

Steelcast Limited
52nd Annual Report 2022-23



STRUCTURAL SHIFT



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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.

INVESTOR INFORMATION

Corporate Id No.

L27310GJ1972PLC002033

ISIN

INE124E01020

Scrip Code at BSE

513517

Scrip Symbol at NSE

STEELCAS

Bloomberg Code

STLCS:IN

AGM Date

3rd August, 2023

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)

CORPORATE INFORMATION

Board of Directors & Invitee

Mr. Chetan M Tamboli
Chairman & Managing Director

Mr. Rajendra V Gandhi
Independent Director
(Term completed on 30.09.2022)

Mr. Apurva R Shah
Independent Director

Mr. Kumar Tipirneni
Permanent Invitee to the Board

Mr. Hemant D Dholakia
Independent Director

Mr. Rushil C Tamboli
Executive Director
(Appointed with effect from 23.05.2023)

Mrs. Vidhi S Merchant
Non-Executive Non-Independent Director

Mrs. Aarushi M Ganatra
Independent Director
(Appointed with effect from 18.05.2022)

Mr. Harsh R Gandhi
Independent Director
(Appointed with effect from 23.01.2023)

Mr. Rajiv D Gandhi
Independent Director
(Appointed with effect from 23.01.2023)

Mr. Ashutosh H Shukla
Executive Director
(Appointed with effect from 23.01.2023)

Mr. Subhash R Sharma
Executive Director
(Appointed with effect from 23.01.2023)

Chief Financial Officer

Mr. Subhash R Sharma

Company Secretary

Mr. Umesh V Bhatt

Bankers

Standard Chartered Bank
HDFC Bank Limited
RBL Bank Limited
ICICI 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 ACROSS THE LAST 10 YEARS

(INR in Lakhs except as specified)

Parameters	Financial Year ending on 31 st March									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Income	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	47,793.74
EBIDTA	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	11,507.87
Profit After Tax	42.57	(1,850.04)	13.29	298.09	2,075.18	2,492.30	781.37	1,209.49	3,324.53	7,049.18
Net Worth	7,907.10	5,990.84	7,186.46	7,404.04	9,333.06	11,495.95	11,789.31	12,877.37	15,655.4	21,520.56
Total Borrowed Funds	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	2,364.86
Fixed Assets (Net)	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	14,201.13
Net Current Assets	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	14,773.47
Book Value Per Share (Adjusted to Sub Division & Bonus Issue and PI) (₹)	43.00	32.89	35.51	36.58	46.11	9.00	58.25	63.85	77.35	106.33
Earning Per Share (Basic) (Adjusted to Sub Division & Bonus Issue) (₹)	0.23	(10.16)	0.07	1.47	10.31	12.34	3.94	5.94	16.44	34.84
Dividend (%)	0.00	0.00	0.00	12.00	27.00	40.00	12.00	27.00	63.00	198.00
Debt Equity Ratio (Total Borrowed Funds/Net Worth)	1.74	2.40	1.78	1.21	0.99	0.56	0.38	0.18	0.40	0.10
Operating Profit (EBIDTA) to Sale (%)	18.12	(0.06)	19.17	18.44	19.04	18.95	18.85	20.96	21.19	24.08

STRUCTURAL SHIFT

Major global economies are increasing their infrastructure spending to catalyse economic activity.

India's capital expenditure dedicated to infrastructure is proposed to grow from ₹5.54 Lakhs Cr for FY 2021-22 to ₹10 Lakhs Cr for FY 2023-24.

Besides, a global manufacturing shift has begun away from China.

A convergence of these structural shifts is opening a world of opportunities for Steelcast and India.

Steelcast is expected to capitalise through proactive capacity creation, experience, product customisation, global certifications and enduring customer relationships.



STEELCAST IS A RENOWNED PRODUCER OF SPECIALISED STEEL AND ALLOY STEEL CASTING PRODUCTS AND SOLUTIONS.

These products are utilised in crucial downstream heavy engineering industries that play a pivotal role in the progress of society.

Steelcast products are well-known for their superior quality, efficacy, customisation and service, making the company an integral part of the development of diverse downstream sectors.

Steelcast holds various certifications and customer approvals; it maintains long-term relationships with clients and possesses sufficient capacity to support its growth.



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 has been in the steel casting industry since 1960, starting as a partnership, later becoming a private limited company in 1972 and then a public limited company in 1994. The company was co-founded by Mr. Manmohan Fulchand Tamboli and is currently led by Mr. Chetan Manmohan Tamboli, supported by other family members.



Presence

The company's headquarters as well as manufacturing facility are in Bhavnagar (Gujarat) with Alang, Asia's biggest ship recycling yard, and a major source of raw material for scrap, being just 50 km away. Gujarat is a power surplus state with the Company's own 66KV power transmission station with 10MW power readily available.



Rich experience

Steelcast specialises in manufacturing steel and alloy steel castings, catering to the needs of Original Equipment Manufacturers (OEM) in industries such as mining and mineral processing, earthmoving, cement, steel plants, electrolocomotive, construction equipment, ground engaging tools (GET), railways, transportation and defence, etc.



Financial performance

The company reported revenues of ₹477.93 Cr during FY 2022-23, a 58.07% growth over the previous financial year. The company's PAT of ₹70.52 Cr was a 111.96% growth over the previous year.



Exports

The company derives a prominent proportion of its revenues from exports. In FY 2022-23, the company generated 60.13% revenues from exports to nine countries.



Employees

Due to its location, the company has access to skilled manpower at a minimal cost. The company's total talent count comprised 905 employees on the company's payroll as on 31st March, 2023. The average age of 84.53% of employees was between 18-45 years as on 31st March, 2023. The company has professionals comprising the following competencies: metallurgy, finance, sales, operations, research, quality assurance, procurement and others.



Logistical advantage

The company's fuel needs are met through the use of piped natural gas and LPG. The Pipavav port is located 130 km away. A waterways network connecting Hazira and Surat reduces the distance from 370 kms to 60 kms through ro-pax ferry services from Ghogha, Bhavnagar to Hazira, Surat. Additionally, the company has good road and rail connections with major cities in Gujarat.



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



Credit rating

Steelcast's credit ratings was revised from CARE BBB+ Positive/CARE A2 to CARE A-Stable/ CARE A2+.



Approvals and certifications

Customer and nodal agency approvals

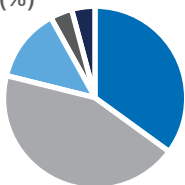
- Approved as a Class 'A' foundry by RDSO, India
- Approved by Association of American Rail Roads (under renewal)
- Approved as a recognised R&D Laboratory by the Department of Science & Technology, Government of India
- Classified as a A-approved foundry by Ministry of Railways, India
- Accredited as 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

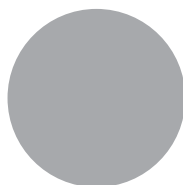
- An ISO:9001-2015 Company certified by TUV NORD, Germany (for Quality)
- An ISO:14001-2015 Company certified by TUV NORD, Germany (for Environment)
- An ISO 45001:2018 Company certified by TUV NORD, Germany (for Occupational Health & Safety)
- An EN 9100:2018 certified by TUV NORD, Germany (for Aerospace)
- TPG Certificate for casting, heat treatment and NDT, AAR Certification (under renewal)

Industry-wise revenue contribution (%)



- Mining 35.07
- Earth moving 43.82
- Construction 13.13
- Locomotive 4.02
- Others 3.96

Segment-wise contribution (%)



- Replacement market 0
- OEMs 100

Geography-wise revenue contribution (%)



- Domestic 40
- Exports 60

STEELCAST. A GLOBAL PROVIDER OF QUALITY PRODUCTS FOR MARQUEE CUSTOMERS



The Company exports to nine countries

1. Germany
2. USA
3. Thailand
4. Singapore
5. Mexico
6. Brazil
7. Denmark
8. Slovakia and
9. Poland