamboli**

Non-Executive Non-Independent Director

**Mrs. Aarushi M Ganatra**

Independent Director  
(Appointed on 18.05.2022)

### Chief Financial Officer

**Mr. Subhash R Sharma**

### Company Secretary

**Mr. Umesh V Bhatt**

### Bankers

Standard Chartered Bank

HDFC Bank Limited

RBL Bank Limited

### Auditors

SSM & Co., Chartered Accountants

### Registered Office & Works

Ruvapari Road, Bhavnagar.

Gujarat- 364005

Phone : (91) (278) 251 9062

Fax : (91) (278) 251 9831

## Significant financial indicators for the last 10 years

(INR in Lakhs except as specified)

Parameter	Financial Year ending on 31st March									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Income	28,735.05	14,448.80	7,914.31	13,704.24	14,182.41	23,512.07	31,934.03	20,106.64	15,922.00	30,235.57
EBIDTA	4,782.92	2,618.22	(4.57)	2,627.40	2,614.98	4,476.74	6,015.54	3,780.97	3,305.26	6,400.57
Prot After Tax	1,965.42	42.57	(1,850.04)	13.29	298.09	2,075.18	2,492.30	781.37	1,209.49	3,324.53
Net Worth	7,704.14	7,907.10	5,990.84	7,186.46	7,404.04	9,333.06	11,495.95	11,789.31	12,877.37	15,655.41
Total Borrowed Funds	11,631.81	13,721.91	14,361.95	12,800.66	8,959.59	9,255.51	6,443.26	4,453.62	2,311.02	6,279.86
Fixed Assets (Net)	12,148.19	14,913.57	13,976.83	13,409.44	12,392.36	12,361.46	11,723.36	10,680.09	9,906.03	11,434.51
Net Current Assets	7,322.19	5,650.32	4,787.08	4,619.99	7,792.19	11,572.12	9,726.17	7,677.75	8,266.15	15,057.88
Book Value Per Share (Adjusted to Sub Division & Bonus Issue and Pl) (₹)	44.00	43.00	32.89	35.51	36.58	46.11	9	58.25	63.85	77.35
Earning Per Share (Basic) (Adjusted to Sub Division & Bonus Issue) (₹)	11.80	0.23	(10.16)	0.07	1.47	10.31	12.34	3.94	5.94	16.44
Dividend (%)	36.00	0.00	0.00	0.00	12.00	27.00	40.00	12.00	27.00	63.00
Debt Equity Ratio (Total Borrowed Funds/ Net Worth)	1.51	1.74	2.40	1.78	1.21	0.99	0.56	0.38	0.18	0.40
Operating Profit (EBIDTA) to Sale (%)	16.64	18.12	(0.06)	19.17	18.44	19.04	18.95	18.85	20.96	21.19

# NEXT LEVEL

At Steelcast, our business is at the cusp of an unprecedented opportunity.

India's capital expenditure cycle appears to be entering a period of unprecedented expansion; global downstream sectors appear to be reviving their spending following the pandemic-induced slowdown of the last two years.

Steelcast is attractively placed to capitalise.

The Company has repaid sizeable debt and finished the year under review with an under-borrowed Balance Sheet.

The Company also possesses a range of certifications and customer approvals; it enjoys multi-year customer relationships; it nurses adequate capacity to sustain growth.

These realities are likely to drive the next phase in the Company's growth journey, graduating it to the next level.



Steelcast is a respected manufacturer of Steel and Alloy Casting products and solutions.

The Company's products are used in demanding downstream heavy engineering sectors that are core to national progress.

The Company's products have been marked by high quality, efficiency, customisation and service.

This has made the Company intrinsic to the growth of its diverse downstream sectors.

*Helping graduate customers to the next level and in doing so, empowering the Company to do so as well.*

### Vision

- 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

- 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

## Background and promoters

The Company is engaged in the business of steel castings since 1960. It commenced as a partnership firm and was converted into a private limited company in 1972 that became a public limited company in 1994. The Company was promoted by Mr Manmohan Fulchand Tamboli along with his brother Mr Bipin Fulchand Tamboli and is presently being stewarded by Mr Chetan Manmohan Tamboli, supported by family members.

## Rich experience

Steelcast manufactures steel & alloy steel castings, addressing the needs of Original Equipment Manufacturers (OEM) across the mining & mineral processing, earth moving, cement, steel plants, valves & pumps, thermal & hydro power, electro locomotive, oil field, aerobridge, general engineering and shipping sectors.

## Presence

The Company is headquartered in Bhavnagar (Gujarat) with its manufacturing facility located in the same city. Alang, Asia's biggest ship recycling yard, is just 50 km away and a major source of scrap raw material. Gujarat is a power-surplus state with the Company's

own 66KV power transmission station with 10MW power readily available.

## Logistical advantage

All the Company's fuel requirements are addressed through piped natural gas and LPG. The Pipavav port is 130 km away. A waterways network with Hazira and Surat has helped reduce the distance from 370 Kms to 60 Kms. The Company enjoys road and rail connectivity with major cities in Gujarat.

## Exports

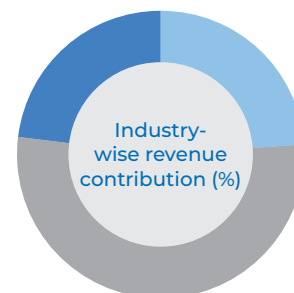
The Company derives a prominent proportion of its revenues from exports. In FY 2021-22, the Company generated 56% revenues from exports to nine countries.

## Employees

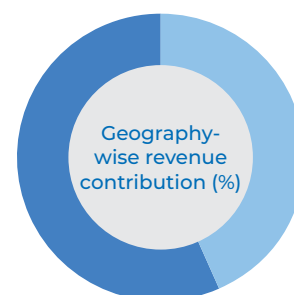
The Company was a knowledgeable employer of 887 employees on the Company's rolls as on 31st March, 2022. The average age of 84% of employees was between 18-45 years as on 31st March, 2022. The Company employs professionals comprising the following competencies: metallurgy, finance, sales, operations, research, quality assurance, procurement and others.

## Financial performance

The Company reported revenues of ₹302.36 Cr during FY 2021-22, a 90% growth over the previous financial year. The Company's PAT of ₹33.27 Cr was a 177% growth over the previous year.



Mining	24.00
Earth moving	53.00
Others	23.00



Domestic	43.60
Exports	56.40

## The extensive credentials that we bring to our business

### Awards

- Best Foundry Award from the Institute of Indian Foundrymen for the best import substitution record among all foundries in India
- Recipient of Shri Laxmanrao Kirloskar Best Foundry Award from the Institute of Indian Foundrymen.
- Best Vendor (Category-Castings) Award from Bharat Earth Movers Ltd., Bangalore, for outstanding performance in materials supply
- Highest rating among India's Top 500 manufacturing Small & Mid-Sized Companies

### Approvals and certifications

#### Customer and nodal agency approvals

- Approved as a Class 'A' foundry by RDSO, India
- Approved by Association of American Rail Roads (under renewal)
- Approved as a recognised R&D Laboratory by the Department of Science & Technology, Government of India.
- Class A-approved foundry by Ministry of Railways, India
- Accredited as an NABL (National Accreditation Board for Testing and Calibration Laboratories)-approved Laboratory.
- R&D Laboratory approved by The Department of Science & Technology, Government of India.

- Accredited as Authorised Economic Operator (AEO) T1 by Government of India.

- Accorded Two Star Export House status by Directorate General of Foreign Trade.

#### Certifications

- An ISO:9001-2015 Company certified by TUV NORD, Germany (for Quality);
- An ISO:14001-2015 Company certified by TUV NORD, Germany (for Environment)
- An ISO 45001:2018 Company certified by TUV NORD, Germany (for Occupational Health & Safety).
- An EN 9100:2018 certified by TUV NORD, Germany (for aerospace).



**Steelcast.** Global provider  
of quality products for  
marquee customers



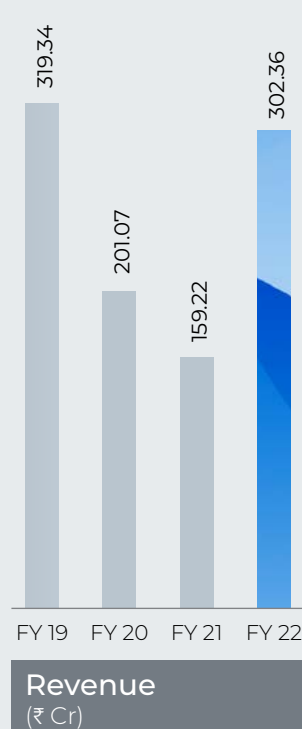




### The Company exports its production to 11 countries

- USA • Germany • Thailand • Singapore
- Denmark • Mexico • China • South Korea
- Brazil • Japan • Australia

# How we have grown over the years



## Definition

Growth in sales, net of taxes.

## Why this is measured

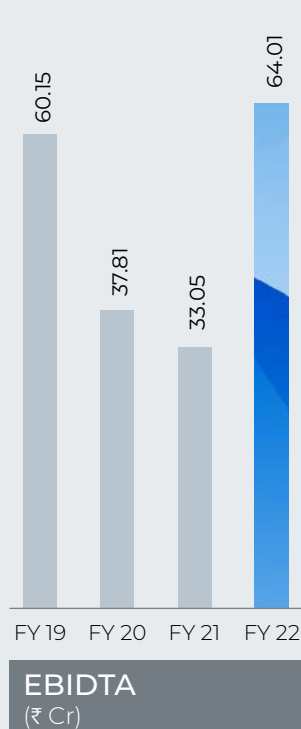
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

## What this means

The volume offtake remained creditable in an otherwise challenging year for the economy, protecting the Company's industry visibility.

## Value impact

Aggregate sales increased 90% during the year under review on account of a wider marketing footprint.



## Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

## Why this is measured

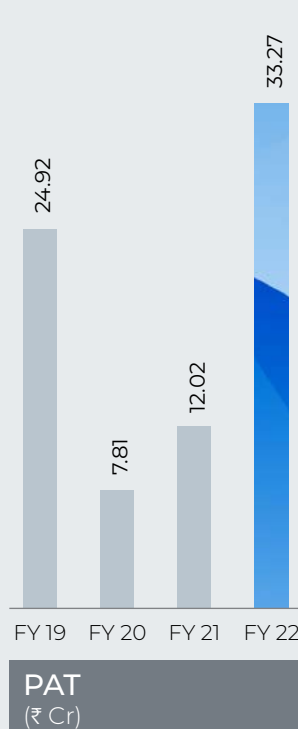
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating the base for a comparison with sectoral peers.

## What this means

Helps create a robust surplus-generating engine that facilitates reinvestment.

## Value impact

The Company reported a 93.65 % growth in EBITDA in FY 2021-22 due to better sales realisations.



## Definition

Profit earned during the year after deducting all expenses and provisions

## Why is this measured?

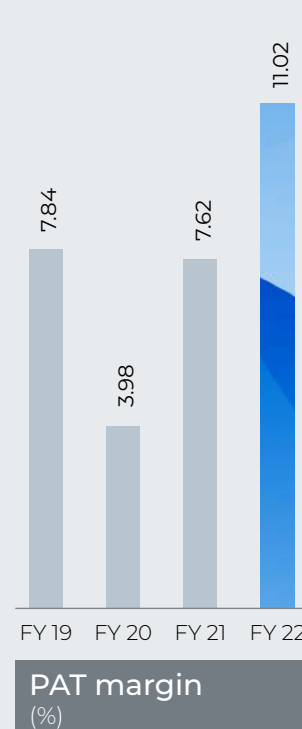
This measure highlights the strength of the business model in enhancing shareholder value

## What does it mean?

It ensures that adequate surplus is available for reinvestment in the Company's operations.

## Value impact

The Company reported a 177% increase in net profit in FY 2021-22 following all-round business-strengthening.



## Definition

Net profit margin is a profitability measure used to assess a company's ability to generate a surplus (after expensing interest, depreciation and tax) on a rupee of sales, expressed as a percentage

## Why is this measured?

The net profit margin provides an insight into the Company's net earning capacity, which can be compared across companies within the same sector

## What does it mean?

This demonstrates the buffer available within the Company to reinvest or reward shareholders

## Value impact

The Company reported a 340 bps increase in net profit margin during FY 2021-22. The overall improvement in profit margins was largely due to cost reduction, better product mix, lower finance cost, price variation clause with customers that insulated margins from cost rises and other factors.