03rd October, 2016

To,
The Manager,
Corporate Relationship Department,
BSE Limited,
Dalal Street,
Mumbai.

To,
The Manager,
The National Stock Exchange of India Ltd.
Bandra Kurla Complex,
Mumbai.

Sub: Submission of Annual report for the F.Y. ended 31.03.2016

Dear Sir,

Pursuant to regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we are submitting herewith a copy of annual report for the F. Y. ended 31.03.2016.

Please acknowledge the receipt.

Thanks & Regards,

For ALICON CASTALLOY LTD.

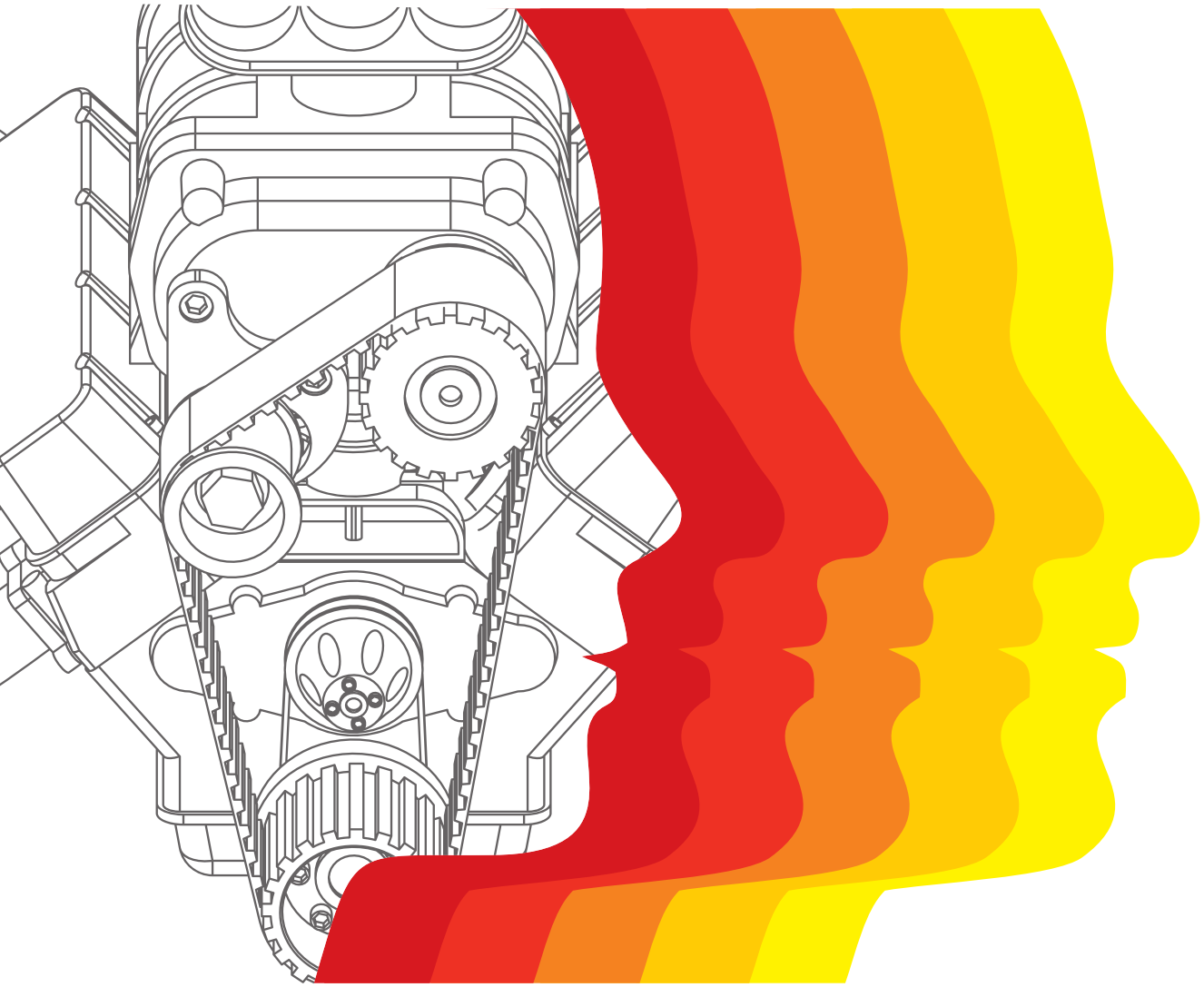
Sawant

Authorized Signatory.

Encl: as above

ANNUAL REPORT
2015>16

alicon



FORWARD

THE ONLY WAY WE THINK

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. S. Rai
Managing Director

Mrs. Pamela Rai

Mr. Junichi Suzuki

Mr. A. D. Harolikar

Mr. Vinay Panjabi

Mr. Ajay Nanavati

AUDITORS

M/s. Asit Mehta & Associates

BANKERS

Bank of Maharashtra

Kotak Mahindra Bank

State Bank of India

Bank of India

REGISTERED OFFICE

REGISTERED OFFICE
Gat No. 1426, Village - Shikrapur, Taluka - Shirur,
District Pune - 412 208, Maharashtra INDIA
T: +91 2137 677100 | F: +91 2137 677130
Email: marketing@alicongroup.co.in

SHARE TRANSFER AGENT

M/s. Universal Capital Securities Pvt. Ltd.
21 Shakil Niwas, Opp. Sai Baba Temple,
Mahakali Caves Road, Andheri (E),
Mumbai - 400 093

WORKS

Gat No. 1426, Village - Shikrapur, Taluka - Shirur,
District Pune - 412 208, Maharashtra INDIA

Plot No. 58/59,
Block D II, MIDC
Chinchwad, Pune - 411 019

57-58 km. Mile Stone, Delhi - Jaipur, NH 8,
Industrial Area, Village - Binola,
District - Gurgaon, Haryana - 122 051

Illichmann Castalloy s.r.o.
Partizanska 81, 966 81, Zarnovica,
Slovakia

WHAT'S INSIDE

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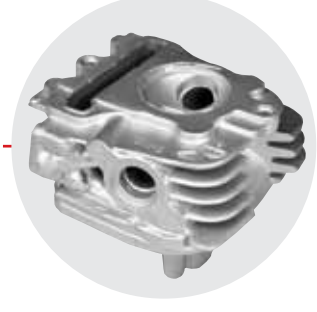
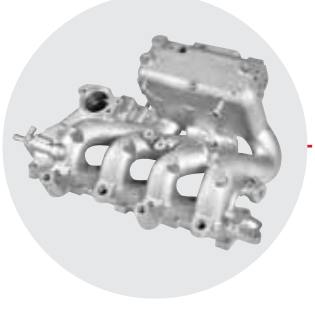
FORWARD
THE ONLY WAY WE THINK

For us, at Alicon, tomorrow is not just the continuation of today but another chapter in our growth story. It is, for us, an exciting new phase in our journey of progress. It is that motivational milestone which inspires us to strategise in a more focussed manner, work harder, collaborate more cohesively and deliver customised solutions designed to address the niche requirements of our customers.

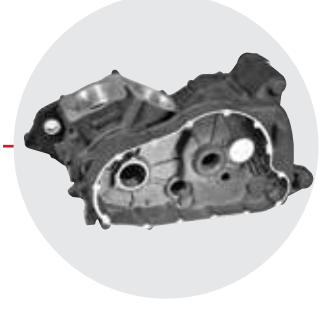
Our progressive products



Year 1990
2W Cylinder Head
Manufactured



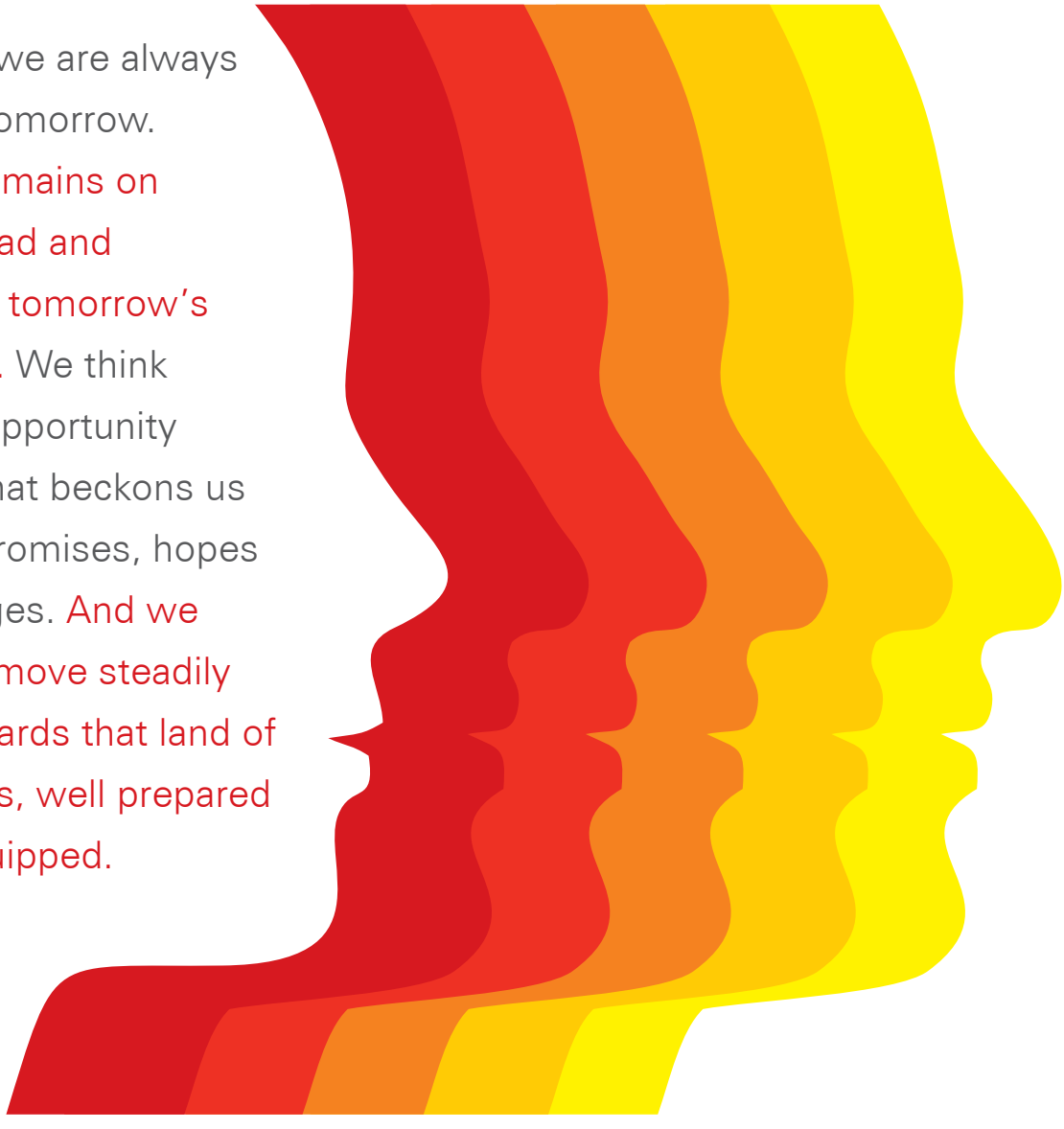
Year 2000
4W Manifold
Manufactured



Year 2015
Crank Case
Manufactured

Year 2016
HCV Coolant Collector
Manufactured

That is why we are always thinking of tomorrow. Our focus remains on thinking ahead and pre-empting tomorrow's needs today. We think of the vast opportunity landscape that beckons us with all its promises, hopes and challenges. And we continue to move steadily forward towards that land of opportunities, well prepared and well equipped.



MESSAGE
FROM THE MANAGING DIRECTOR

7%
growth
in turnover

Dear Shareholders,

FY 2016 marked another important year in your Company's history as we evolved our forward-thinking strategy to meet the challenges of the future.

Even though challenges persisted, our inherent strengths and forward-looking approach enabled us to sustain growth amid tough conditions. Poor infrastructure and procedural delays continued to have an adverse effect on the macro external environment, causing consumer sentiment to remain low. This caused the Auto Industry to perform below par, growing a mere 4 per cent during the past year. At Alicon, however, growth remained largely on track as we successfully harnessed our inherent strengths to seize new opportunities through a diversified and de-risked approach.

Our focussed strategy facilitated the translation of our past efforts into real achievements on the ground. The diversification initiatives we had launched in FY 2013 to tap customers across multiple sectors started bearing results during the year under review. Notwithstanding the low rate of growth in our core Automotive business segment, we reported a 7 per cent growth in turnover, which rose to ₹ 6,825 Million during FY 2016. Profit after Tax for the year stood at ₹ 219 Million as compared to ₹ 207 Million in FY 2015.

Our proactive approach enabled us to show flexibility in responding to the dynamic market situation throughout the year. Our 'Challenge the Now' initiatives once again remained at the forefront of our progressive agenda. Led by these initiatives, we continued to scale up efficiencies across our products, processes and systems to deliver higher value to our stakeholders.

Another major contributor to our growth was our focus on innovation, which we took to new levels of excellence during the year. A long-standing relationship with our Japanese and European associates and their knowledge base have equipped us with the ability to address the transforming needs of our customers. We took our innovative and collaborative thrust to the next level during FY 2016 through various key initiatives.

During the year, we added 91 new and innovative products to our product pipeline to serve diverse customer needs across industries. Among our notable achievements were the development of a new Cylinder Head and the successful ramp-up for Renault KWID. Other product innovations included Coolant Collector for Daimler (USA), Crank Cases for Polaris (USA), Oil Sump for Jaguar Land Rover (UK), and the expansion of our AMT base plates portfolio, launched during FY 2015, to the Maruti and Tata Nano vehicles. The enhancement of these components in the coming years will be significant drivers for the Company's growth.

To address the evolving demands of its customers, the Company undertook several new measures during the year to further reduce the weight of Auto components.

We added 91 new and innovative products to our pipeline to serve diverse customer needs across industries.

This helped us augment our position as a complete solutions provider for our valued customers, who now look at us as their partners in progress.

In another significant innovation, we successfully harnessed our R&D capabilities to modify engine parts to meet the new policy directives for diesel vehicles. Stringent government regulations on diesel vehicles and the limitation on diesel and petrol vehicle life to 10 and 15 years respectively are some of the policy changes underlying the growing awareness about the need for eco-friendly hybrid and electric vehicles. We expect this trend to soon snowball into demand for better products at more affordable prices as Indian manufacturers move towards electrification of their fleets.

As a forward-looking company, we are focussed on the opportunities likely to arise in this area in the coming years and shall be well equipped to seize such opportunities. We have already embarked on a journey to emerge as the preferred aluminium castings supplier for hybrid/electric vehicles. Discussions have been initiated with leading manufacturers, such as Samsung, Bosch, AAM and many more for the potential supply of aluminium parts, such as battery housing, starter housing etc., for use in high-end vehicles made by, amongst others, Jaguar Land Rover and Daimler. We have also connected with domestic and global OEMs to involve our engineering teams in the process from the product design stage for such vehicles.

Exports is another area which has emerged as a major contributor to our growth. Our exports from India clocked a turnover of ~₹ 32 Crores, contributing to 5 per cent of the total turnover during FY 2016. Our success in the exports market is also supported by the turnaround witnessed by our European subsidiary during the year. We see this trend getting strengthened going forward.

Our strong OEM base has kept our business largely insulated from the developments resulting from Brexit. As a result, I expect further gains from this region in the coming quarters. The United States is another market where we are moving to expand our presence. Our focus on further building our green product portfolio will also help us meet the growing global needs for eco-friendly products. With this background, I am confident that we will be able to double our export turnover in the next financial year.

Within India, apart from the Automotive sector, Infrastructure, Defence, Power, Locomotive, Aerospace and Healthcare are other areas where I see a lot of developments happening in the coming years. With our diversified approach, backed by favourable government initiatives such as 'Make in India', 'Smart Cities' and 'Ease of Doing Business', we shall continue to make the most of the new wave of opportunities.

The merger of the casting business of Atlas Castalloy Limited, which we announced last year, is continuing to support our efforts to build further on our strengths. The merger has already enabled us to augment our capacities and to secure access to skilled manpower. It has also led to significant cost benefits, as expenses on manpower and other inputs have come down despite an increase in sales. Customers-sharing is another key benefit of the merger, leading to significant volume growth. The synergies built as a result of the merger are supporting us in the development of new parts as well. I am confident that these synergies will add greater impetus to our growth engine and help us deliver higher value to our stakeholders.

People shall continue to remain a critical enabler to our growing success. Our robust systems and processes are designed to nurture a people-centric culture. We also remain continuously focussed on promoting our 'North Star' philosophy, which helps align the individual aspirations of our employees to the organisational goals. Our HR philosophy is rooted in a value-centric approach, which we have built into our DNA.

We continue to nurture our value system and strengthen our DNA to encompass the entire business value chain, including our people, systems and processes. As we work towards higher growth, we remain focussed on imbibing the Alicon DNA into every facet of our business. We believe that this is vital for managing the scale of growth we are targeting both in the near and long term.

On this note, I take this opportunity to thank my colleagues on the Board and the management team for their commitment and far-sighted vision. Most importantly, I wish to thank all members of the Alicon family from across various locations for following the North Star policy with such dedication, and putting in their best efforts towards aligning their dreams with those of the Company.

Before I conclude, I would also like to thank our business associates, bankers, shareholders and all stakeholders for their constant support and cooperation.

From where I see it, the future looks bright and exciting, and I am confident that with our collective efforts and our ability to think ahead, we shall be more than ready to embrace it.

SHAILENDRAJIT RAI
Managing Director

DESIGNED TO CAST
FORWARD-LOOKING SOLUTIONS

We are an organisation designed to deliver total engineering solutions related to aluminium alloy casting needs for today and tomorrow.

Alicon group is a global consortium of companies engaged in Designing, Engineering, Casting, Machining and Assembly, Painting and Surface Treatment of Aluminium Components. With European engineering and Japanese quality, we deliver best-in-class solutions to clients in India and around the world.

A ROBUST BUSINESS MODEL

The Group's growth philosophy is founded on a robust business model. It is steered by a forward-looking approach that seeks to deliver smart and holistic solutions through knowledge-sharing between the group companies – Illichmann Castalloy, Alicon and Enkei Corporation.

With its 84 years of proven track record in aluminium castings, Illichmann Castalloy specialises in handling low volume / high number of parts and provides support in Intricate Castings and Magma & Pro-Cast Soft Casting Simulation.

Enkei Corporation offers people support for various projects and drives process enhancement to support productivity.

Alicon's strength lies in providing end-to-end solutions across the entire value chain of aluminium casting to diverse industries. With 26 years in aluminium casting, it has the distinction of being India's pioneer in Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC). Alicon is also the pioneer in using Pro-Cast and Magma in India. It serves leading OEM customers around the world, with innovative low and high volume parts. Alicon's clientele spans Automotive and non-Automotive segments, including Aerospace, Defence, Locomotive, Medical & Health, Energy, Infrastructure and Agriculture.

OUR CORE COMPETENCIES

- RAPID PROTOTYPING
- DESIGNING (CAD/CAM/CAE/SIMULATION)
- IN-HOUSE TOOL MANUFACTURING
- DIE CASTING (SAND CASTING/GDC/LPDC)
- TESTING
- MACHINING, ASSEMBLY & PAINTING

OUR CORPORATE PLEDGE

We amalgamate the best of European engineering, Japanese quality and Indian ingenuity to produce exceptional and innovative aluminium casting products

OUR VISION

Become the globally preferred supplier for Light Alloy Casting Solutions

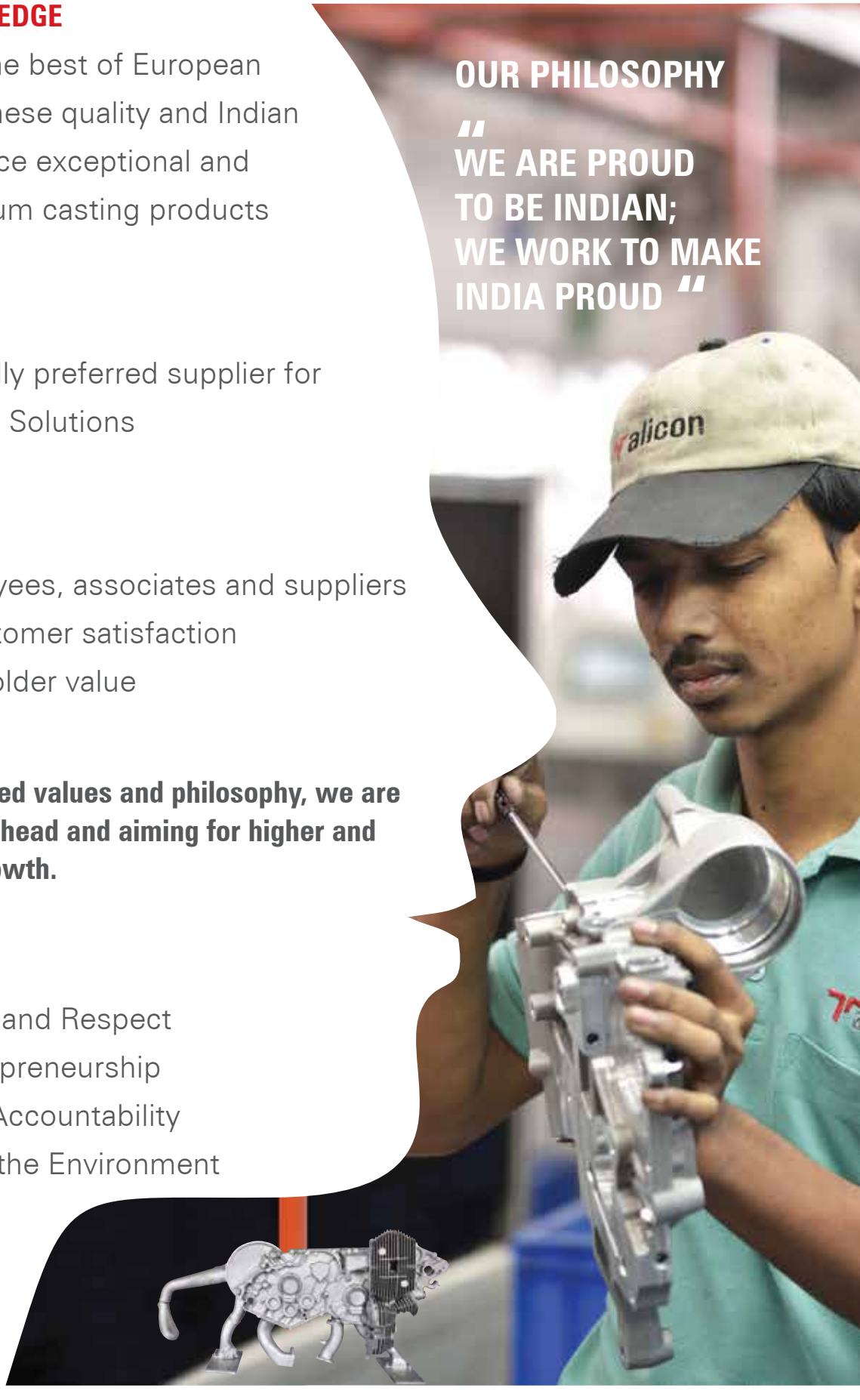
OUR MISSION

- Grow the employees, associates and suppliers
- Ensure total customer satisfaction
- Increase shareholder value

Led by our deep-rooted values and philosophy, we are constantly thinking ahead and aiming for higher and more sustainable growth.

OUR VALUES

- Quality, Integrity and Respect
- Encourage Entrepreneurship
- Ownership and Accountability
- Commitment to the Environment and Community



HARNESSING STRENGTHS
TO MEET TOMORROW'S NEEDS

At Alicon, we are constantly nurturing our strengths to carve a unique niche for ourselves in the global aluminium casting business. Our strengths enable us to create holistic solutions under one roof, and help us drive long-term sustainable growth for ourselves and all our stakeholders.

STATE-OF-THE-ART FOUNDRIES

Our highly automated foundries are amongst the biggest and most advanced infrastructures in India and Slovakia.

MANUFACTURING PROCESS

We are technologically empowered with best-in-class manufacturing facilities and equipment that give us a highly competitive edge. Our manufacturing strength encompasses:

- 4 modern plants (1 international)
- High-end machines (CNC-MAKINO, MICRON, HARTFORD, VMC, EDM)
- Advanced Technology Centre
- Globally competent Tool Rooms, currently manufacturing 20 tools a month
- Full-fledged Machine Shop (including assembly facility)

We have imbibed our manufacturing plants with the Japanese culture of production and management, ensuring lean and optimised operations.

STRATEGIC LOCATION

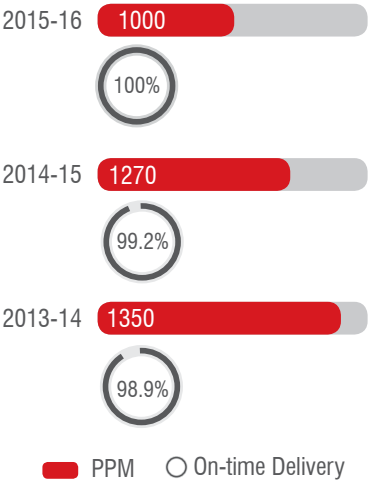
We have the largest footprint in India, a presence in Europe (through our European subsidiary Illichmann Castalloy) and clients in the US. Our strategic locations enable us to offer better economies. While our foundries in India drive cost advantage for our clients, our global presence helps us reach out to our international clients more effectively. We take advantage of time zones to provide 24X7 customer support to our global clientele.

Driven by performance

Our streamlined processes and systems help ensure early detection of defects through seamless flow of information across the plants. This enables us to keep rejections to the minimum.

Map not to scale

KEY PERFORMANCE INDICATORS



3,300
Total employees

162
Engineers in Design & Development team

HIGH QUALITY STANDARDS

Our quality assurance is benchmarked to the highest global standards through our various certifications, which include TS 16949:2009, ISO 9001:2008, ISO 14001:2004 & BS OHSAS 18001:2007. We are dedicated to the principles of PQCDDMSE (Productivity, Quality, Cost, Delivery, Development, Management, Safety and Environment), thus ensuring the highest quality of our products at optimal costs. Continuous improvement through the adoption of Kaizen practices is central to our quality focus. Our Quality & Testing Laboratories are equipped with the most advanced Quality Assurance machinery (CMM, FARO ARM) and a Bench Flow Testing Machine to test the intake and exhaust ports of Cylinder Heads.

CHALLENGING THE NOW, TOGETHER!

Our Human Resources (HR) philosophy is led by our people-oriented mission of 'Challenging the Now'. We are continuously investing in promoting a collaborative work culture for the empowerment of our employees. Our stringent selection process ensures recruitment of talent to match the organisational needs and goals.

In line with our 'Challenging the Now' programme, we encourage our people to take on new challenges and follow it up with innovation. We motivate our people to deliver perceptible efficiencies, improve productivity, reduce wastage and ensure continued Kaizen-based improvements in our work processes.

Regular training and workshops are conducted to help upgrade the skills of our people. Mentorship is a way of life at Alicon, where creativity is encouraged and rewarded.

READY TO TAKE
THE NEXT LEAP… FORWARD

Our experience and expertise, coupled with our core strengths, puts us in an ideal position to make the most of the opportunities that we see ahead. They also equip us to take on any challenges on way to realising our vision.

With our forward-thinking ability, we continue to strengthen our systems and processes. Our efforts are aimed at aligning our business to future demands across the segments of our presence. It is our constant endeavour to develop new, innovative products designed to meet tomorrow's needs.

STRENGTHENING OUR INNOVATIVE FOCUS

Our Research & Development (R&D) function remains focussed on addressing the evolving needs of our existing and new clients through innovative products, services and solutions. Our R&D facility is approved and certified by the Department of Scientific and Industrial Research (DSIR), Government of India.

With various strategic alliances in place, we have, over the years, acquired the necessary in-house capacity to create our own innovative designs and manufacture original products to suit the needs of our diverse clients. Our collaborations with global technology partners empower us with the capability to deliver service to customers at their doorsteps around the world.

We are also continually scaling up our IT strength to drive smooth and seamless operations across our manufacturing facilities. This ensures streamlined delivery and service to our clients.

Merger of casting business of Atlas Castalloy during FY 2015 has given us a strong technological and people-edge to meet the transforming needs of our clientele. It has unleashed economies of scale and synergies in knowledge-sharing, technology, capacities, customer base, sales and market share. This competitive edge has emerged as a major contributor to the success of our forward-looking approach.

Our R&D vision is to collaborate innovation, co-creation and sustainable business in Light Alloy Castings.

THE YEAR UNDER REVIEW…

During Financial Year 2015-16, we further enhanced our product pipeline with 91 new products, designed to meet the diverse needs of customers across industries and segments.

The Automotive segment, which contributes 90% of our business share, was the major beneficiary of our innovative thrust during the year.

In a key achievement, we developed an indigenous new cylinder head for the newly launched Renault KWID, a completely indigenously conceived and crafted automobile. With our technological strength and innovative design, we have emerged as the single source of the vehicle's main cylinder. We see this business driving volume-led growth for us in the coming year. In addition, we have developed Oil Sump for Jaguar-Land Rover and Coolant Collector for Daimler during the previous financial year.

We also adapted our pioneering product - the base plates for Automated Manual Transmission (AMT) vehicles – to the Maruti Suzuki and Tata Motors (Nano) vehicles during the year. We are one of the major manufacturers of base plates for AMT vehicles for OEMs in India and are concurrently looking at similar opportunities for expansion overseas.

In another manifestation of our ability to think ahead, we leveraged our R&D strength to modify engine parts of various vehicles to below 2000cc. This has helped several of our customers stay on track with new model launches.

Lightweighting of components is also being undertaken on a continuous basis to boost fuel efficiencies for our OEM customers.

Cylinder heads constitute about 64% of the products manufactured at Alicon. We have recently signed an MoU with Athena, Italy, for Cylinders with Internal Silicon Carbide Deposition.

READY TO TAKE
THE NEXT LEAP… FORWARD

DIVERSIFYING OUR BUSINESS PORTFOLIO

At Alicon, diversification is a key component of our forward thinking and we are continually exploring new areas of expansion. With our eyes firmly on future growth opportunities, we continue to diversify our portfolio beyond the automobile business.

THE YEAR UNDER REVIEW…

During FY 2016, share of non-Auto business has improved from 7.6% to 9.6%. The growth in the business of non-Auto during FY 2016 was 37% in comparison to FY 2015.

Of the 91 new products launched during the year, FY 2016 came from the non-Automotive segments.

We have also started manufacturing components for Healthcare and Power sectors, thus further de-risking our business.

Today, we have a comprehensive blend of both Auto and non-Auto clients:

TWO-WHEELER OEM

FOUR-WHEELER OEM

TIER 1 & NON-AUTO

Our diversification also spans geographical frontiers. We have a strong presence in regions and countries around the world, which we are continuously seeking to expand. We ensure sustained cost and quality focus in the European markets through our network of local sources. We are working towards replication of this model in the US markets in the years ahead.

THINKING FORWARD...

Our innovative focus will continue to be a critical area of our investment as we surge towards higher growth, going forward. The opportunity landscape is wide and we are ready to leverage the potential in both, the Automotive and non-Automotive business.

With the improved economic and business sentiment, investments in the manufacturing and capital goods sectors in India are already beginning to pick up momentum. The good monsoon witnessed in the FY 2016 season is also expected to boost rural demand, especially with respect to sales of automobiles – a key segment of our product intake. More discretionary spending in the hands of the middle class, following the 7th Pay Commission recommendations, is another important factor driving growth.

Implementation of reforms in GST (Goods and Services Tax), along with the Government of India's Make in India and Smart Cities initiatives, is also expected to spur growth for heavy machinery and construction equipment. With diversification a strong mover of our growth strategy, we shall make the most of the unfolding opportunities through further expansion into these segments of potential growth.

Another key focus area is the hybrid vehicles, where we see immense growth potential in the coming years on account of the low current penetration in India. Globally, we are still way behind the more developed countries in shifting to hybrid and electric vehicles. However, the transformation to electric-powered and hybrid vehicles is inevitable and we are closely watching the trends in this area.

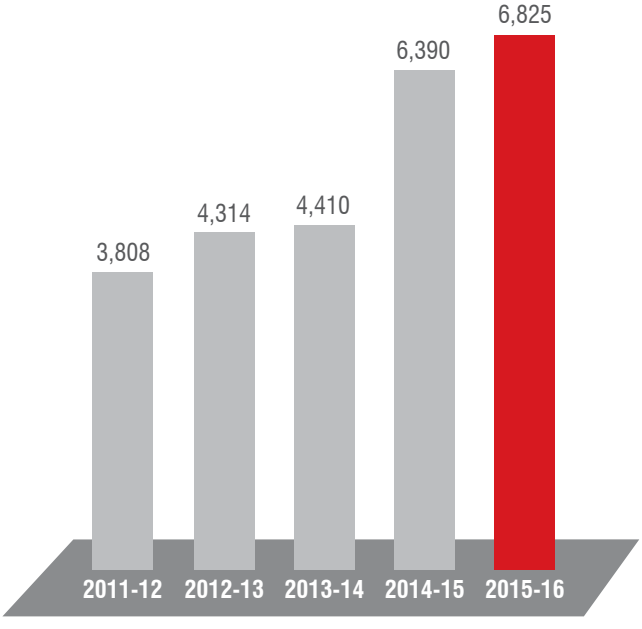
Leading Indian automobile manufacturers – Maruti Suzuki India Ltd, Mahindra & Mahindra Ltd, Mahindra Reva Electric Vehicles Pvt. Ltd and Tata Motors Ltd, amongst others – have recently formed a consortium to facilitate the development of a supplier base for critical hybrid and electric vehicle components. This opens up a new stream of opportunity for the supply of products for hybrid vehicles.

We realise that an early mover advantage will steer our progress in this area and we are, therefore, continuously preparing ourselves to enter the hybrid market as the opportunity unfolds in the country in the coming years. Our plans in this direction are also steered by the strong management focus on promoting sustainable growth through green energy initiatives. We shall continue to strengthen our green product portfolio, going forward.

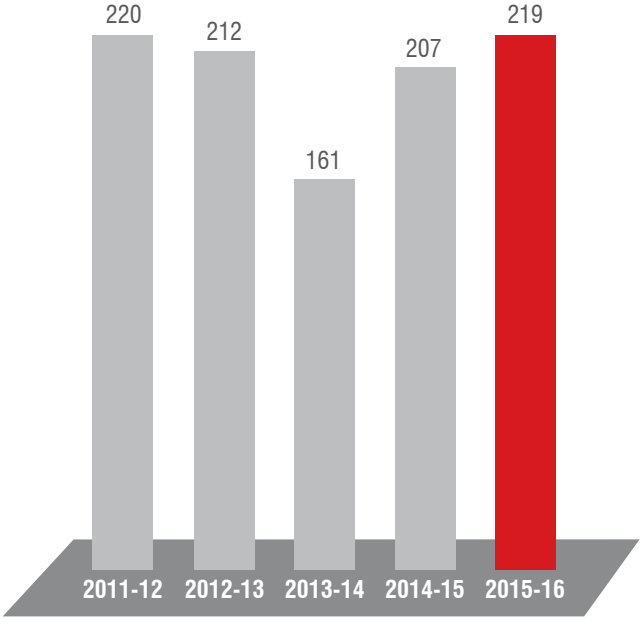
Another area where we see immense opportunities arising in the coming years is the defence sector, which is expected to get a major fillip due to the Make in India initiative. India is expected to spend US$ 40 billion on defence purchases over the next 4-5 years. With the opening up of the strategic defence sector to private sector participation, Alicon, which already produces and supplies components to this sector, is well placed to expand its presence into the manufacturing of defence equipment.

FINANCIAL HIGHLIGHTS

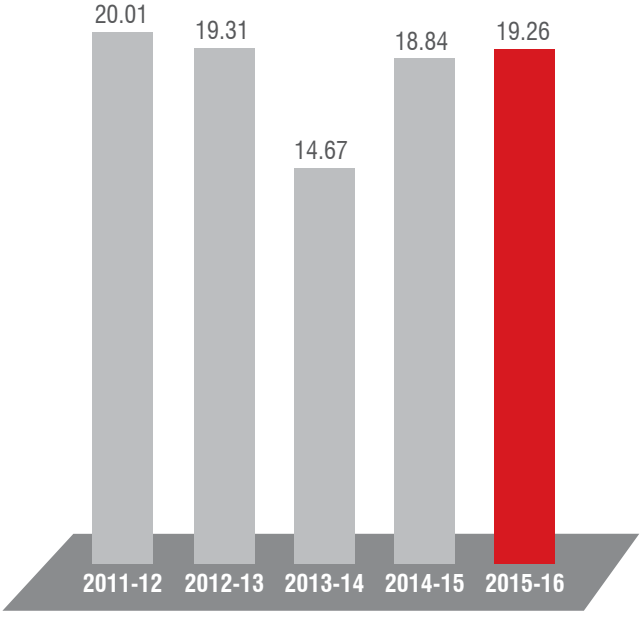
NET SALES (₹ in Million)



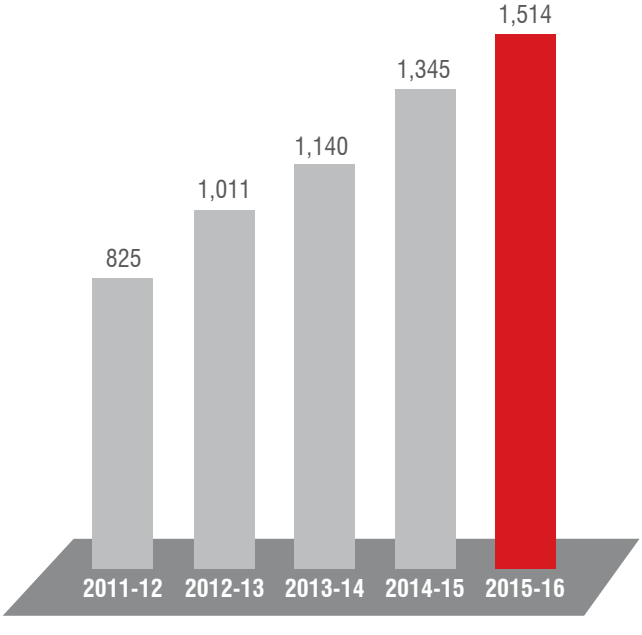
PROFIT AFTER TAX (₹ in Million)



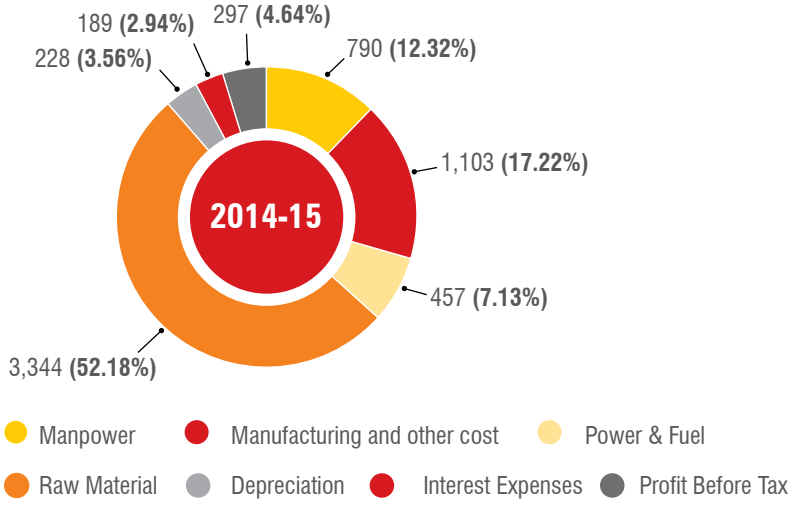
EARNINGS PER SHARE (in ₹)

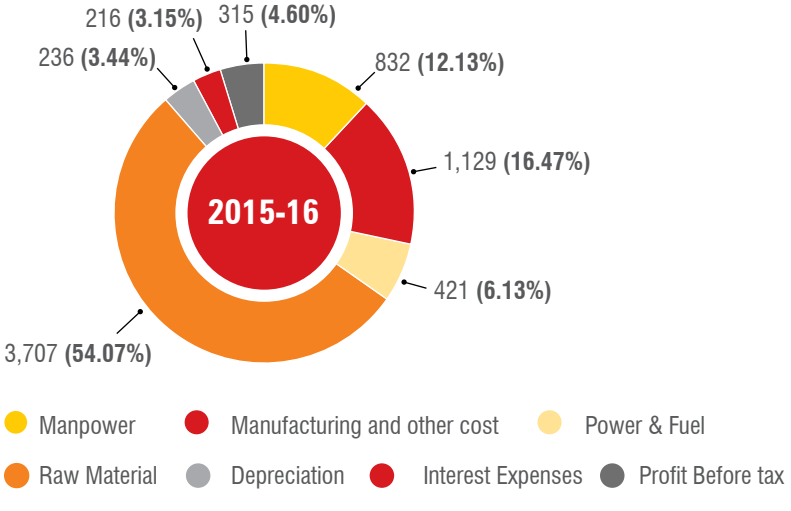


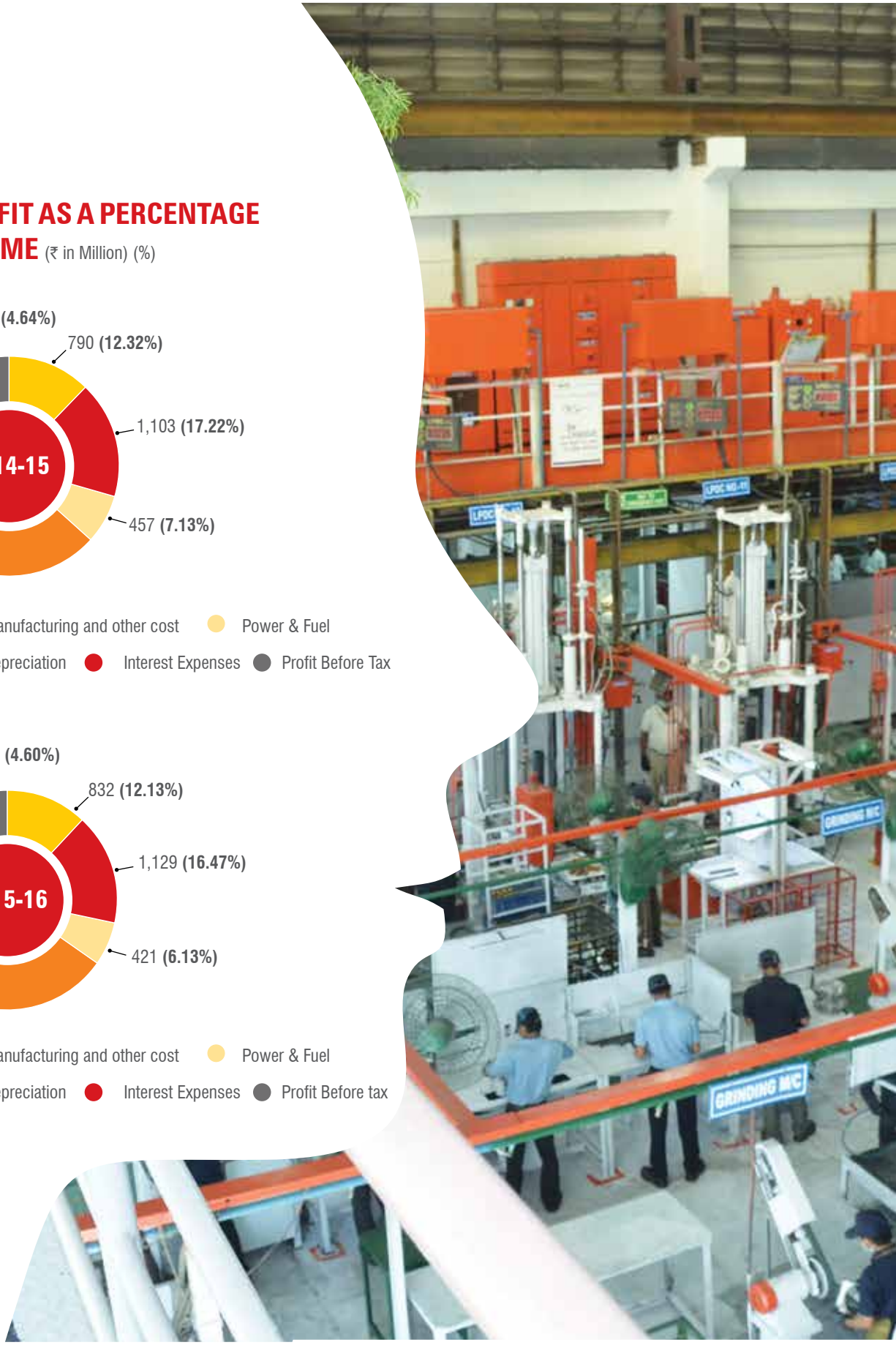
NET WORTH (₹ in Million)



COST AND PROFIT AS A PERCENTAGE OF TOTAL INCOME (₹ in Million) (%)







SOCIAL INITIATIVES

Social initiatives of Alicon Castalloy Ltd (ACL) have been disclosed in our Annual Reports since FY 2011. However, from FY 2014, our CSR policy follows the guidelines prescribed in the Government of India's Companies Act, 2013.

Since FY 2010, ACL has engaged in CSR activities through our implementing partner, Bansuri Foundation (BF). Our endeavour is to create models for a sustainable social and economic empowerment of marginalised families, primarily in rural India (Shakti). We envision an education system (Vidya) where besides academic achievements, students also develop creative thinking, problem-solving abilities, self-confidence and collaborative skills, discover opportunities and translate ideas into value, which will put them on a trajectory with greater opportunities. An important goal is that students become sensitive and responsible individuals and citizens. We also support initiatives which enable less-privileged families to overcome financial barriers that prevent them from accessing healthcare (Swasthya). Sanitation (Swachh) being piloted this year is an endeavour that the resources provided for a cleaner environment and hygienic living are not just an infrastructure but are personally maintained by beneficiaries with a sense of ownership.

SHAKTI

Peoples' Empowering Movement (PEM) is on the ground partner to implement the current Shakti initiatives in the Ratnagiri district of Maharashtra. Each project has an ongoing strategic and financial participation of all stakeholders.

In village Rajwadi, the **Krushiratna Bachat Gat**, received funding to build an irrigation system enabling them to reap an additional crop during the Rabi season. In FY 2016, this irrigation system has been extended and now covers vast tracts of land. This collective farming initiative has not only financially empowered the beneficiaries, but is making subtle social changes in the community by bringing the villagers together cutting barriers of caste, class & religion.

In village Dhamani, the **Ganesh Sheti Bachat Gat**, received funding for a lift irrigation system that provides adequate water resources for a banana plantation. Sale of the first produce of 70 tonnes, recovered half of the invested cost. Assessment of the profitability of the venture is done after the completion of each crop cycle and there is continuous engagement with farmers to find newer markets.

Enabling rural India to access natural resources & overcome personal limitations

In village Shembhawane, we support the **Kamdhenu Dudh Utpadak Bachat Gat**, a women's co-operative that has set up an innovative dairy project. The initiative is the outcome of encouraging women to find their own solutions to be economically empowered. We have exposed them to existing projects and helped them create a financially sustainable business plan which meets their needs. The second phase of the project will continue to scale up production and increase retail sales to maximise profits. The project entitles and ensures that each woman member takes a certain amount of milk to her own home, to provide nutrition within her family, and not focus only on income generation.

Supporting women in rural India to initiate innovative business models to empower themselves

In village Tural, through the **Kokankanya Mahila Bachat Gat**, women have been supported to initiate a business model to create art and craft articles, which will not only increase the income of their family beyond farming activities, but also bring them together in a creative pursuit and social bonding.

SOCIAL INITIATIVES

VIDYA

We support initiatives at both the pre primary and secondary school levels.

Aseema Charitable Trust provides education to first generation learners of a tribal community in the Igatpuri area of Maharashtra. We continue to support their pre-primary section, based on the Montessori method of teaching. Children receive exposure to sports, arts, music and dance. We also support their Community Works Centre which engages with parents and the community, both of which have a deep influence on the impact of this programme. In December 2015, a baseline survey conducted, of the entire community near the school helped assess levels of education, livelihood and health. The survey is now being used by Aseema to strategise community engagement to bring optimum benefits of their education initiative.

Centre for Youth Development & Activities (CYDA) We continue our engagement in schools in the Pimpri Chinchwad area of Pune through the TARANG (Training for Adolescents on Reproductive Health and Gender) module of CYDA which not only creates awareness but also provides a safe and open platform for discussion on issues related to sexuality, gender, HIV/AIDS, addictions, health, hygiene and emotional and psychological challenges faced by adolescents. We also support the WASH (Water and Sanitation Hygiene) module a programme that engages with students on issues of personal hygiene, the importance of cleanliness and practices for good health. Understanding the challenges of students and teachers, and after initiating a pilot project, our support now also extends to engaging a dedicated resource person/counsellor to address adolescent issues throughout the academic year. The initiative has received immense positive results.

iTeach We support their PPP model with the Pune Municipal Corporation to offer a high quality secondary school education to those who are currently not served by the system adequately due to social and economic constraints. This initiative endeavours to make their education relevant to the needs of the country, to their personal aspirations and aptitude and to make them responsible citizens. Our engagement also includes Company visits to Alicon's Shikrapur plant, to give students an exposure to a professional work environment of the highest standards. Engaging with Alicon employees in production processes and training sessions around Kaizen and 5S, inspired students to improve their classroom systems. We also support the art and Indian classical music programmes to encourage students to develop an aesthetic sense and interest in cultural pursuits.

SWASTHYA

We continue to support the paediatric dept. of the Sassoon hospital which provides free/low cost medical facilities to the less privileged in Pune and its surrounding areas. Maternal and child healthcare is our priority.

SWACHH

To participate in the national focus on sanitation, we piloted a project in a low income school in PCMC, Pune. We have built toilets of a high quality and provided safe drinking water facilities to over 300 students. Breaking traditional, narrow caste divisions to encourage personal responsibility to maintain the infrastructure and continuous training on cleanliness and hygiene has been a daunting task in this pilot project. We have overcome many challenges and will take learnings into our continuing Swachh initiatives.

ACL'S DIRECT PARTICIPATION WITH NON-PROFITS

Social Venture Partners (SVP) is the world's largest network of engaged philanthropists, with over 3,000 investor donors across 39 cities in 8 countries. The national focus of SVP India is to create livelihoods in urban and rural areas, for those at the bottom of the pyramid.

At ACL, we actively engage with the Pune chapter of SVP, which brings together a diverse community of business leaders, active citizens and philanthropists, committed to solving complex social issues by contributing their business and professional expertise.

AWARDS
& ACCOLADES

Bestowed with an award for 'Superior performance in special support' from Maruti Suzuki

Conferred with an award for 'Quality Management' from HMSI

Received an award from M&M in recognition of the valuable contribution towards building 'The Young SUV KUV100'

Received an award in recognition of long-standing association from Royal Enfield

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of Alicon Castalloy Limited will be held at 12.30 p.m. on Thursday, the 29th September, 2016 at the Registered Office of the Company at Gat No. 1426, Taluka Shirur, District Pune 412 208, Maharashtra, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the –
   a) Audited Balance Sheet as on 31st March, 2016 and Statement of Profit & Loss for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon; and
   b) Audited Balance Sheet as on 31st March, 2016 and Statement of Profit & Loss for the year ended on that together with the report of Auditors thereon.

2. To declare dividend for the financial year 2015-16.

3. To appoint a Director in place of Mr. Junuchi Suzuki, who retires by rotation, but being eligible, offers him-self for reappointment.

4. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors

(S. Rai)
Managing Director

Place: Shikrapur
Date: August 2, 2016

Registered Office :
Gat No.1426, Village Shikrapur, Taluka Shirur,
Dist, Pune, Maharashtra.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY OR PROX(IES) SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Members are requested to note that a person can act as a proxy on behalf of the members not exceeding 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Share Transfer Register and Register of Members will be kept closed from 23rd September, 2016 to 29th September, 2016 (both days inclusive).

4. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed/ unpaid dividend for the financial year up to 2007-08 on due dates, to the Investors Education and Protection Fund established by the Central Government.

   The Following are the details of dividend paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remains unpaid:

Date of Declaration of dividend	Divided for the year	Due date of transfer to the Government
29th September, 2010	2009-2010	27th October, 2017
28th September, 2011	2010-2011	26th October, 2018
28th September, 2012	2011-2012	26th October, 2019
30th September, 2013	2012-2013	28th October, 2020
29th September, 2014	2013-2014	28th October, 2021
30th December, 2015	2014-2015	28th January, 2023

   The shareholders are advised to send all the unencashed dividend warrants to the Company's Share Transfer Agents for revalidation and encash them before the due date for transfer to the Investor Education & Protection Fund.

5. As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, profile of Directors seeking appointment/ re-appointments at the Annual General Meeting is provided in the Annexure, which forms part of this notice.

6. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready at the meeting.

7. The members who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.

8. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.

9. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits

of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.

10. The dividend on equity shares as recommended by the Board of Director, if declared, at the Annual General Meeting, will be paid to those shareholders, whose names stand on the Register of Members of the Company as on 29/9/2016 in case of physical shares and to those members as per the beneficiary position given by NSDL/CDSL. Members are requested to notify promptly any change in their registered address.

11. Electronic copy of the Annual Report for 2015-2016 is being sent to all the members, whose e-mail IDs are registered with the Company/depository participants for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their e-mail address, physical copies of the Annual Report for 2015-16 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a company to provide advance opportunity atleast once in a financial year to the member to register his e-mail address and any change therein. In compliance with the same, we request the members, who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.

12. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is also offering remote e-voting facility to the members to enable them to cast their votes electronically. Please note, remote e-voting is optional and not mandatory. Remote e-voting facility would remain open only from 26th September, 2016 (9.00 a.m.) to 28th September, 2016 (upto 5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the shareholders, the shareholder shall not be allowed to change it subsequently. Necessary arrangements have been made by the Company with the Central Depository Services Ltd. (CDSL) to facilitate e-voting.

The Instructions for shareholders for voting electronically are as under:

i) Log on to the e-voting website www.evotingindia.com

ii) Click on 'Shareholders' tab.

iii) Now, enter your Use ID :

a. For CDSL – 16 digits beneficiary ID,

b. For NSDL – 8 character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv) Next enter the image verification as displayed and click on Login.

v) If you are holding shares in Demat form and had logged on www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi) If you are a first time user follow the steps given below.

	For Members holding shares in Demat Form and for Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department
	• Members who have not updated their PAN with the Compay/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr. no. affixed on Annual Report in the PAN filed.
	• In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. if your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank details or date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in ordesr to login. If both the details are not recorded with the depository or the Company, please enter the member ID/Folio Number in the Dividend/Bank details fields as mentioned in instruction (ii)

vii) After entering these details appropriately, click on 'SUBMIT' tab.

viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the EVSN for the relevant ALICON CASTALLOY LIMITED on which you choose to vote.

xi) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii) Click on the 'Resolution File Link' if you wish to view the entire Resolutions.

xiii) After selecting the resolution, you have decided to vote on, 'Click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take out a print of the voting done by you by clicking on 'Click here to print' option on the voting page.

xvi) If demat account holder has forgotten the login password then enter the User ID and image verification code and click on Forgot Password and enter the details as prompted by the system.

xvii) **Shareholders can also cast their votes using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app, while voting on your mobile.**

xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQ) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22.09.2016.

b) Mr. Upendra Shukla, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members, who do not have access to the e-voting process) in a fair and transparent manner.

c) The final results including the poll and remote e-voting results of the AGM of the Company shall be declared within a period not exceeding 48 hours from the conclusion of the Annual General Meeting. The final results alongwith the Scrutinizer's report shall be placed on the Company's website www.alincongroup.co.in and on the website of CDSL www.evotingindia.com.

d) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and physical ballot shall be treated as invalid.

e) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.alicongroup.co.in and on the website on CDSL www.evotingindia.com within two days of the passing of the resolutions at the 26th AGM and communicated to BSE Ltd. and the National Stock Exchange of India, where the shares of the Company are listed.

By Order of the Board
For Alicon Castalloy Ltd.
S. Rai
Managing Director

Place: Shikrapur, Pune
Date: August 2, 2016

Registered Office :
Gat No. 1426, Village Shikrapur,
Taluka Shirur, Dist. Pune, Maharashtra.

Details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting fixed on Thursday, 29th September, 2016 as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015.

Name of the Director	**Mr. Junichi Suzuki**
Date of Birth	25/01/1948
Date of Appointment	29/10/2002
Qualification	Engineer
Brief Profile	Mr. J. Suzuki is the Chairman of the Enkei Group of Japan. He has wide experience in engineering particularly in manufacturing of aluminium alloy castings and wheels used for two, three & four whellers. He has more than five decades experience in management.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	Enkei Wheel (India) Ltd.
Memberships/Chairmanship of	
committees of other companies (includes only Audit & Shareholders/ Investors Grievance/Stakeholders Relationship Committee)	Nil
Shareholding in the Company (Equity)	Nil

Management Discussion and Analysis

Economic Overview

The World Bank pegged global growth for FY 2016 at 2.4 per cent, while the IMF backed a marginally higher rate of 3.2% in its World Economic Outlook - April update. Both institutions cited lethargic growth in advanced economies, weak commodity prices, diminished global trade and faltering capital flows as the rationale for lowering their projections.

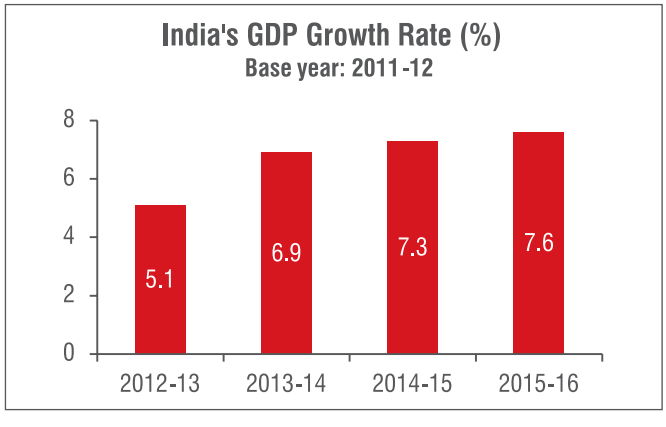
Against the backdrop of a rather stagnant world economy, the Indian economy has grown at its fastest rate in the past five years. Based on the revised series (Base year: 2011-12), real GDP growth climbed from 7.2 per cent in FY 2014-15 to 7.6% in FY 2015-16 on the back of robust manufacturing growth. After putting up a modest 5.5 per cent in the previous fiscal, manufacturing sector growth spiked 9.3 per cent during FY 2015-16, largely due to a significant fall in inputs costs, following the collapse of global commodity prices. Overall, the Index of Industrial Production (IIP) also broadly fluctuated in low single digits, even dipping into negative territory towards the second half of the year, while infrastructure output increased year-on-year every month in FY 2016, except for April and November 2015.

The farm sector staged a tepid comeback, growing at a nominal 1.2 per cent in FY 2015-16 after contracting 0.2 per cent in the previous year, while the mining and quarrying segment saw a drop in growth from 10.8 per cent in FY 2014-15 to 7.4 per cent during the year under consideration. The consolidated services sector also put up a steady performance of 8.8 per cent growth in FY 2015-16.

Due to a broad-based fall in international commodity prices, especially oil, inflation remained subdued throughout the year. These macro-economic indicators and recently implemented policy changes resulted in an optimistic business environment.

The Goods and Services Tax, which intends to convert 29 states into a single market through a new indirect tax regime, appears to be closer to being introduced. This consumption-based tax model is expected to create a comprehensive tax system for India and thereby boost manufacturing prices efficiency.

The current Government expects infrastructure development to continue to lead the investment-led recovery of the economy through the kick-starting of stalled projects on the back of policy reforms and concessions. It pegs economic growth for FY 2016-17 at over 8 per cent, although the IMF forecasts a conservative 7.4% due to the slack investment recovery and downside risk from Brexit.



Source: CSO

With robust growth in the economy, the foundry industry is bound to receive a fillip through a greater demand for products such as automobiles, electronic goods, pump sets, etc. as its output forms the basic raw material for these goods. At the same time, the Government's relentless focus on infrastructure development augurs well for the industry too.

Overview of the Industry

The Indian foundry industry, which produces components for machines and infrastructure, caters to the input needs of a wide range of sectors in the economy. These include automobiles, tractors, railways, machine tools, defence, construction machines, sanitary fittings, textile, cement, power, medical equipment, etc.

Foundries in India produce an estimated 10.021 million MT of various grades of castings, which conform to international standards, including ferrous, non-ferrous, aluminium alloy, graded-cast iron, ductile iron, steel, etc., with grey iron castings accounting for a lion's share of 60 per cent of total castings produced.

Of its turnover of approximately USD 18 billion, around USD 2.5 billion comes from exports.

Production of Castings in Million M.T. (2014-15) – India

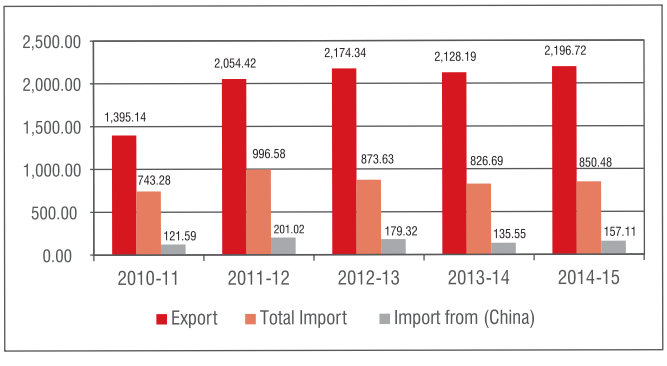
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Grey C.I.	4.12	4.87	5.55	4.55	5.05	6.18	6.80	6.25	6.70	6.83
SG Iron	0.62	0.76	0.80	0.79	0.80	0.98	1.09	0.98	1.00	1.07
Malleable	0.04	0.06	0.07	0.06	0.06	0.07	0.07	0.06	0.06	0.06
Steel	0.81	0.91	0.96	0.92	0.88	1.07	1.14	1.16	1.10	0.97
Non-Ferrous	0.52	0.57	0.61	0.55	0.65	0.50	0.90	0.89	0.95	1.10
TOTAL	**6.11**	**7.17**	**7.99**	**6.87**	**7.44**	**8.80**	**10.00**	**9.34**	**9.81**	**10.03**

Source: Foundry Informatics Centre

Note: Figures have been rounded off up to 2 decimals

Exports and imports of castings have played a critical role both for Indian Foundry industry as well as the economy. While exports have been growing steadily since FY 2009-10, they witnessed a marginal dip in FY 2013-14 due to slack demand that resulted from a slowdown in global growth and remained steady at marginally better levels in FY 2014-15. Imports, on the other hand, have been declining since their peak in FY 2011-12 and have increased marginally in FY 2014-15.

Export and Import of Castings in (USD mn)



Source: Foundry Informatics Centre

While a large number of Indian foundries are labour intensive, with manual handling of operations, the medium and large units are semi or largely mechanised and some large units are truly world class. The industry is estimated to employ about 5 lakh people directly and an additional 1.5 lakh people indirectly. Traditionally, die-casting for the automobile industry and electronic goods formed the mainstay of the industry.

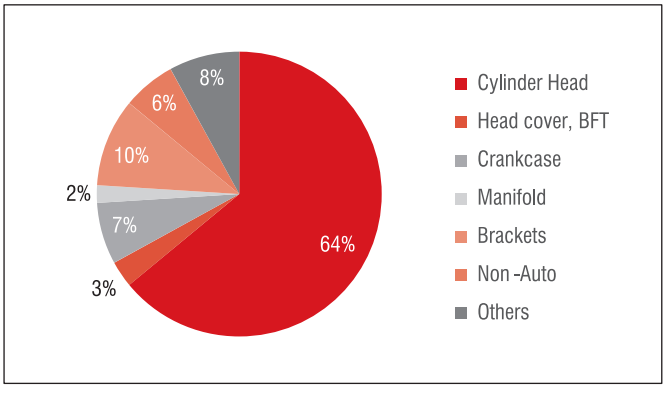
Business Overview

Alicon Group, one of the largest aluminium foundries in India, is a global consortium of companies that amalgamates the best of European Engineering, Japanese Quality and Indian Ingenuity to produce exceptional and innovative aluminium casting products. Over the years, it has grown to become one of the largest aluminium foundries, with operations spread across in India, Austria and Slovakia. The Company comprises 4 manufacturing plants (1 international), a technology centre, globally competent tool rooms, quality and testing laboratories and a full-fledged machine shop (including a sub-assembly facility).

While Alicon enjoys a track record that goes back 26 years, it is further backed by the experience of Illichmann, a Slovakian entity that it has acquired. The Company offers its clients a wide range of products and services, including design, engineering, casting, machiningand assembly, painting and surface treatment of aluminum components. With innovation at its core, Alicon constantly endeavours to create more effective products, processes, services and technologies to ensure better application of solutions that meet the recurring or customised needs of the market. In effect, the Alicon Group is a one-stop shop for all engineering solutions related to aluminium alloy castings and provides its clients with turnkey solutions under one roof.

Overall, during FY 2015-16, the Company has developed 91 new products for its clients.

Product Mix



Over the last four decades, it has specialised in the production of cylinder heads. Until now, it has manufactured around 77 different types of cylinder heads for its clients, ranging from local to international OEMs. Most importantly, the Company enjoys brand loyalty, in the form of recurring business from these clients, due to the impeccable quality of the products offered.

While the non-auto and others component at 14 per cent is relatively small, it comprises highly specialised and customised products for a range of sectors, including agriculture, energy, medical, defence, infrastructure, locomotives, aero and marine.

Bucking Trends

Alicon is constantly readying itself to cater to future trends through insightful efforts. For instance, in keeping with the spirit of the incumbent government's Make in India initiative, the Company has wholeheartedly embraced import substitution. It has also taken note of the trend towards cleaner energy-powered vehicles and has started gearing up to produce products for hybrid automobiles, by integrating with technology experts. These efforts will continue to result in business expansion.

Financial Review (Standalone) Highlights Table

Particulars	2015-16	2014-15
Total Income	6,857	6,408
Raw Material Costs	3,707	3,344
Manpower Cost	832	790
Power and Fuel Costs	421	457
Finance Costs	216	189
Earnings before Interest Depreciation Tax and Amortisation (EBITDA)	767	714
Profit Before Tax	315	297
Profit After Tax	219	207
Earnings Per Share (₹)	19.26	18.84
Book Value Per Share (₹)	124	122
Net Worth	1,514	1,345

Total Income

The Company's total income for FY 2015-16 stood at ₹ 6,857 Million against ₹ 6,408 Million in FY 2014-15, recording an increase of 7%.

Costs

Anticipating the tough market scenario, the Company increased its concentration on controlling/curbing operating costs, so as to shield itself from a larger impact on the bottom line. The Company also increased its emphasis on efforts towards efficiency improvement and judicious utilisation of available capacity, however, there are some increases in the costs due to capacity building for our new customers/parts.

The manpower cost as a percentage of total turnover reduced from 12.32 per cent in 2014-15 to 12.13 per cent in 2015-16. The power and fuel costs reduced by ₹ 36 Million in absolute terms. In percentage terms, it is 6.13 per cent in 2015-16 compared to 7.13 per cent in 2014-15. The Company's finance costs witnessed an increase by 0.21 per cent of total turnover in 2015-16, over 2014-15. It increased by ₹ 28 Million in absolute terms.

Earnings before Interest Depreciation Tax and Amortisation (EBITDA)

The EBITDA increase from ₹ 714 Million in FY 2014-15 to ₹ 767 Million (increase of 7.4%) in FY 2015-16 .

Profit before Tax (PBT)

The Profit before Tax (PBT) increased by 6.0% to ₹ 315 Million in FY 2015-16 from ₹ 297 Million in FY 2014-15.

Profit after Tax (PAT)

The PAT for FY 2015-16 is recorded at 219 Million compared to ₹ 207 Million in FY 2014-15.

Earnings per Share

The Earnings per Share increased from ₹ 18.84 in 2014-15 to ₹ 19.26 in FY 2015-16.

Net Worth

During the year, the Company's net worth increased from ₹ 1345 Million in FY 2014-15 to ₹ 1,514 Million in FY 2015-16, bringing the book value per share to ₹ 124 from ₹ 122, during the previous fiscal year.

Dividend

The Company declared a dividend of 75 per cent for the current fiscal year compared to 60 per cent during the previous year.

SWOT Analysis

Strengths

Large and established player: Alicon is one of the largest independent foundries in the country and highly mechanised with state-of-the-art processes. In contrast, close to 85 per cent of functional units in the industry are in the largely unorganised, and small scale sector

and follow manual processes. This difference in scale and mechanisation tilts the balance in favour of the Company as it offers better economies of scale and consistently high quality products due to the use of superior technology. Further, being one of the largest players in the industry, it enables Alicon to leverage its leadership position and enjoy the first mover advantage.

Mix of domestic and international markets: Alicon always remains focussed on exports and international markets as a means of not only expanding its markets but insulating itself from any domestic externalities that may impact its business. Another advantage of this strategy is that theCompany enjoys a wider clientele. More importantly, the Company focusses on its G5 2020 mission - a goal to stand among the world's top 5 foundries of customer choice by FY 2020, through its focus on exports. Accordingly, Alicon aims to derive a third of its revenue from international markets and exports in the long term. At the same time, it can always fall back on domestic markets when the world economy witnesses sluggish growth phases. India, which is still at a nascent stage of growth, is in the process of building its basic social and physical infrastructure. There is also a large population with aspirations for better lifestyle products and services. Accordingly, the Company can count on large unsaturated demands for years to come.

International Tie-ups: Joint ventures, technological collaborations and other tie-ups with global companies enablesAlicon to benefit from their strengths. Accordingly, it has access to European engineering skills, Japanese quality control techniques and Indian insights and creativity. All these culminate in exceptional and innovative aluminium casting products.

Brand loyalty and preferred supplier of components: The economy is expanding to meet its growing need for infrastructure and consumer goods. Due to the wide spectrum of satisfied clients that return to Alicon for their component needs, irrespective of the final supplier of goods and services, Alicon faces demand when final consumption increases.

Technology and innovation: Being in a business that demands constant improvising and upgrading of products, as user industries offer their clients better and more efficient variants, Alicon has to constantly innovate. Finding new solutions requires technical expertise and facilities that support innovation. Alicon has both the human resource capabilities and state-of-the-art in-house R&D and tool improvement facilities to keep up with these requirements.

Some ingenious innovations that we have carried out in FY 2015-16 include:

Successfully developing cylinder heads for Renault's KWID: French carmaker Renault's Indian outfit made a deliberate effort to design its newly launched SUV - KWID and all its components indigenously. Alicon was happy to contribute to this endeavour by developing cylinder heads for this homegrown model. As the single supplier for this component, we expect phenomenal growth in FY 2016-17.

Created components for Automated Manual Transmission (AMT) gearboxes: Despite the intricate nature of the AMT, Alicon has supplied critical components for the gear boxes. Initially, the Company crafted and supplied these components to Magneti Marelli and later to Tata Motors for utilisation within the Nano AMT variant. Both clients are very satisfied with the performance of these components.

Weaknesses

People-centric orientation: Alicon acknowledges the fact that while it has the largest and most mechanised foundries and the best R&D facilities, suitable human resource talent is essential to manage these. Accordingly, the Company has structured a stringent selection process and ensures that its employees' skills are constantly upgraded through training and mentoring. Efforts in the North Star philosophy and creating a conducive work environment are also directed at retention of the Company's people.

Opportunities

(a) Automobiles

Due to a combination of an upbeat end-user market, positive consumer sentiments and the return of adequate liquidity to the financial system, the Indian auto component industry has witnessed strong growth in recent times.

By FY 2015, the automotive components industry had a turnover of US$ 40 billion, while exports touched US$ 11 billion (http://www.ibef.org/industry/autocomponents-india.aspx). According to ICRA, the Indian Auto Component industry is expected to grow by 8-10 per cent in FY 2017-18, based on higher localisation by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India. The Automotive Component Manufacturers Association of India (ACMA) expects the Indian auto-components industry to register a turnover of US$ 100 billion by FY 2020, backed by strong exports ranging between US$ 80 - 100 billion by FY 2026.

The Government of India is also making efforts to ensure the growth of this sector as it accounts for almost 7 per cent of India's Gross Domestic Product (GDP) and employs as many as 19 million people, directly and indirectly. The deregulation of FDI in this sector has also facilitated the inflow of US$ 15.07 billion between April 2000 and March 2016 [data by the Department of Industrial Policy and Promotion (DIPP)].

A joint initiative between the Government of India and the Society of Indian Automobile Manufacturers (SIAM) seeks to promote the production of electric and hybrid cars in India. Through a consortium of leading automobile companies, it seeks to develop a supplier base for critical hybrid and electric vehicle components.

With all these initiatives and developments, the Company expects robust demand from this segment. As around 90 per cent of Alicon's products are for the automobile sector, its growth translates into growth for the Company.

(b) Power

The power sector has received great impetus in the recent past. With the Government's focus on 'Power for all', there have been considerable changes in the structure and policies within the sector. As a result, capacity additions have picked up and transmission and distribution has also improved.

According to estimates by The Planning Commission's 12th Five-Year Plan, the total domestic energy production is set to reach 669.6 Million Tonnes of Oil Equivalent (MTOE) by FY 2016–17 and 844 MTOE by FY 2021–22.

The Indian Brand Equity Foundation (IBEF) recounts that as of January 2016, total thermal installed capacity stood at 200.74 Gigawatt (GW), while hydro (renewable) energy installed capacity totalled 42.66 GW. At 5.78 GW, nuclear energy capacity remained broadly constant compared with the previous year. India's rooftop solar capacity addition grew 66 per cent from last year to reach 525 Mega Watts (MW), and has the potential to grow up to 6.5 GW. India's wind power capacity, installed in FY 2016, is estimated to increase 20 per cent over last year to 2,800 MW, led by favourable policy support that has encouraged both independent power producers (IPP) and non-IPPs. India is expected to add nearly 4,000 MW of solar power in FY 2016, nearly twice the addition of 2,133 MW in FY 2015. Lastly, India's wind energy market is expected to attract investments totalling ₹ 1,00,000 crore (US$ 14.82 billion) by FY 2020, and wind power capacity is estimated to almost double by FY 2020 from over 23,000 MW in June 2015, with an addition of about 4,000 MW per annum in the next five years.

While the Company already supplies power constituents of gas turbines and other components to the power sector, it has its sights on this segment and, with its collaborative R&D approach, looks forward to playing a larger role in the supply of components to this sector.

(c) Healthcare

The healthcare industry in India is growing rapidly. The total size of the industry, which stands at around US$100 billion today, is expected to touch US$160 billion by FY 2017 and US$280 billion by FY 2020, indicating a CAGR of almost 23 per cent according to research by Deloitte Touche Tohmatsu India. Leading factors behind its growth have been the increase in awareness and the progress in both pre-emptive and curative medicine. Driving this trend has been a sturdy increase in expenditure by both public as well as private players. According to the Department of Industrial Policy and Promotion (DIPP), Foreign Direct Investment (FDI) worth US$ 3.41 billion flowed towards hospitals and diagnostic centres between April 2000 and December 2015. In addition, domestic private equity ventures and healthcare stakeholders have also made large investments in the sector.

Alicon creates complex customised equipment for the healthcare sector and with its capabilities, seeks to explore further opportunities in the healthcare sector.

(d) Defence

Even before the Government's Make in India campaign, the Defence Production Policy, 2011, encouraged the indigenous manufacture of defence equipment as at present, 60% of the country's defence requirements are met through imports.

Alicon has already proved its intention and ability to serve the defence sector by indigenously producing components for battle tanks and infantry fighting vehicles. With more opportunities opening up, the Company looks forward to expanding its presence in this sector too.

Threats & Concerns (Risks and Mitigation)

- **Economic Down-cycles and Tepid Domestic Demand**

  When the economy witnesses slow growth and the industrial sector faces sluggish demand, the foundry industry's growth prospects tend to get negatively impacted.

  Alicon has followed a two-pronged approach to derisk its business strategy. On one hand, it has been continuously expanding its client base on the assumption that all segments of the economy do not get simultaneously adversely impacted. On the other hand, the Company has been consciously diversifying its clientele and markets by ensuring steady growth in exports to distant markets.

- **Fluctuations in Raw Material Costs**

  Over a period of time, the price of metals, fuel and other input costs, which form a bulk of Alicon's input costs, could become volatile. This could hamper growth or result in an erosion of cost efficiencies. Further, increases in import duties on inputs could lead to losses for the Company. To insulate itself from such vagaries, Alicon is adopting standardisation of alloys, i.e. reducing the number of alloy variants. This will enable consolidation of raw material purchase with minimal number of alloys. Standardisation of alloy will also help to bring down the inventory level, which will lead to cost benefits thereby, positively impacting bottomline..

- **Paradigm Changes in Market Demand**

  Sometimes, due to policy changes or technological breakthroughs, the entire market demand structure shifts. For instance stringent emission norms and the quest for more fuel efficiency in the automotive industry, have given impetus to a visible shift towards the use of lighter components, make of aluminium. Another trend is the shift from the use of fossil fuels such as diesel and petrol to electricity to power automobiles. This too will result in a tangible shift in the demand for auto components.

  Alicon is always on the alert to spot such trends and quick to modify its designs and processes to keep up with them, so that it can convert these apparent challenges into opportunities to retain current business and acquire fresh business as well.

- **Competition from international OEM manufacturers**

  Due to competition from international competitors in the foundry industry, countries like China tend to offer faster deliveries and work on lower cost models. Without robust in-house R&D, companies may be forced into dependence on technology from abroad and this could make them lose cost advantages.

  Alicon with its culture of R&D and innovation is finding ways to keep up with the requirements of its clients and stay a step ahead of trends. Accordingly, it has implemented the conversion of components, lightweighting and other processes that allow it to maintain its advantage.

Business Outlook

The fledgling revival that began in FY 2014-15 took wings in FY 2015-16. It was a good year for growth and demand despite two consecutive poor monsoons and global headwinds. The year ahead appears to be bright on the back of buoyant business and consumer sentiments.

From a longer term perspective, Make in India and other initiatives by the Government, including its focus on Ease of Doing Business and expansion of infrastructure will begin to bear fruits and propel further growth. While in progress, it will give rise to demand for various machine tool components that Alicon is readying itself to supply.

Another wave of opportunity for the Company is the shift from fossil fuel based automobiles to electric and hybrid ones. Using a combination of technology that is already available in the market and in-house customised innovations, the Company sees itself in a position to benefit from this development.

In the international context, however, the global economic outlook has been obfuscated by news of Brexit. The IMF believes that it "causes 'substantial' increase in economic, political, institutional uncertainty." With this in mind, the Fund has reduced its global forecast by 0.1 percentage point, to 3.4%. While India may not be directly impacted by Brexit though it may experience shifts in its trade and foreign fund inflow patterns. Nevertheless, a number of economists are contemplating reducing their forecasted growth rates for the Indian economy too. However, they still maintain that India will still remain the fastest growing major economy. Where the automobile industry is concerned, a global survey of professionals by Aroq, the publisher of industry websites just-autos, reveals that the global auto industry's confidence is still strong despite some reduction in business optimism, post the UK's referendum vote to leave the EU.

Alicon, which has been investing heavily in new ideas and testing the waters with fresh initiatives, is finally concluding the consolidation of these endeavours. It is now ready to ride the economic wave that will follow in the year ahead and in the years to come.

Human Resource Management

At Alicon, employees have always been valued as precious assets. All efforts are made to enable them to align their personal vision to that of the organisation. This gives them a sense of purpose and motivation while achieving the divisional / organisational goals. Choosing a 'One Path, One Goal' approach, it encourages holistic engagement from its employees.

Some of the innovative initiatives it has conceived to bring synergies between the organisation and its employees include:

Challenging the Now

In a constant endeavour to raise the bar and better their performance indicators, the employees at Alicon take on challenges and deliver improved designs, processes and products. Productivity enhancements and waste reduction are also undertaken based on Kaizen at the work processes. Alicon appreciates the outstanding contributions that have emerged from these efforts under the Company's mission to 'Challenge the Now'.

'North Star' Philosophy

To achieve improved levels of performance in various departments, the Company envisaged the North Star (NS) philosophy. It is based on the analogy drawn on the brightest star in the night sky. Just as it is always visible in the night sky as a bright inspiration and provides guidance, the employees are encouraged to set shining examples everywhere they go. The most important aspect of the philosophy is: We are proud to be Indians and we work to make India proud.

At a more practical level, the philosophy entails displaying a firm commitment towards the Company and the nation through commitment at the workplace. At a higher level, the philosophy is apparent through the Company's commitment to the Government's Make in India initiative and other endeavours of the country to become self-reliant and leading producers of top quality products. Last but not the least, the North Star philosophy implies creating a work environment that resonates peace, trust and faith in fellow workers.

This philosophy has been internalised through reinforcement of the concept at various physical and interactive levels.

Other HR Policies: Keeping pace with constantly changing demand from customers requires employees to be continuously updated. To ensure that cutting-edge solutions emanate from the Company, training and skill-upgradation are essential. At the same time, motivation and appreciation play a very important role in increasing productivity. Here are some activities and processes that Alicon follows to ensure that its employees are always performing at their best:

- Grooming leaders in-house - The Company believes in promoting those who have worked within the Company and proved themselves. Homegrown leaders are always Alicon's first choice and the Company makes efforts to groom them up for higher positions.
- Internships and projects for students - Alicon has educational tie-ups with the National Institute of Secondary Steel Technology (NISST) and National Institute for Foundry, Pune according to which

it accepts students from these institutes as interns. It also invites students from Management and Engineering Institutes to work as interns or on a project basis.

- Constant training to enhance quality - Alicon has initiated capability-building exercises across all levels and departments and provides technical training at regular intervals to enhance quality.
- Safety of employees is paramount - The Company treats the safety of employees as a priority. It has implemented safety monitoring systems at all shop levels and also put in place certain mechanisms to ensure that safe practices are being adhered to at the workplace.

Internal Control Systems

To safeguard its assets and ensure efficient productivity at all levels, the Alicon Group has adequate internal control systems in place. The Company is committed to ensuring that its operations are carried out within the purview of a well-defined internal control framework. Good governance, well-defined systems and processes, a vigilant financefunction and independent internal reviews form the basis of its internal control systems. The internal audit function independently scrutinises critical audit areas, based on audit plans that are generally approved by the Audit Committee. Plans are formulated on the basis of a risk evaluation exercise, to focus on the assessment of the relatively riskier areas.

Significant audit findings are presented to the Audit Committee, which meets regularly to review findings and status of the corrective actions taken by the management. Timely reviews are carried out to ensure that all transactions are correctly authorised and reported. Whenever deemed necessary, internal control systems are reassessed and corrective action is also initiated.

Directors' Report

Your Directors have pleasure in presenting their Twenty-sixth Annual Report together with the audited Statements of Accounts for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

(₹ in Million)

	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Gross Sales	7782.97	7250.51	8446.65	7996.33
Net Sales/Income from Operations	6825.42	6389.78	7489.10	7135.61
Profit before Depreciation, Interest & Tax	767.44	714.11	809.54	748.83
Other Income	31.55	18.11	31.55	19.70
Less: Depreciation & Prior Period adjustments	235.91	228.25	266.56	261.40
Less: Finance Costs	216.31	188.64	223.46	197.34
Profit before Tax	315.22	297.22	319.52	290.09
Provision for Tax	96.50	89.96	97.47	91.69
Profit after Tax	218.72	207.26	222.05	198.40

DIVIDEND

Your Directors are glad to recommend a higher dividend of 75% (₹ 3.75 per share of ₹ 5/- each) as against 60% (₹ 3/- per share of ₹ 5/- each) paid in the previous year. The total payout on account of dividend including dividend distribution tax plus applicable surcharge, education cess and/or any other cess, will be ₹ 55.32 million.

PERFORMANCE

On standalone basis, the Company recorded the total income of ₹ 6825.42 million including other operating income as against ₹ 6389.78 million in the previous year, an increase of 6.82%. Pre-tax profit was also correspondingly higher by 6.06% compared to the last year. The Company earned a pre-tax profit of ₹ 315.22 million as against ₹ 297.22 million during the year 2014-15.

On consolidated basis, the Company recorded the total income of ₹ 7489.10 million as against ₹ 7135.61 million in the previous year, an increase of 4.95%. However, the pre-tax profit is higher by 10.15% i.e. ₹ 319.52 million as against ₹ 290.09 million during the financial year 2014-15.

EXPORTS

The total exports of the Company amounted to ₹ 328.88 million as against ₹ 260.19 million in the previous year. This represents 4.81% of the total net sales.

TRANSFER TO GENERAL RESERVE

The Company has not transferred any amount to the general reserve during the current financial year.

SHARE CAPITAL

Under the scheme of arrangement as approved by the Hon'ble Bombay High Court, the Board of Directors in its meeting held on 18.12.2015 allotted 12,56,222 Equity Shares of ₹ 5/- each to the shareholders of Atlas Castalloy Limited on transfer of its casting manufacturing business to the Company. Consequent upon this allotment, the paid-up capital of the Company increased to ₹ 6,12,81,110/-.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge, confirm that –

a) in the preparation of the accounts, the applicable accounting standards have been followed along with proper explanations relating to material departure;

b) appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CREDIT RATING

CRISIL has reaffirmed the Company's long-term rating of A-/Stable and short-term rating of A2+.

CRISIL believes that the Alicon group will maintain its established market position in the domestic cast-aluminium automobile components sector, and will gradually improve its financial risk profile supported by steady cash accruals and moderate capital expenditure (capex) plans, over the medium term.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is provided as a separate section in the Annual Report, which forms part of the Directors' Report.

LOANS, GUARANTEES AND INVESTMENTS

The full particulars of loans, guarantees and investments have been disclosed in the financial statements.

RELATED PARTY TRANSACTIONS

All the related party transactions entered into during the financial year 2015-16 were on an arm's-length basis and also in ordinary course of business. Details of all related party transactions are placed before the Audit Committee. The policy on Related Party Transactions as approved by the Board of Directors is placed on the Company's website.

Since all the transactions with related parties entered into by the Company were in ordinary course of business and were on an arm's-length basis, Form AOC-2 is not applicable to the Company.

SUBSIDIARY COMPANIES

Your Company has three foreign subsidiaries viz. Alicon Holding GmbH, Illichmann Castalloy S.R.O. and Illichmann Castalloy GmbH. Alicon Holding GmbH is the 100% subsidiary of your Company, who in turn is holding 100% capital of Illichmann Castalloy S.R.O. Illichmann Castalloy GmbH is the 100% subsidiary of Illichmann Castalloy S.R.O.

A separate section on the performance and financial position of each of the subsidiaries in Form AOC-1 is annexed as Annexure I and forms part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial accounts are prepared on the basis of financial statements of the subsidiary companies in accordance with the Accounting Standards 21, 23 and 27 issued by the Institute of Chartered Accountants of India. The said consolidated accounts forms part of this report and accounts.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.alicongroup.co.in. The Company will make available the audited annual accounts and related information of its subsidiaries upon request by any of its shareholders.

MATERIAL CHANGES AND COMMITMENT

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

PUBLIC DEPOSITS

Your Company has not accepted any deposit from the public, its shareholders or employees during the financial year under review.

CONSERVATION OF ENERGY ETC.

Information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as an Annexure II and forms part of this report.

RISK MANAGEMENT

The management continuously accesses the risk involved in the business and all out efforts are made to mitigate the risk with appropriate action. All the assets of the Company are adequately covered by comprehensive insurance.

A detailed note on risk management is given under the Management Discussion and Analysis of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's philosophy rests on dovetails the community need with the organisational involvement, adding value in all initiatives with the community.

Brief outline on the Corporate Social Responsibility (CSR) Policy of the Company and the initiative undertaken by the Company on CSR activities during the year are set out in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and is annexed as Annexure III to this report. The said CSR Policy is hosted on the Company's website.

CORPORATE GOVERNANCE

In line with the requirement of the Companies Act, 2013 as also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted committees. Details of these committees along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report.

A separate report on Corporate Governance is annexed, which forms part of this report. A certificate of CEO and CFO of the Company confirming the correctness of the financial and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed and forms part of this Directors' Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Majakatsu Uchiyama, Alternate Director to Mr. J. Suzuki resigned on 26th February, 2016 due to ill health. The Board of Directors places on record their deep sense of appreciation for the valued guidance provided by Mr. Uchiyama during his association with the Company as Alternate Director.

Mr. Junuchi Suzuki shall retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment. Information and brief profile of Mr. Junuchi Suzuki, who is seeking re-appointment is provided in the annexure to the notice convening the 26th AGM.

During the year under review, none of the non-executive directors had any pecuniary relationship or transactions with the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. S. Rai is the Managing Director, Mr. R. Sikand is Chief Executive Officer, Mr. Vimal Gupta is the Chief Finance Officer and Mr. P.S. Rao is the Company Secretary.

DECLARATION OF INDEPENDENCE

All the independent directors have submitted declarations as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as stipulated in Section 149(6) of the Act.

NOMINATION & REMUNERATION POLICY

The Nomination and Remuneration Policy recommended by the Nomination & Remuneration Committee is duly approved and adopted by the Board of Directors. The said policy is annexed to the report as Annexure IV.

NUMBER OF MEETINGS OF THE BOARD

Six meetings of the Board of Directors and one meeting of Independent Directors were held during the year under review. Corporate Governance Report, which forms part of this report, contains the details about the Board meetings as also meeting attended by each Director of the Company.

BOARD EVALUATION

Pursuant to the provisions of the Act, erstwhile Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had done the annual evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

Policy on appointment of directors and remuneration as provided in Section 178(3) of the Companies Act, 2013 has been dealt with in the corporate governance report, which forms part of the Directors' Report.

AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details pertaining to the audit committee are included in the Corporate Governance Report, which forms part of this report.

INTERNAL CONTROL SYSTEM

Adequate internal control systems are in place to maintain quality of product, proper accounting as per norms and standards prescribed, asset maintenance and its proper use. The Company has an independent internal auditor, who periodically undertakes the audit under the direction of the Audit Committee and submit his reports to the Audit Committee.

EMPLOYEES

The relations between the management and employees remained cordial throughout the year.

The particulars of employees require under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure V and forms part of this report.

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forming part of this report is given in a separate annexure. The said annexure is not being sent along with this report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members, who are interested in obtaining these particulars, may write to the Company. The aforesaid annexure is also available for inspection by the members at the registered office of the Company, 21 days before the 26th Annual General Meeting and upto the date of the said AGM during normal business hours on working days.

The Company has not issued any ESOP to its employees.

STATUTORY AUDITORS

According to Directors, there is no adverse remarks made by Statutory Auditors in their report. Notes to the accounts are self-explanatory to comments/observation made by the auditors in their report. Hence, no separate explanation is given.

Asit Mehta & Associates, Chartered Accountants, Statutory Auditors of your Company shall retire at the forthcoming Annual General Meeting. However, they are eligible for reappointment. Pursuant to Section 139 (2) of the Companies Act, 2013, Audit Committee and the Board of Directors of the Company have recommended their appointment for a period of one year i.e. from the conclusion of the 26th Annual General Meeting till the conclusion of the 27th AGM. M/s. Asit Mehta & Associates have confirmed that their appointment, if made, will be within the eligibility criteria prescribed under Section 141 (3) of the Companies Act, 2013.

Members are requested to appoint the Auditors and fix their remuneration.

SECRETARIAL AUDIT REPORT

During the year, Secretarial Audit was carried out by Mr. Upendra C. Shukla, Practising Company Secretary for the financial year 2015-16. The report on the Secretarial Audit is appended as Annexure VI to this report. According to the Board of Directors, the report does not have any adverse remark.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 in pursuance to the provisions of Section 92(3) of the Companies Act, 2013 is annexed to this report as Annexure VII and forms part of this report.

RECEIPT OF REMUNERATION BY MANAGING DIRECTOR FROM SUBSIDIARY COMPANY

Mr. S. Rai, Managing Director of the Company, has not received any remuneration from any of its subsidiary companies.

VIGIL MECHANISM

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement. The whistleblower policy adopted by the Board of Directors is hosted on the website of the Company.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In compliance to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has a duly constituted internal complaint committee. The Committee has formulated policy to ensure protection to its female employees.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no material and significant orders passed by any of the regulators or courts or tribunals impacting the going concern status and the Company's operations.

ACKNOWLEDGEMENT

Your Directors wish to thank Enkei Corporation, Japan, our technical collaborator, for their valued support and guidance for development of new parts. Your Directors also take this opportunity to thank all the customers, vendors, bankers and other business associates for their continued support. Your Directors also thank all the employees for their commitment, hard work and contribution to the Company's excellent performance. Your Directors are thankful to all the shareholders of the Company for their unstinted support and confidence reposed in the management of the Company.

On behalf of the Board of Directors

(S. Rai)
Managing Director

(A.D. Harolikar)
Director

Place: Shikrapur, Pune
Date: August 2, 2016

Annexure I

Form AOC-1

[Pursuant to first provision to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Sr. No.	1	2	3
Name of the Subsidiary	Alicon Holding GmbH	Illichmann Castalloy GmbH	Illichmann Castalloy S.R.O.
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April to March	April to March	April to March
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Euro Exchange Rate 1 Euro = ₹ 75.10	Euro Exchange Rate 1 Euro = ₹ 75.10	Euro Exchange Rate 1 Euro = ₹ 75.10
Share Capital	20,81,939	20,81,939	2,97,420
Reserves & Surplus	(5317033)	(64,71,208)	(7,13,60,713)
Total Assets	105017456	18,53,55,598	31,56,38,757
Total Liabilities	105017456	18,53,55,598	31,56,38,757
Investments	10,44,07,467	-	4,46,12,983
Turnover	99.06	63,55,03,679	49,11,87,623
Profit before taxation	(7,90,619)	56,56,863	(5,63,002)
Provision for taxation	1,26,539	639057	2,08,247
Profit after taxation	(9,17,158)	5017806	(7,71,249)
Proposed dividend	Nil	Nil	Nil
% of shareholding	100%	100%	100%

On behalf of the Board of Directors

(S. Rai)
Managing Director

(A.D. Harolikar)
Director

Place: Shikrapur, Pune
Date: August 2, 2016

Annexure II

Information as required to be given under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

a. Steps taken by company for energy conservation

As a part of energy conservation various avenues are being explored at periodic interval and after careful analysis and planning measures are being initiated to minimize the consumption of energy by optimum utilization of energy consuming equipment.During the year under review, the following measures were initiated for conservation and optimize utilization of energy.

i. Usage of LED lights instead of conventional lights

ii. Heat resistance coating and paint applied on furnaces to reduce heat losses

iii. Usage of VFD for compressors and power packs to improve their energy efficiency.

iv. Modification of burners of furnaces to improve combustion efficiency of fuel

v. Temperature controls and alarming for heating applications

vi. Planning to establish rain water harvesting system in the plants

B. TECHNOLOGY ABSORPTION

a. Company has planned to incorporate Robot application in CNC operations for automation and better quality control.

b. With technical support of R & D Team of Jaguar Land Rover(UK) and Daimler(USA & Germany) we have developed critical products for them like Oil sump for JLR and Coolant collector for Daimler.

c. With the help of technical team of Renault Nissan we have developed fourwheeler Cylinder Head for Renault Nissan by LPDC process and so we are able to reach highproductivity and competitive cost compared to GDC process.

d. Expenditure incurred on Research and Development :

(₹ in Million)

	2015-16
Capital	4.48
Recurring	42.56
Total :	**47.04**
Total R&D expenditure as a percentage of total turnover	0.69%

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Million)

	2015-16
Total Foreign Exchange Earned	**372.85**
Total Foreign Exchange Used	**312.51**

On behalf of the Board of Directors

(S. Rai)
Managing Director

(A.D. Harolikar)
Director

Place: Shikrapur, Pune
Date: August 2, 2016

Annexure III

Report on CSR Activities

Annual Report on the CSR activities pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Social Responsibility Policy) Rules, 2014

Alicon Castalloy Ltd (ACL) has engaged in CSR activities through the Bansuri Foundation (BF) since 2010. Social initiatives of ACL have been disclosed in the annual reports since 2011. However, from 2014, the CSR policy of ACL follows the guidelines of the Govt. of India's Companies Act, 2013 Sec 135 that makes CSR mandatory. Since the Companies Act specifies that the Company has an option to implement its CSR activities through an independently registered non-profit organisation, that has a record of at least three years in similar such related activities, ACL has made the choice to continue to implement its social initiatives through BF.

Our Vision
A modern India, in which all children have the ability to develop in a way that fulfils their potential and enables them to contribute to the development of our country.

Improving the quality of life in our villages, preserving our rich rural heritage, making village life sustainable and enjoyable.

A CSR agenda that is implemented with the active participation of our employees. Employees volunteer their time to projects and play a role in identifying projects that we support, (particularly in the vicinity of our factories).

To make a significant contribution to meet our vision, we have focussed our resources on these specific areas:

- Education/VIDYA
- Rural Livelihoods/SHAKTI
- Health/SWASTHYA
- Sanitation/SWACCH

1) **Corporate Social Responsibility (CSR) Committee**
The Board of Directors has constituted the CSR Committee to frame, monitor and execute the CSR activities of the Company. The Committee defines the parameters and observes them for effective discharge of the social responsibility of the Company.

The committee comprises three members: Shailendra Rai, Vinay Panjabi and Pamela Rai. The committee met four times during the financial year 2015-16 on April 8, 2015; August 4, 2015; December 9, 2015 and March 22, 2016.

Details of meetings attended by the members are as follows:

Committee members	Category	Number of meetings attended
Shailendra Rai	Non-Executive Promoter	3
Vinay Panjabi	Independent	3
Pamela Rai	Non-Executive Promoter	4

The terms of reference of this committee:

1. Formulate and recommend to the ACL board a CSR policy, which shall indicate the activities to be undertaken by the Company.
2. Recommend the amount of expenditure to be incurred on the activities.
3. Monitor the reports on impact assessment of the initiatives.
4. Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or rules made thereunder or any other statutory laws of India.

2) **Average net profit of the Company for the last three years :**

(₹ in Million)

Particulars	2012-13	2013-14	2014-15
Net Profit u/s 198	220.25	297.22	315.22
Average Net Profit for last 3 (three) years - ₹ 277.56 Million			

3) Prescribed CSR expenditure (2% of the amount as in Sr. No.2 above): ₹ 5.55 Million

4) Details of CSR spent during the financial year 2015-16:

a) Total amount spent for the financial the last: ₹ 5.90 Million

b) Amount excess spent: ₹ 0.35 Million

c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No:	CSR Project or activity identified	Sector in which the project is covered	Projects & programmes a) Local area or other b) Specify the state or district where project or programme was undertaken	Amount of outlay (budget) project or programme-wise	Amount spent on the project or programmes Sub-heads: a) Direct expenditure on projects or programmes b) Overheads	Cumulative expenditure up to the reporting period	Amount spent; Direct or through implementing agency
1	Aseema	Education	Igatpuri, Nashik	740000	721220		Implementing Agency
2	iTeach	Education	Yerawada, Pune	1500000	1500000		Implementing Agency
3	Centre For Youth Development and Activities (CYDA)	Education	PCMC Pune	495000	482680		Implementing Agency
4	Sassoon Hospital Pediatric Ward	Health	Pune	110000	99000		Implementing Agency
5	Peoples' Empowering Movement (PEM)	Rural Livelihood	Rajwadi Village, Ratnagiri Dist.	250000	177770		Implementing Agency
6	Ganesh Sheti Bachat Gat	Rural Livelihood	Dhamini Village, Ratnagiri Dist.	275000	228770		Implementing Agency
7	Brahmanwadi Panipurawtha Yojana	Rural Livelihood	Rajwadi Village, Ratnagiri Dist.	215000	265842		Implementing Agency
8	Krushiratna Bachat Gat	Rural Livelihood	Rajwadi Village, Ratnagiri Dist.	315000	263890		Implementing Agency
9	Kokankanya Mahila Bachat Gat	Rural Livelihood	Tural Village, Ratnagiri Dist.	195000	176300		Implementing Agency
10	Kamdhenu Mahila Bachat Gat	Rural Livelihood	Shembhavne Village, Ratnagiri Dist.	660000	376530		Implementing Agency
11	Peoples' Empowering Movement (PEM)	Swachh	Deorukh Village, Ratnagiri Dist.	100000	0		Implementing Agency
12	Peoples' Empowering Movement (PEM)	Rural Livelihood	Chikhli Village, Maharashtra	500000	0		Implementing Agency
13	Gurukul Shikshan Sanstha	Swachh	PCMC Pune	345000	318461		Implementing Agency
14	Social Venture Partners SVP)	Livelihood	Pune	200000	200000		Direct

5) In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

6) The CSR Committee affirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policies of the Company.

On behalf of the Board of Directors

(S. Rai)
Managing Director

(A.D. Harolikar)
Director

Place: Shikrapur, Pune
Date: August 2, 2016

Annexure IV

Nomination and Remuneration Policy

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with relevant rules thereto and Clause 49 of the Listing Agreement. The Key Objectives of the Committee are:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board
- To recommend the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management
- To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial personnel and create competitive advantage
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan

2. DEFINITIONS

a) 'Act' means the Companies Act, 2013 as amended from time to time and the Rules made thereunder.

b) 'Board' means Board of Directors of the Company.

c) 'Directors' mean Directors of the Company.

d) 'Key Managerial Personnel' means – (i) Chief Executive Officer or the Managing Director or Whole-time Director; (ii) Chief Financial Officer; (iii) Company Secretary; and (iv) such other officer as may be prescribed.

e) 'Senior Management' means personnel of the company who are members of its core management team excluding the Board of Directors but including Functional Heads.

3. ROLE OF COMMITTEE

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee –

3.1.1 Formulate the criteria for determining qualifications, positive attributes and independence of a director.

3.1.2 Identify persons who are qualified to become Director and persons, who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

3.1.3 Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2 Policy for appointment and removal of Director, KMP and Senior Management –

3.2.1 Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director, who has attained the age of seventy years; Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2 Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director and designate them for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel, subject to the provisions and compliance of the said Act and rules made thereunder.

3.2.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel–

3.3.1 General:

a) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission payable to Managing Director, Whole-time Director and Director shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Managing Director, Whole-time Director and Directors shall be in accordance with the conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments/revision to the existing remuneration/compensation payable to Managing Director, Whole-time Director and Directors may be recommended by the Committee to the Board, which should be within the limits approved by the Shareholders.

d) Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2 Remuneration to Whole-time Director, Managing Director, Directors, KMP and Senior Management Personnel:

a) Fixed Pay:

The Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorised by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for Excess Remuneration:

If Managing Director and/or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3 Remuneration to Non-Executive / Independent Director:

a) Remuneration/Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof; Provided that the amount of such fees shall not exceed ₹ 1,00,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

4. MEMBERSHIP

4.1 The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.

4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. DUTIES OF COMMITTEE

A) The duties of the Committee in relation to nomination matters shall include:

8.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

8.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment;

8.3 Identifying and recommending Directors, who are to be put forward for retirement by rotation;

8.4 Determining the appropriate size, diversity and composition of the Board;

8.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

8.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

8.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

8.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

8.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

8.10 Recommend any necessary changes to the Board; and

8.11 Considering any other matters, as may be requested by the Board.

B) The duties of the Committee in relation to remuneration matters shall include:

8.12 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

8.13 To approve the remuneration of the Senior Management including key managerial personnel of the Company, maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company.

8.14 To delegate any of its powers to one or more member(s) of the Committee.

9. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Annexure V

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule	Particulars			
(1)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a)	Mr. S. Rai, Managing Director	
			None of the other Directors were in receipt of any remuneration except sitting fees	
(2)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	a)	Mr. S. Rai, Managing Director	16.32%
		b)	Mr. R. Sikand, Chief Executive Officer	5.41%
		c)	Mr. Vimal Gupta, Chief Finance Officer	5.33%
		d)	Mr. P.S. Rao, Company Secretary	0
(3)	The percentage increase in the median remuneration of employees on the rolls of the Company			10%
(4)	The number of permanent employees on the rolls of the Company			1022
(5)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There is 7% increase in the remuneration of managerial personnel, while for others it is about 10%. This is based on other factors relevant for the purpose.		
(6)	It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company.			

On behalf of the Board of Directors

(S. Rai)
Managing Director

(A.D. Harolikar)
Director

Place: Shikrapur, Pune
Date: August 2, 2016

Annexure VI

Secretarial Audit Report
For the financial year ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Alicon Castalloy Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Alicon Castalloy Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Alicon Castalloy Limited for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing – the Company does not have any External Commercial Borrowing;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May,2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effect from 15th May,2015).

I report that during the year under review there was no action/event in pursuance of –

a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;

e) The Securities and Exchange Board of India (Employees Stock Option Scheme and employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.

f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

(vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India (effective from 1st July,2015); and

b) Listing Agreement entered into by the Company with the Stock Exchanges in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 1st December, 2015).

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exits for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports, taken on record by the Board of Directors of the Company, in my opinion adequate systems and processes and control mechanism exists commensurate with the size and operation of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period, except scheme of arrangement under Section 391 to394 of the Companies Act, 1956 as approved by the Hon'ble Bombay High Court on 23rd October, 2015, under which Casting Business of Atlas Castalloy Ltd. was merged with the Company and allotment of 12,56,222 Equity Share of ₹ 5/- each of the Company in pursuance to the said scheme, there was no other specific event/action in pursuance of the laws, rules, regulations, guidelines, etc. referred to above, having major bearing on the Company's affairs.

(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Place: Mumbai
Date: May 02, 2016

Annexure VII

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

Sr. No.	Particulars	Information
i.	CIN	L99999PN1990PLC059487
ii.	Registration Date	19/12/1990
iii.	Name of the Company	ALICON CASTALLOY LTD.
iv.	Category / Sub-Category of the Company	Company Limited by Shares
v.	Address of the registered office and contact details	Survey No.1426, Village Shikrapur Taluka Sirur, Dist. Pune - 412 208 Maharashtra
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 Tel: 022-28207203

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1)	Aluminium alloy castings	2008-24320	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	% to total turnover of the Company
1)	Alicon Holding GmbH	--	Subsidiary	100	2(87)(ii)
2)	Illichmann Castalloy S.R.O.	--	Subsidiary	100	2(87)(ii)
3)	Illichmann Castalloy GmbH	--	Subsidiary	100	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	834471	--	834471	7.59	834471	192971	1027442	8.38	1.57
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	6610720	--	6610720	60.10	6610720	1063251	7673971	62.62	8.68
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	**7445191**	**--**	**7445191**	**67.69**	**7445191**	**1256222**	**8701413**	**71.00**	**10.25**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) **Foreign**									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**7445191**	**--**	**7445191**	**67.69**	**7445191**	**--**	**8701413**	**71.00**	**10.25%**
B. Public Shareholding									
1. Institutions a) Mutual Funds / UTI	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Any others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
2. Non-Institutions	--	--	--	--	--	--	--	--	--
a) Bodies Corporate					--	--	--	--	--
i) Indian ii) Overseas	234386	1200	235586	2.14	144869	1000	145869	1.19	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	1528409	134862	1663271	15.12	1590316	131462	1721778	14.04	--
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	421604	--	421604	3.83	416935	--	416935	3.40	--
c) Any others (specify)									
NRI/OCB	106736	--	106736	0.97	125728	--	125728	1.02	
Clearing members	27412	--	27412	0.25	44299	--	44299	0.36	
Directors & relatives	200	--	200	Negligible	200	--	200	Negligible	
Foreign collaborators	1100000	--	1100000	10.00	1100000	--	1100000	8.97	
Sub-total (B)(2):-	**3418747**	**136062**	**3554809**	**32.32**	**3422347**	**132462**	**3554809**	**29.00**	**--**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**3418747**	**136062**	**3554809**	**32.32**	**3422347**	**132462**	**3554809**	**29.00**	**--**
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	**10863938**	**136062**	**11000000**	**100.00**	**10867538**	**1388684**	**12256222**	**100.00**	**--**

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1.	Mr. S. Rai	834311	7.58	0	957332	7.81	0	1.00%
2.	Nastic Trading LLP	5970000	54.27	0	5970000	48.71	0	-
3.	Pamela Trading LLP	286000	2.60	0	286000	2.33	0	-
4.	Atlas Castalloy Ltd.	99820	0.91	0	99820	0.81	0	-
5.	Skyblue Trading & Invs. P. Ltd.	254880	2.32	0	254880	2.08	0	-
6.	U.C. Rai Holding P. Ltd	20	Negligible	0	340998	2.78	0	2.78%
7.	Mrs. Usha Rai	100	Negligible	0	100	Negligible	0	-
8.	Mrs. Pamela Rai	20	Negligible	0	69934	0.57	0	0.57%
9.	Mrs. Meenal Gidwani	20	Negligible	0	20	Negligible	0	
10.	Mrs. Vinita Chandra	20	Negligible	--	20	Negligible	0	-
11.	Mithras Trading LLP	--	--	--	722273	5.89	0	5.89%
12.	Divya Rai	--	--	-	12	Negligible	0	Negligible
13.	Shefali Rai	--	--	--	12	Negligible	0	Negligible
14.	Ishaan Rai	--	--	--	12	Negligible	0	Negligible
	Total	**7445191**	**67.69**	**--**	**8701413**	**71.00**	**--**	

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Name and PAN	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the company
1	Mr. S. Rai						
	At the beginning of the year	834311	7.58	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			18/12/2015	123021	957332	7.81
	At the end of the year	957332	7.81	31/03/2016			
2	Nastic Trading LLP						
	At the beginning of the year	5970000	54.27	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year				--	--	--
	At the end of the year	5970000	48.71	31/03/2016			
3	Pamela Trading LLP						
	At the beginning of the year	286000	2.60	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year				--	--	--
	At the end of the year	286000	2.33	31/03/2016			
4	Atlas Castalloy Ltd.						
	At the beginning of the year	99820	0.91	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year				--	--	--
	At the end of the year	99820	0.81	31/03/2016			
5	Skyblue Trading And Investments Pvt. Ltd.						
	At the beginning of the year	254880	2.32	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year				--	--	--
	At the end of the year	254880	2.08	31/03/2016			

Sr. No.	Name and PAN	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the company
6	U. C. Rai Holdings Pvt. Ltd.						
	At the beginning of the year	20	Negligible	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year			18/12/2015	340978	340998	2.78
	At the end of the year	340998	2.78	31/03/2016			
7	Mrs. Usha Rai						
	At the beginning of the year	100	Negligible	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	100	Negligible	31/03/2016			
8	Mrs. Pamela Rai						
	At the beginning of the year	20	Negligible	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			18/12/2015	69914	69934	0.57
	At the end of the year	69934	0.57	31/03/2016			
9	Mrs. Meenal Gidwani						
	At the beginning of the year	20	Negligible	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year				--	--	--
	At the end of the year	20	Negligible	31/03/2016			
10	Mrs. Vinita Chandra						
	At the beginning of the year	20	Negligible	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year				--	--	--
	At the end of the year	20	Negligible	31/03/2016			
11	Mithras Trading LLP						
	At the beginning of the year	--	--	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			18/12/2015	722273	722273	5.89
	At the end of the year	722273	5.89	31/03/2016			
12	Divya .S. Rai						
	At the beginning of the year	--	--	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			18/12/2015	12	12	Negligible
	At the end of the year	12	Negligible	31/03/2016			
13	Shefali S. Rai						
	At the beginning of the year	--	--	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			18/12/2015	12	12	Negligible
	At the end of the year	12	Negligible	31/03/2016			
14	Ishaan S.Rai						
	At the beginning of the year	--	--	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			18/12/2015	12	12	Negligible
	Date-wise Increase / Decrease in Shareholding during the year			18/12/2015	12	12	Negligible
	At the end of the year	12	Negligible	31/03/2016			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sr. No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Enkei Corporation						
	At the beginning of the year	1100000	10.00	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year				--	--	--
	At the end of the year	1100000	8.98	31/03/2016			
2	Nirav Mahendra Sheth						
	At the beginning of the year	129202	1.17	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			03/04/2015	1981	131183	1.07
				17/04/2015	95	131278	1.07
				08/05/2015	9906	141184	1.15
				22/05/2015	152	141336	1.15
				03/07/2015	4172	145508	1.19
				10/07/2015	1	145509	1.19
	At the end of the year	145509	1.19	31/03/2016			
3	Savitha Raghavan						
	At the beginning of the year	58365	0.53	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			21/08/2015	-2393	55972	0.46
	At the end of the year	55972	0.46	31/03/2016			
4	Acira Consultancy Private Limited						
	At the beginning of the year	57987	0.53	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			10/04/2015	-25389	32598	0.27
				17/04/2015	-9149	23449	0.19
				24/04/2015	-23449	0	0.00
	At the end of the year	0	0.00	31/03/2016			
5	Mr. Navinchandra .S. Shah						
	At the beginning of the year	52953	0.48	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			03/04/2015	-623	52330	0.43
				13/11/2015	-398	51932	0.42
				27/11/2015	-4206	47726	0.39
				04/12/2015	-10000	37726	0.31
				31/12/2015	-2004	35722	0.29
				08/01/2016	-9611	26111	0.21
				31/03/2016	-1639	24472	0.20
	At the end of the year	24472	0.20	31/03/2016			
6	Mr. Inder Mohan Khosla						
	At the beginning of the year	31000	0.28	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the year			10/07/2015	-8000	230000	0.19
				17/07/2015	-3500	19500	0.16
				24/07/2015	-19500	0	0
	At the end of the year	0	0.00	31/03/2016			

Sr. No.	Name of Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
7	Ravindra Prabhudas Mahbubani						
	At the beginning of the year	30000	0.27	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	30000	0.24	31/03/2016			
8	Divyesh A. Shah						
	At the beginning of the year	28366	0.26	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year			22/05/2015	-69	28297	0.23
				29/05/2015	-998	27299	0.22
				31/07/2015	-3000	24299	0.20
	At the end of the year	24299	0.20	31/03/2016			
9	Neepa K. Shah						
	At the beginning of the year	25617	0.23	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year			19/02/2016	-4477	21140	0.17
				04/03/2016	-4218	16922	0.14
	At the end of the year	16922	0.14	31/03/2016			
10	Ashwani Kumar						
	At the beginning of the year	23078	0.21	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	23078	0.19	31/03/2016			

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director / KMP	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Mr. S. Rai, Managing Director						
	At the beginning of the year	834311	7.58	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year			18/12/2015	123021	957332	7.81
	At the end of the year	957332	7.81	31/03/2016			
2	Mr. Anil D. Harolikar, Director						
	At the beginning of the year	200	Negligible	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	200	Negligible	31/03/2016			
3	Mr. Vinay H. Panjabi, Director						
	At the beginning of the year	--	--	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	--	--	31/03/2016			

Sr. No.	Name of Director / KMP	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
4	Mrs. Pamela S. Rai, Director						
	At the beginning of the year	20	Negligible	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year			18/12/2015	69914	69934	0.57
	At the end of the year	69934	0.57	31/03/2016			
5	Mr. Junichi Suzuki, Director						
	At the beginning of the year	--	--	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	--	--	31/03/2016			
6	Mr. Masakatsu Uchiyama, Alternate Director						
	At the beginning of the year	--	--	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	--	--	31/03/2016			
7	Mr. Rajeev Sikand, Chief Executive Officer						
	At the beginning of the year	58638	0.53	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	58638	0.49	31/03/2016			
8	Mr. Vimal Gupta, Chief Finance Officer						
	At the beginning of the year	450	Negligible	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	450	Negligible	31/03/2016			
9	Mr. P. S. Rao, Company Secretary						
	At the beginning of the year	--	--	01/04/2015			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the end of the year	--	--	31/03/2016			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2015)				
i) Principal Amount	1,501,275,539	20,000,002	-	1,521,275,541
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,483,938	-	-	4,483,938
Total (i+ii+iii)	**1,505,759,477**	**20,000,002**	**-**	**1,525,759,479**

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Addition	185,358,744	-	-	185,358,744
Reduction	-	16,296,557	-	16,296,557
Net Change	185,358,744	-16,296,557	-	169,062,187
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	1,686,634,283	3,703,445	-	1,690,337,728
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7,346,704	-	-	7,346,704
Total (i+ii+iii)	**1,693,980,987**	**3,703,445**	**-**	**1,697,684,432**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in ₹ Lacs

Sr. No.	Particulars of Remuneration	Mr. S. Rai Managing Director	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	22.00	21.11
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.00	0.90
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - Others, specify…	14.92	14.92
5.	Others, please specify		
	Total (A)	**36.92**	**36.92**
	Ceiling as per the Act		

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Mr. A. D. Harolikar	Mr. Ajay Nanavati	Mrs. P. Rai	Mr. Vinay Panjabi	Mr. Junichi Suzuki	Mr. Masakatsu Uchiyama	Total Amount
1.	Independent Directors Fee for attending board / committee meetings	80,000	40,000		80,000			200,000
	Commission							
	Others, please specify	30,000	70,000		30,000			130,000
	Total (1)	**110,000**	**110,000**		**110,000**			**330,000**
2.	Other Non-Executive Directors Fee for attending board / committee meeting							
	Commission							
	Others, please specify			25,000				25,000
	Total (2)	**0**	**0**	**25,000**	**0**			**25,000**
	Total (B)=(1+2)	**110,000**	**110,000**	**25,000**	**110,000**			**355,000**
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole-time Director:

Amount in ₹ Lacs

Sr. No.	Particulars of Remuneration	Mr. Rajeev Sikand, CEO	Mr. Vimal Gupta, CFO	Mr. P. S. Rao, Company Secretary	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63.57	43.63	0.84	108.04
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	4.32	2.23	0	6.55
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - Others, specify…	72.27			72.27
5.	Others, please specify				
	Total	**140.16**	**45.86**	**0.84**	**186.86**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type		Section of The Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD/NCLT / COURT]	Appeal made, if any (give Details)
A.	**COMPANY**					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA
B.	**DIRECTORS**					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA
C.	**OTHER OFFICER IN DEFAULT**					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA

Corporate Governance Report

Pursuant to Regulation 34(3) read with clause C of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 [hereinafter referred to as SEBI (LODR) Regulations, 2015], a Report on Corporate Governance is given below:

1 Company's philosophy on Code of Governance

The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance shareholders' value. In this pursuit, the Company is committed to conducting business in accordance with the highest legal and ethical standards, superior product quality and services to its customers. The Company has adhered to such superior product policies to fulfill its corporate responsibilities and achieve its financial objectives.

2 Board of Directors

The names and categories of the Directors on the Board, their attendance at Board Meeting during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other Companies are given below:

Composition, Status, Attendance at the Board Meetings & the last AGM:

Name of Director	Status i.e. Executive/ Non-Executive/Independent	No. of Board Meetings Attended	Attendance at the last AGM
Mr. S. Rai	Managing Director	6	Yes
Mr. A.D. Harolikar	Independent Director	6	Yes
Mr. J. Suzuki	Non-Executive Director	1	No
Mrs. Pamela Rai	Non-Executive Director	5	Yes
Mr. Vinay Panjabi	Independent Director	6	Yes
Mr. Ajay Nanavati	Independent Director	6	No
Mr. Masakatsu Uchiyama*	Alternate Director	1	No

*Mr. Masakatsu Uchiyama resigned from the Board as an Alternate Director w.e.f. 26th February, 2016.

Number of Public Limited Companies or Committees in which the Director is a Director/Chairman

Name of Director	No. of other Directorship held#	No. of Committees of other Companies in which member/chairman	No. of Shares held in the Company as at 31.03.2016
Mr. S. Rai	3	0	9,57,322
Mrs. P. Rai	2	0	69,934
Mr. A.D. Harolikar	0	0	200
Mr. J. Suzuki	1	0	0
Mr. Vinay Panjabi	0	0	0
Mr. Ajay Nanavati	0	0	0

Note:

1) # Excluding Directorship in Foreign Companies and Companies under Section 8 of the Companies Act, 2013
2) Mr. S. Rai is husband of Mrs. P. Rai. Mrs. P. Rai is wife of Mr. S. Rai. None of the other Directors is related to any other Director on the Board in terms of the provisions of the Companies Act, 2013.
3) Independent Directors meet with criteria of their independence as mentioned in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.
4) Chairmanship/Membership of Board Committees includes Audit and Stakeholders' Relationship Committee only.

Board Meetings held during the financial year 2015-16

During the year ended March 31, 2016 Six Meetings of the Board of Directors were held namely on 30/04/2015, 30/07/2015, 06/11/2015, 27/11/2015, 30/11/2015 and 19/01/2016.

Separate meeting of Independent Directors

As stipulated by the code of Independent Directors under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 a separate meeting of Independent Directors of the Company was held on 31st March, 2016 to review the performance of non-independent directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its committees, which is necessary to effectively and reasonably perform and discharge their duties.

Directors' Induction, Familiarization & Training of Board Members

As and when a new Director is appointed, the Company takes steps to familiarize the Director with the Company, his/her roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The Directors are regularly offered visits to the Company's plant, where plant head makes them aware of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality, CSR, sustainability, etc.

At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, Company policies, changes in regulatory requirement applicable to the corporate sector and to the industry in which it operates with areas of improvement and other relevant issues.

Quarterly presentations on operations made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, regulatory scenario, etc.

Board Procedure

All the Directors on the Board are informed the date and venue of each Board Meeting at least fifteen days in advance along with Agenda. Detailed Agenda folder is sent to each Director in advance of the Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director and Chief Financial Officer appraises the Board the overall performance of the Company, followed by the presentation by Chief Executive Officer. The Board reviews the strategy, business plan, annual operating and capital expenditure budgets, projections, compliances of all laws applicable to the Company as well as the steps taken to rectify instances of non-compliances, taking on record of unaudited quarterly/half yearly/annual results, minutes of the meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level including that of the Compliance Officer.

Code of Conduct

The Board has laid down Code of Conduct for the Board Members and other senior management and employees of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Codes of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report as Annexure I. In addition to this, a separate code of conduct for dealing in equity shares of the Company is also in place.

3 Audit Committee

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Audit Committee comprises of Mr. A.D. Harolikar, Chairman of the Committee, Mr. Vinay Panjabi, both being Independent Directors and Mr. S. Rai, Managing Director.

The Chief Financial Officer, CEO, Internal Auditors and the partner of Asit Mehta & Associates, the statutory Auditors, are the permanent invitees to the Audit Committee meetings.

During the year ended March 31, 2016 five meetings of the Audit Committee were held; namely on 30/04/2015, 30/07/2015, 06/11/2015, 30/11/2015 and 19/01/2016.

All the three members of the Committee attended all the meetings.

4. Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee comprises of three Directors. Mr. A. D. Harolikar, Chairman of the Committee, Mr. Vinay Panjabi, Independent Director and Mr. Masakatsu Uchiyama, Non-Executive Director. Mr. Masakatsu Uchiyama ceased as a member of the Committee w.e.f. 26/02/2016. Hence the Nomination and Remuneration Committee was re-constituted on 2nd May, 2016. The said Committee now comprises of three Directors. Mr. A. D. Harolikar, Chairman of the Committee, Mr. Vinay Panjabi, Independent Director and Mr. J. Suzuki, Director.

The Remuneration and Nomination Committee of the Company is empowered to –

a) formulate the criteria for determining qualification, positive attributes and independence of director and recommend to the Board a policy, relating to the remuneration for directors, key managerial personnel and other employees;

b) formulate criteria for evaluation of independent directors and the Board;

c) devise the policy on Board diversity;

d) identify persons, who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

During the year one meeting was held viz. on April 30, 2015 .

The Company has no pecuniary relationship for transaction with its Non-Executive Directors except payment of sitting fees for attending the Board and Committee Meetings.

Remuneration of Managing Director:

The Remuneration of the Managing Director is recommended by the Remuneration and Nomination Committee based on responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organizations and is decided by the Board of Directors. a) Details of remuneration paid

a) Details of remuneration paid to Managing Director:

Name	Salary	Perquisites	Commission	Total
Mr. S. Rai	2,200,592	–	1,491,651	3,692,243

b) Details of sitting Fees paid to the Non-Executive Directors for attending the Board and Committee Meetings during the financial year 2015-2016:

S/No:	Name of Directors	Sitting fees paid (₹)
1)	Mr. A.D. Harolikar	80,000
2)	Mrs. Pamela Rai	25,000
3)	Mr. Vinay Panjabi	80,000
4)	Mr. Masakatsu Uchiyama	10,000
5)	Mr. Ajay Nanavati	40,000

The Company has no pecuniary relationship for transaction with its Non-Executive Directors except payment of sitting fees for attending the Board and Committee Meetings.

5 Stakeholders' Relationship Committee

The Committee functions under the Chairmanship of Mr. A.D. Harolikar, an Independent Director, Mr. S. Rai and Mr. Vinay Panjabi, being the members. During the year four meetings were held i.e. on 30th April, 2015, 30th July, 2015, 30th November, 2015 and 19th January, 2016. All the committee members were present in all the meeting.

The Compliance Officer is Mr. Vimal Gupta, Chief Financial Officer.

During the financial year ended on 31st March, 2016, five complaints were received. All the complaints were duly redressed in time. There were two investor complaint pending against the Company as on 31st March, 2016 on SCORES, the web based complaint redressal system of SEBI.

All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2016.

Corporate Social Responsibility Committee

Mr. S. Rai heads the Corporate Social Responsibility (CSR) Committee and Mrs. Pamela Rai and Mr. Vinay Panjabi are the other members. CSR policy adopted by the Board is available on the Company's website www.alicongroup.co.in. The terms of reference of the said Committee broadly comprises the following:

a. To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; and

b. To provide guidance on various CSR activities to be undertaken by the Company and to monitor their progress.

During the year four meetings were held i.e. on April 8, 2015, August 4, 2015, December 9, 2015 and March 22, 2016. All the members of the Committee were present in all the meeting.

Internal Complaint Committee

The committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee is headed by Mrs. Sulabha Sawant as presiding officer. Mrs. Juhi Gupta and Mrs. Priti Patil are the members.

No complaint/grievance was received by the Committee during the year. Therefore, no meeting of the Committee was held.

Risk Management Committee

Under Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company does not come in the top 100 entities, which has to mandatorily constitute a Risk Management Committee. However, the Company has the procedure for risk assessment and minimization.

6 General Body Meetings

a. The location and time of the Annual General Meetings held during the last three years are as below:

Date	Venue	Time	No. of special Resolutions passed
30/12/2015	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208	12.30 p.m.	Two
29/09/2014	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208	12.30 p.m.	Three
30/09/2013	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208	12.30 p.m.	Nil

b. Resolution passed through Postal Ballot:

During the year 2015-16, on one occasion an Ordinary Resolution pertaining to approving the Scheme of Arrangement pursuant to Section 391 to 394 of the Companies Act, 1956 was passed by the members of the Company by postal ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

7 Disclosures

a) CEO & CFO Certification: The Managing Director and Chief Finance Officer have inter alia certified to the Board of Directors the accuracy of financial statements and adequacy of internal controls for financial reporting as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2016 and the same was placed before the Board at its meeting held on 02nd May, 2016.

b) Transaction with related parties are disclosed under **Clause no. 12 of section 27** forming part of the Accounts. All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the audit committee and that may have a potential conflict with the interest of the Company. The register of contracts containing the transactions in which Directors are interested is placed before the Board for its approval.

c) All accounting standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

d) All pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company have been disclosed in item no: 4(b) of this report.

e) In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive code of conduct for prevention of insider trading for its designated employees. The code lays down the guidelines, which advise them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of consequences of violations.

f) During the last three years, there were no strictures or penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

8 Means of Communication

i)	Half yearly report sent to each household of share-holders/ Quarterly Results	No
ii)	Newspapers in which results are normally published in	The Economic Times (English), The Free Press Journal, Business Standard, (English) Nav Shakti, Marathi Daily.
iii)	Any website where displayed	www.alicongroup.co.in
iv)	Presentation made to institutional investors or to Analyst	No
v)	Whether Management Discussion and Analysis Report is a part of Annual Report or not	Yes

9 General Shareholder Information

(i)	**Annual General Meeting**	
	Date	29th September, 2016 Thursday
	Time	12.30 p.m.
	Venue	Gat No. 1426, Village Shikrapur Taluka Shirur, Dist. Pune, Maharashtra
(ii)	**Financial Calendar**	**April 2016 to March 2017**
	(a) First Quarter results	Before August 15, 2016
	(b) Second Quarter results	Before Novenber 15, 2016
	(c) Third Quarter results	Before February 15, 2017
	(d) Results for year ending March 2017	Before May 15, 2017
(iii)	**Date of Book closure**	23/9 to 29/9
		(Both days Inclusive)
(iv)	**Dividend payment date**	13/10/2016
(v)	**Listing on Stock Exchange**	
	BSE Ltd., Mumbai	
	National Stock Exchange of India Ltd.	
	Listing Fees has been paid to the Stock Exchange for the financial year 2016-2017.	
(vi)	**Stock Code:**	
	BSE Limited :	531147
	National Stock Exchange of India Ltd. :	ALICON
	Demat ISIN No. for NSDL and CDSL :	INE062D01024

(vii) Market Price Data : High/low in each month of the Financial Year

(A) The BSE Ltd.

Month	High ₹	Low ₹	Month	High ₹	Low ₹
April, 2015	348.80	254.60	October, 2015	387.30	323.00
May, 2015	314.90	275.00	November, 2015	391.90	310.00
June, 2015	281.00	246.00	December, 2015	390.00	317.00
July, 2015	350.00	267.50	January, 2016	368.10	261.70
August, 2015	428.00	312.00	February, 2016	308.00	242.20
September, 2015	393.50	315.10	March, 2016	307.90	255.90

(B) National Stock Exchange of India Ltd.

Month	High ₹	Low ₹	Month	High ₹	Low ₹
April, 2015	349.00	252.90	October, 2015	375.10	322.20
May, 2015	314.65	266.95	November, 2015	393.95	312.00
June, 2015	284.50	244.25	December, 2015	394.10	320.00
July, 2015	348.20	260.25	January, 2016	372.00	268.30
August, 2015	418.00	315.05	February, 2016	310.50	236.70
September, 2015	394.95	310.60	March, 2016	305.00	253.35

(viii) Registrars and share transfer agents

M/s. Universal Capital Securities Pvt. Ltd.
(Formerly Known as: Mondkar Computers Pvt. Ltd.)
21 Shakil Niwas, Opp Sai Baba Temple,
Mahakali Caves Road, Andheri (E),Mumbai – 400093

(ix) Share Transfer system

Transfers of shares are processed by the Share Transfer Agent and approved by the Share Transfer Committee called as 'Investors / Shareholders Grievance Committee', which meets at frequent intervals. Share transfers are registered and returned generally within 15 days from the date of receipt if the relevant documents are complete in all respects.

(x) Distribution of shareholding as on 31st March, 2016

No. of Equity Shares	No. of Folios	%	No. of Shares	% of Shareholding
01-500	3635	84.831	454050	3.705
501-1000	269	6.278	212402	1.733
1001-2000	170	3.967	273691	2.233
2001-3000	70	1.634	178598	1.457
3001-4000	21	0.490	72938	0.595
4001-5000	30	0.700	136132	1.111
5001-10000	54	1.260	394601	3.220
10001 and above	36	0.840	10533810	85.947
TOTAL	**4285**	**100**	**12256222**	**100**
In Physical Mode			1388684	11.33
In Electronic Mode			10867538	88.67

Shareholding Pattern as on 31st March, 2016

Category	No. of Shares	% of Shareholding
Indian Promoters	8701413	71.00
Foreign Collaborators	1100000	8.97
Mutual Funds & UTI	0	0
Private Corporate Bodies	145869	1.19
Indian Public	2138713	17.45
Directors & Relatives (other than Promoter Directors)	200	0.00
N.R.Is. / OCB's	170027	1.39
FIIs	0.00	0.00
TOTAL	**12256222**	**100.00**

(xi) Dematerialisation shares and liquidity

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). As on March 31, 2016, 10867538 Equity Shares of the Company, forming 88.67% of total shareholding stands dematerialized. As on March 31, 2016, the promoter's and promoter's group holding of 74,45,191 shares (85.56%) were held in dematerialized form. Remaining 12,56,222 Equity Shares allotted to promoter's group on

December 18, 2015 as per the Scheme of Arrangement approved by the Hon'ble Bombay High Court, were being credited in the respective demat accounts as on March 31, 2016. Therefore, the said shares are not shown under the category of dematerialized category. However, on July 02, 2016 the said shares have been credited to promoter's respective accounts and the entire shareholding of promoter's group i.e. 87,01,413 is in dematerialized form.

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity.

The Company has not issued GDR/ADR/Warrants or any convertible security.

(xiii) Plant Location

a) Gat No. 1426,
Village Shikrapur,
Taluka Shirur, Dist. Pune
Maharashtra

b) Plot no. 58/59
Block – D II, MIDC,
Chinchwad,
Pune-411019

c) 57-58 Km Stone,
Delhi –Jaipur,NH-8,
Industrial Area, Village
Binola, Haryana

d) Illichmann Castalloy
s.r.o.
Partizanska 81, 966 81,
Zarnovica, Slovakia

(xiv) Address for correspondence :

For transfer/dematerialization of shares, change of address of members and other queries relating to the shares of the Company:

M/s. Universal Capital Securities Pvt. Ltd.

(Formerly Known as :Mondkar Computers Pvt. Ltd)
21 Shakil Niwas, Opp Sai Baba Temple
Mahakali Caves Road, Andheri (E),
Mumbai – 400093

Shareholders holding shares in Electronic Mode should address all their correspondence to their respective depository participant.

Place: Shikrapur
Date : August 2, 2016

Annexure – I

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 17(5) OF SEBI (LODR) REGULATIONS, 2015

To,
Alicon Castalloy Limited
Gat No. 1426, Village Shikrapur,
Taluka Shirur, Dist. Pune,
Maharashtra

In accordance with Clause 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I, Shailendrajit Rai, Managing Director of Alicon Castalloy Limited, hereby confirm that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2016.

S. Rai
Managing Director

Place: Shikrapur
Date: May 2, 2016

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members,
Alicon Castalloy Limited

We have examined the compliance of conditions of Corporate Governance by Alicon Castalloy Ltd. (the Company) for the year ended 31st March 2016 as stipulated in under clause 49 of the Listing Agreements with Stock Exchanges (upto 30th November, 2015) and Regulations 17 to 27, 46 (2) (b) to (i) and para C, D, E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 1st December, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations to given to us and based on the management representations, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Asit Mehta & Associates**
Chartered Accounts
Firm Regn. No. 100733W

Sanjay Rane
Partner
Membership No. 100374

Place: Shikrapur
Date: May 2, 2016

Certificate by Chief Executive Officer and Chief Financial Officer of the Company

We certify that –

We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

significant changes in internal control over financial reporting during the year;

significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

S. RAI
Managing Director

VIMAL GUPTA
Group Chief Financial Officer

Place: Shikrapur
Date: May 2, 2016

Independent Auditors' Report

To the Members
Alicon Castalloy Limited.

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of Alicon Castalloy Limited ('the Company') which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

2. The Company's Board of Directors and its Management are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 ("the Rules").

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other regularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

   We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

   We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors and its Management as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate, to provide a basis for our audit opinion on the financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

7. **Emphasis of Matter**

   (a) We draw attention to para (a), (b) & (c) of note 2.8 of the attached summary of significant accounting policies in respect of 'Depreciation and Amortisation' :"The useful lives of some of its fixed assets & components followed by the Company are different than the lives specified under part C of schedule II to the Companies Act, 2013. The useful lives of some of its assets, particularly, in case of plant & machineries are as per its management estimate which considers the estimated usage of assets for 24 hours a day and 365 days a year. The Company's management therefore believes and is of the view that the useful lives estimated by them best represent the period over which it expects to use these assets based on technical evaluation and thus would not result in any additional amount of provision either on account of depreciation, impairment or otherwise."

   In the absence of technical evaluation and impairment workings, we have relied upon management representations for the same.

   (b) We draw attention to footnote**under Note15-'Trade Receivables' of the attached financial statements: "The Company's management has confirmed that all trade receivables are good and realisable in the ordinary course of the Company's business and no further provision is required over and above the amount already provided for in the books of account.''

We have relied upon management confirmation for recoverability or otherwise of debts in case of some account balances as customer reconciliations were not made available to us.

(c) We draw attention to footnote under Note 8-'Trade Payables' of the attached financial statements: ''The Company has no dues to suppliers covered under 'MSMED Act, 2006.''

We have relied upon management confirmation for the list of suppliers covered under the Act, dues payable to them etc.

(d) The provisions of the Company's Act 2013 as amended require the Company to comply with the various requirements under the Acts and the rules made and notifications issued there under from time to time. We are informed by the Company's management that the provisions of the Acts have been complied with by the Company.

We are also informed that the secretarial auditor has been appointed by the Company to audit the secretarial records and compliances made by the Company. We, therefore have not extensively reviewed the secretarial & related compliances which the secretarial auditor would have covered in his report.

Our opinion is not modified respect of these matters.

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we enclose in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

(a) Except for the matters described hereinafter and in annexures enclosed hereto and for the reasons stated therein, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply, in all material respects, with the Accounting Standards specified under section 133 of the Act, read with Rule 7 Companies (Accounts) Rules 2014, as applicable.

(e) On the basis of written representations received from the Directors, as on March 31,2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B' enclosed herewith and

(g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer sub-note 8 of Note 27- Part A Other Disclosures to the financial statements;

ii. The Company did not have any long–term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.

iii. There has been no delay in transferring the principal amounts of unpaid dividend required to be transferred to the Investor Education and Protection Fund by the Company.

For **Asit Mehta & Associates**
Chartered Accountants
Registration No. 100733W

Sanjay S. Rane
Partner
Membership No.100374

Pune, May 02, 2016

Annexure A to the Independent Auditors' Report

(Referred to in Paragraph 7 under the heading 'Report on Other Legal and Regulatory Requirements of our report of even date on the financial statements of Alicon Castalloy Limited ('the Company') for the year ended March 31, 2016)

Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Companies Act, 2013 ('the Act)

On the basis of such checks, as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

(i) (a) The Company has maintained records showing particulars including quantitative details and situation of its fixed assets. However, it needs to be further improved, as, inter alia, determination of useful lives of asset(s) and its component(s), impairment particulars etc. have remained to be completed, reviewed and recorded, as the case may be, by the Company.

(b) According to the information and explanations given to us, some of its fixed assets have been physically verified by the Company's management during the year. We are informed that discrepancies noticed during physical verifications have been properly dealt with in the books of account. We have relied upon management representation.

(c) According to the information and explanations given to us and as per records of the Company, the title deeds of immovable properties as appearing in "Note 11 – Fixed Assets" of the financial statements are held in the name of the Company.

(ii) The inventories comprising semi-finished goods, raw materials, stores and spares etc. have been physically verified by the Company's management during the year. In our opinion, the frequency of verification is reasonable. As informed to us, the discrepancies noticed on physical verification of inventory as compared to book records maintained for raw materials and stores and spares were not material and have been properly dealt with in the account. Rather, the closing inventory is established only on physical verification by the Company's management.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of section 185 of the Act apply. There are investments by the Company in its wholly owned subsidiaries outside India, appropriately disclosed under note 12 of the attached standalone financial statements which along with guarantees provided by the Company in connection with loans by the subsidiaries, are within the limits prescribed under section 186 of the Companies Act, 2013 and accordingly the provisions of section 186 of the Companies Act, 2013 have been complied with by the Company.

(v) The Company has not accepted any deposits from the public and does not have unclaimed deposits within the meaning of the provisions of section 73 to 76 of the Companies Act, 2013 Act and rules framed there under. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) According to the information and explanations given to us and in our opinion, maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 (1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014. Accordingly, the provisions of clause (vi) paragraph 3 of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing the amounts deducted / accrued in its books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, duty of customs, duty of excise, sales-tax, value added tax, cess and other material statutory dues as applicable to it to the appropriate authorities. As informed to us, there are no dues payables on account employees' state insurance and local body tax and thus have not been accured in its books of account.

According to the records of the Company and according to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred above were in arrears as at March 31, 2016 for a period of more than six months from the date those became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, service tax, duty of customs, duty of excise, sales-tax, value added tax, cess which have not been deposited on account of any dispute other than those mentioned below.

Name of the statue / nature of dues	Period to which the amount relates	Amount involved (₹ in Lakhs)	Forum where dispute is pending
Sales Tax/ MVAT	2007-08	80.95	The Joint Commissioner of Sales Tax (Appeals-F-002), Pune
Sales Tax/ MVAT	2007-08	818.84	The Joint Commissioner of Sales Tax (Appeals-F-002), Pune
Sales Tax/ MVAT	2008-09	8.22	Commissioner of Sales Tax (Appeals), Pune
Sales Tax/ MVAT	2009-10	57.65	Dy. Commissioner of Sales Tax, Pune
Sales Tax/CST	2009-10	156.93	Dy. Commissioner of Sales Tax, Pune
Central Excise Duty	2008-09	55.40	C.Ex. Commissioner, Pune (Call Book)
Central Excise Duty	2002-03	6.88	C.Ex. Commissioner, Pune (Call Book)
Income Tax	2009-10	18.74	Commissioner of Income Tax (Appeals) Mumbai.
Total		1203.61	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to banks. There are no loans or borrowings from financial institutions or government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, moneys raised by way of term loans by the Company, have, prima-facie, been applied for the purposes for which those were raised. The Company has not raised moneys raised by way of initial public offer or further public offer.

x) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, the managerial remuneration paid or provided in the Company's books is within the maximum ceiling provided under Section 197 of the Act.

(xii) The Company is not the Nidhi Company and therefore the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and as per the records of the Company, all transactions with the related parties are in compliance of with section 177 and 188 of the Act where applicable and the details of which have been disclosed in the financial statements etc as required by the applicable accounting standards.

(xiv) In our opinion and according to the information and explanations given to us and as per the records of the Company , the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review other than allotment of 12,56,222 shares issued to the shareholders of Atlas Castalloy Ltd. (the transferor Company) in the ratio of 121 fully paid equity shares of ₹ 5/-each for every 10 equity shares of ₹ 100/- each of the transferor Company, vide board resolution dtd. 18.12.2015 in pursuance of the Scheme of Arrangement between Alicon Castalloy Ltd.(the transferee Company) and Atlas Castalloy Ltd. (the transferor Company) as approved by the Bombay High Court vide its order dtd. 27.11.2015 and inter alia the requirements of section 42 the Companies Act have been complied with by the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him and therefore the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

For **Asit Mehta & Associates**
Chartered Accountants
Registration No. 100733W

Sanjay S. Rane
(Partner)
Membership No.100374

Pune, May 02, 2016

Annexure B to the Independent Auditors' Report

(Referred to in Paragraph 8 (f) of our report of even date on the financial statements of Alicon Castalloy Limited ('the Company') for the year ended March 31, 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Alicon Castalloy Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act and the Guidance Note to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

According to the information and explanations given to us and based on our audit, the following deficiencies & weaknesses have been identified in internal financial controls over financial reporting as at March 31, 2016.

a) The existing rules, policies, and some of its business processes (including sub-processes) of the Company have remained to be documented, updated and strengthened to cover all components and facets of internal financial control reporting and all risks of operating the business.

b) Some of its processes (sub-processes) are manually driven and controlled, barring some which are automatically controlled with

the use of system software. The scope exists for an adequate and effective design of information technology (IT) general and application controls to provide the complete and accurate information consistent with financial reporting objectives and current needs of the organization.

c) The Company needs to improve upon the extent and frequency of physical verification of its fixed assets and timely reconciliation with its book records so as to safeguard the Company's assets from loss, damage and misappropriation, if any.

d) The Company needs to improve upon performing reconciliations of its significant accounts like trade receivables on a frequent basis.

e) Segregation of duties needs to be further strengthen.

We are informed by the Company's management that the Company has taken effective steps in improving its internal financial and operating controls by going for more sophisticated and advanced ERP and related IT systems.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Company has, except for the matters the stated above, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Asit Mehta & Associates**
Chartered Accountants
Registration No. 100733W

Sanjay S. Rane
(Partner)
Membership No.100374

Pune, May 02, 2016

Balance Sheet

(Amount in ₹)

PARTICULARS	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	61,281,110	55,000,000
(b) Reserves and surplus	2	1,453,017,021	1,289,615,711
(c) Money received against share warrants		–	–
2 Share application money pending allotment			6,281,110
3 Non-current liabilities			
(a) Long-term borrowings	3	494,733,458	372,996,753
(b) Deferred tax liabilities (net)	4	59,209,748	36,247,185
(c) Other Long term liabilities	5	66,157,273	66,157,273
(d) Long-term provisions	6	47,679,118	42,712,927
4 Current liabilities			
(a) Short-term borrowings	7	1,012,176,758	996,986,723
(b) Trade payables	8	1,154,616,242	1,056,200,976
(c) Other current liabilities	9	365,367,424	430,109,344
(d) Short-term provisions	10	152,177,514	148,746,638
TOTAL		**4,866,415,666**	**4,501,054,640**
II. ASSETS			
1 Non-current Assets			
(a) Fixed assets	11		
(i) Tangible assets	11 (a)	2,241,568,381	1,695,801,602
(ii) Intangible assets	11 (b)	2,480,462	5,264,626
(iii) Capital work-in-progress	11 (c)	22,347,228	247,164,036
(iv) Intangible assets under development		–	–
(b) Non-current investments	12	106,249,200	106,249,200
(c) Deferred tax assets (net)		–	–
(d) Long-term loans and advances	13	202,179,261	177,397,729
(e) Other non-current assets		–	–
2 Current Assets			
(a) Current investments		–	–
(b) Inventories	14	447,700,027	502,077,674
(c) Trade receivables	15	1,551,907,693	1,472,503,202
(d) Cash and bank balances	16	108,276,176	103,802,335
(e) Short-term loans and advances	17	114,262,288	111,879,545
(f) Other current assets	18	69,444,950	78,914,691
TOTAL		**4,866,415,666**	**4,501,054,640**
Significant accounting policies & other disclosures	27		
Notes on Financial Statements	1 to 26		
The notes are an integral part of these financial statements.			

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Statement of Profit and Loss

(Amount in ₹)

PARTICULARS		Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I.	**Revenue from operations (gross)**	19	7,782,974,518	7,250,505,015
	Less: Excise Duty		957,549,206	860,722,318
	Revenue from operations (net)		**6,825,425,312**	**6,389,782,697**
II.	**Other income**	20	31,552,511	18,110,610
III.	**Total Revenue (I + II)**		**6,856,977,823**	**6,407,893,307**
IV	**Expenses:**			
	(a) Cost of materials (including dies & components) consumed	21	3,708,016,985	3,394,036,582
	(b) Purchases of stock-in-trade		–	–
	(c) Changes in inventories of finished goods, semi-finished goods & stock-in-trade	22	(617,190)	(50,421,661)
	(d) Employee benefits expense	23	832,055,448	789,721,827
	(e) Finance costs	24	216,310,837	188,643,806
	(f) Depreciation and amortization expense	25	235,914,145	228,248,998
	(g) Other expenses	26	1,550,081,703	1,560,441,414
	Total expenses		**6,541,761,928**	**6,110,670,966**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		315,215,895	297,222,341
VI.	**Exceptional items**		–	–
VII.	**Profit before extraordinary items and tax (V - VI)**		**315,215,895**	**297,222,341**
VIII.	**Extraordinary Items**		–	–
IX.	**Profit before tax (VII-VIII)**		**315,215,895**	**297,222,341**
X.	**Tax expense:**			
	(1) Current tax		73,534,673	80,690,739
	(2) Deferred tax /(credit)		22,962,565	5,401,707
	(3) Prior Period Tax		–	3,869,049
	Total tax expense		**96,497,238**	**89,961,495**
XI.	**Profit for the period (IX-X)**		**218,718,657**	**207,260,846**
XII.	**Earnings per equity share of face value of ₹ 5/- each.**			
	Basic and Diluted (₹ 5/-)		19.26	18.84
	Significant accounting policies & other disclosures	27		
	Notes on Financial Statements	1 to 26		
	The notes are an integral part of these financial statements.			

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Cash Flow Statement

(Amount in ₹)

	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A.	**Cash Flow from Operating Activities**		
	Profit before taxation	315,215,895	297,222,340
	Adjustments for:		
	Depreciation & Amortisation	235,914,145	228,248,998
	Loss /(gain) on sale of tangible assets (net)	108,656	449,038
	Interest and dividend received	(5,678,132)	(6,165,863)
	Rent received (net of payment)	(14,338,308)	(12,735,170)
	Finance costs	216,310,837	171,528,431
	Provision for doubtful debts	14,807,902	16,662,361
	Unrealised foreign currency losses	1,294,610	618,594
	Sample sales written off	293,062	257,488
	Operating profit before working capital changes	**763,928,667**	**696,086,217**
	Changes in Working Capital:		
	Increase / (Decrease) in trade payables	95,626,623	355,353,374
	Increase / (Decrease) in other liabilities & provisions	(93,321,102)	47,476,970
	(Increase) / Decrease in trade receivables	(90,979,233)	(423,187,425)
	(Increase) / Decrease in inventories	54,377,647	(206,319,275)
	(Increase) / Decrease in other current assets & advances	8,431,286	(106,489,032)
	Cash Generated from Operations	**738,063,889**	**362,920,830**
	Taxes paid (net of refunds)	(93,811,841)	48,525,766
	Net cash generated from operations before extraordinary items	**644,252,047**	**411,446,596**
	Extraordinary items	-	-
	Net cash from Operating Activities (A)	**644,252,047**	**411,446,596**
B.	**Cash flow from Investing Activities:**		
	Additions to fixed assets	(566,734,262)	(881,643,745)
	Proceeds on sale of fixed assets	2,877,540	12,049,538
	Capital Reserve (Excess of assets over liabilites) on acquistion of casting business	-	41,155,011
	Interest and dividend received	5,678,132	6,165,863
	Rent received (net of payment)	14,338,308	12,735,170
	Margin money deposits (matured)	(6,681,548)	(9,918,602)
	Net cash from Investing Activities (B)	**(550,521,829)**	**(819,456,766)**
C.	**Cash flow from Financing Activities**		
	Dividend paid	(33,243,634)	(27,514,413)
	Dividend Distribution Tax	(7,485,365)	(4,673,625)
	Finance costs	(218,982,439)	(174,063,954)
	Proceeds from Long term Borrowings (net of payment)	148,538,758	345,223,125
	Proceeds from Short term Borrowings (net of payment)	15,190,035	273,921,650
	Share capital pending for allotment	-	6,281,110
	Net cash used in Financing Activities (C)	**(95,982,645)**	**419,173,893**
	Net increase in cash and cash equivalents (A+B+C)	**(2,252,428)**	**11,163,722**
	Cash and Cash equivalents at the beginning of the year	**56,706,532**	**45,528,582**
	Effect of exchange difference on restatement of foreign currency cash and cash equivalents	**44,721**	**14,227**
	Cash and Cash equivalents at the end of the year	**54,498,825**	**56,706,532**

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Notes forming part of the Financial Statements

(Amount in ₹)

	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
1. SHARE CAPITAL				
Authorised share capital				
Equity shares of ₹ 5/- each	13,000,000	65,000,000	11,000,000	55,000,000
Issued, subscribed and paid-up capital				
Equity shares of ₹ 5/- each, fully paid	12,256,222	61,281,110	11,000,000	55,000,000
Total	**12,256,222**	**61,281,110**	**11,000,000**	**55,000,000**
Share Capital Pending Allotment	–	–	–	**6,281,110**
Notes				
(a) Reconciliation of number of shares				
Shares outstanding at the beginning of the year	11,000,000	55,000,000	11,000,000	55,000,000
Shares issued during the year*	1,256,222	6,281,110	–	–
Shares outstanding at the end of the year	**12,256,222**	**61,281,110**	**11,000,000**	**55,000,000**

*allotted to the shareholders of Atlas Castalloy Ltd. (the transferor Company) in the ratio of 121 fully paid Equity Shares of ₹ 5/- each for every 10 Equity Shares of ₹ 100/- each of the transferor Company, vide Board Resolution dtd. 18.12.2015 in pursuance of the of the Scheme of Arrangement between Alicon Castalloy Ltd. (the transferee Company) and Atlas Castalloy Ltd. (the transferor Company) as approved by the Bombay High Court vide its order dtd. 27.11.2015.

(b) Rights, preferences and restrictions attached to shares

Equity Shares of ₹ 5/- each:

The Company has one class of equity shares having a par value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Sl. No.	Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Nastic Trading LLP	5,970,000	48.71%	5,970,000	54.27%
2	Mithras Trading LLP	722,373	5.89%	–	0.00%
3	Shailendra Rai	957,332	7.81%	834,311	7.58%
4	Enkei Corporation	1,100,000	8.98%	1,100,000	10.00%

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
2. RESERVES AND SURPLUS		
Securities Premium Account		
Balance as at the beginning of the year	200,200,000	200,200,000
(+) Additions during the year	–	–
Balance as at the end of the year	**200,200,000**	**200,200,000**
General Reserve		
Balance as the beginning of the year	124,000,000	99,000,000
(+) Transferred from Surplus in Statement of Profit and Loss during the year	–	25,000,000
Balance as at the end of the year	**124,000,000**	**124,000,000**
Capital Reserve		
Balance as at the begning of the year	41,155,011	–
Add : Transaction during the year	–	41,155,011
Balance as at the end of the year	**41,155,011**	**41,155,011**

Notes forming part of the Financial Statements

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Surplus in Statement of Profit and Loss		
Balance as the beginning of the year (P&L)	924,260,700	786,253,885
(+) Net Profit/(Net Loss) For the current year	218,718,657	207,260,846
(-) Proposed Dividends	45,960,833	36,768,666
(Dividend per Share ₹ 3.75/-(PY ₹ 3.00))		
(-) Tax on Proposed Dividend	9,356,513	7,485,365
(-) Transfer to General Reserves	–	25,000,000
Balance as at the end of the year	1,087,662,011	924,260,700
Total	**1,453,017,021**	**1,289,615,711**

3.	**LONG-TERM BORROWINGS**		
	Secured		
	Term loans		
	From Banks (Refer Note [a] below)	672,827,575	524,288,817
	Less: Current maturity of long term borrowings	178,094,117	151,292,064
		494,733,458	**372,996,753**

Notes

(a) Long-term borrowings include secured term loans at floating interest rates from State Bank of India, Bank of Maharashtra and Bajaj Finance Ltd. which are repayable through monthly instalments. Loans availed from State Bank of India and Bank of Maharashtra are secured by a first parri-passu charge by way of registered mortgage on the existing fixed assets except Land at Khed city. Loan availed from Bajaj Finance Ltd. is secured by exclusive charge on lease land at Khed city. Loan availed from Bank of India in earlier years has been repaid in full during the financial year 2015-16..Of these, ₹ 17,80,94,117/-(PY ₹ 15,12,92,064/-) are classified as current liabilities being repayable before March 31,2017.

Total number of installments = 490

Number of installments outstanding as at March 31, 2016 = 440 (PY = 251)

(b) There is no default, continuing or otherwise in repayment of installment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

4.	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred Tax Liability		
	Fixed Assets /Depreciation	61,775,697	36,434,208
	Deferred Tax Assets		
	Disallowances under the income Tax Act 1961 (Expenses disallowed under I.T. ACT)	2,565,949	187,023
	Total	**59,209,748**	**36,247,185**

Note :

Deferred tax liabilities provided are in respect of timing differences for the year.

5.	**OTHER LONG TERM LIABILITIES**		
	Royalty payable	66,157,273	66,157,273
	Total	**66,157,273**	**66,157,273**

6.	**LONG-TERM PROVISIONS**		
	Employee benefits		
	Gratuity (Funded- Net of assets)	31,375,304	28,644,669
	Leave Encashment (Unfunded)	16,303,814	14,068,258
	Total	**47,679,118**	**42,712,927**

Notes forming part of the Financial Statements

(Amount in ₹)

		As at March 31, 2016	As at March 31, 2015
7.	**SHORT-TERM BORROWINGS**		
	Secured		
	Cash credit from banks (Refer Note (a) below)	1,008,473,313	976,986,721
	Total (A)	**1,008,473,313**	**976,986,721**
	Unsecured		
	Term loans		
	From Banks (Refer note (b) below)	3,703,445	20,000,002
	Total (B)	**3,703,445**	**20,000,002**
	GRAND TOTAL [A+B]	**1,012,176,758**	**996,986,723**

Notes

(a) Short-term borrowings includes cash credit facilities availed from State Bank of India, Kotak Mahindra Bank (Formerly known as ING Vysya Bank), Bank of Maharashtra and Bank of India. These borrowings are secured in favour of all the aforementioned banks by a first parri-passu charge by way of hypothecation of all stocks and receivables and a second parri-passu charge by joint Deed of Hypothecation on all fixed assets of the Company.

(b) Unsecured term loans are availed from Kotak Mahindra Bank for funding purchase orders. These loans, obtained at floating interest rates, are repayable through weekly instalments.

Total number of installments = 4 Installments

Number of installments outstanding as at March 31, 2016 = 1 (PY = 1)

(c) There is no default, continuing or otherwise in repayment of installment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

8.	**TRADE PAYABLES**		
	Acceptances	96,969,705	116,604,568
	Sundry Creditors	1,057,646,537	939,596,408
	[Includes amounts payable to related parties ₹ 43,397,315/- (PY: ₹ 83,086,000/-)		
	Total	**1,154,616,242**	**1,056,200,976**

Note :

i) The Company has no dues to suppliers covered under Micro, Small and Medium Enterprises

9.	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term borrowings	178,094,117	151,292,064
	Interest accrued but not due on borrowings	7,346,704	4,604,789
	Unclaimed dividend	4,128,203	603,171
	Employee dues & retentions	38,969,310	44,575,982
	Other liabilities	51,811,907	50,339,294
	Royalty payable.	4,320,412	4,825,020
	Statutory remittances	1,588,184	11,844,336
	Advances from customers	19,698,379	59,032,075
	Payable for Services	14,357,415	19,510,835
	Payable for Fixed Assets	45,052,793	83,481,778
	Total	**365,367,424**	**430,109,344**

Notes forming part of the Financial Statements

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
10. SHORT-TERM PROVISIONS		
Employee benefits		
Leave Encashment (Unfunded)	2,293,433	3,585,152
Gratuity (Funded Net Of Assets)	7,680,773	7,104,432
Bonus	13,351,289	13,112,284
Others		
Proposed Dividend	45,960,833	36,768,666
Tax on Dividend	9,356,513	7,485,365
Current Tax	73,534,673	80,690,739
Total	**152,177,514**	**148,746,638**

Notes forming part of the Financial Statements

11. FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at April 1, 2015	Additions during the year	Disposals during the year	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation for the year	Deductions on Disposals	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
Owned Assets:										
(a) Tangible Assets										
Leasehold Land	–	126,546,662	–	126,546,662	–	1,406,074	–	1,406,074	125,140,588	–
Freehold Land	177,901,895	–	–	177,901,895	–	–	–	–	177,901,895	177,901,895
Building	307,052,454	11,732,351	–	318,784,805	77,104,809	13,129,640	–	90,234,449	228,550,356	229,947,645
Factory Equipments	138,007,134	13,719,591	215,000	151,511,726	63,625,278	14,097,862	107,153	77,615,987	73,895,738	74,381,856
Plant and Machinery	1,836,217,850	509,120,624	6,558,173	2,338,780,301	952,606,417	115,805,504	4,242,247	1,064,169,675	1,274,610,626	883,611,433
Electrical Installations	143,470,768	21,215,939	–	164,686,707	89,571,227	11,173,541	–	100,744,768	63,941,939	53,899,541
Furniture and Fixtures	110,460,001	32,274,217	–	142,734,218	41,016,779	13,970,085	–	54,986,865	87,747,353	69,443,222
Computers	30,819,731	1,116,577	–	31,936,308	26,574,918	2,466,207	–	29,041,125	2,895,182	4,244,812
Office Equipments	29,741,544	2,081,346	–	31,822,889	18,220,610	6,400,462	–	24,621,072	7,201,817	11,520,934
Quality Control Equipments	31,663,194	6,617,271	–	38,280,465	17,108,110	3,058,499	–	20,166,609	18,113,856	14,555,085
Motor Vehicle	32,753,575	588,176	1,079,722	32,262,029	13,277,184	4,172,314	517,299	16,932,199	15,329,829	19,476,390
Dies and Patterns	361,600,244	56,725,978	–	418,326,222	204,781,455	47,305,566	–	252,087,021	166,239,201	156,818,789
Total	**3,199,688,389**	**781,738,731**	**7,852,895**	**3,973,574,225**	**1,503,886,788**	**232,985,754**	**4,866,699**	**1,732,005,843**	**2,241,568,381**	**1,695,801,602**
(b) Intangible Assets										
Software	13,269,916	144,228	–	13,414,144	8,005,290	2,928,392		10,933,682	2,480,462	5,264,626
Total	**13,269,916**	**144,228**	**–**	**13,414,144**	**8,005,290**	**2,928,392**	**–**	**10,933,682**	**2,480,462**	**5,264,626**
(c) Capital Work In Progress	247,164,036	(224,816,808)	–	22,347,228	–				22,347,228	247,164,036
Total	**3,460,122,340**	**557,066,151**	**7,852,895**	**4,009,335,597**	**1,511,892,078**	**235,914,145**	**4,866,699**	**1,742,939,525**	**2,266,396,072**	**1,948,230,263**
Total Previous Year	**2,900,196,007**	**578,010,673**	**18,084,341**	**3,460,122,340**	**1,289,228,844**	**228,248,998**	**5,585,764**	**1,511,892,078**	**1,948,230,264**	**1,324,035,354**

Notes forming part of the Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
12. NON-CURRENT INVESTMENTS		
Trade Investments		
Unqouted		
Investment in subsidiaries - 1 [PY: 1] equity share of Euro 35,000/- each held in Alicon Holding GmbH	106,178,900	106,178,900
Total (A)	**106,178,900**	**106,178,900**
Other than Trade Investments		
Quoted		
Investment in Equity instruments - Bank of Maharashtra	20,300	20,300
900 equity shares [PY: 900 shares] of ₹ 29.10 each.		
Unquoted		
Investment in Equity instruments - Shamrao Vithal Co. Op. Bank	50,000	50,000
2,000 equity shares [PY: 2,000 shares of ₹ 25each.]		
Total (B)	**70,300**	**70,300**
GRAND TOTAL (A + B)	**106,249,200**	**106,249,200**
Aggregate amount of quoted investments	20,300	20,300
Market Value of quoted investments	26,190	33,390
Aggregate amount of unquoted investments	50,000	50,000
Aggregate provision for diminution in value of investments"	–	–
13. LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Advance Income Tax (net of provisions)	114,669,710	101,548,608
Capital Advances	41,742,978	26,661,350
Balance with government authorities.	32,268,840	43,885,638
Security Deposits	13,497,733	5,302,133
Total	**202,179,261**	**177,397,729**
14. INVENTORIES		
Raw Materials and components	91,421,253	93,684,138
Consumables	81,335,952	61,500,484
Semi-finished goods (includes goods-in-transit ₹ 22,38,196/- (PY ₹ 1,16,175/-)	205,105,632	204,488,442
Packing Material	405,501	718,926
Dies under Development	68,356,633	139,275,516
Furnace Oils	1,075,056	2,410,168
Total	**447,700,027**	**502,077,674**
(i) Details of Semi-finished goods		
Semi-finished casting made from aluminum alloys	205,105,632	204,488,442

Notes forming part of the Financial Statements

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
15. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date trade receivables are due for payment		
Unsecured, considered good		
- From related parties	15,904,045	14,720,207
- From others	–	–
Unsecured, considered Doubtful		
- From related parties	–	–
- From others	16,651,716	21,314,040
Other trade receivables		
Unsecured, considered good*		
- From related parties	644,372	–
- From others	1,448,124,615	1,304,907,156
Trade receivables not due	87,234,661	152,875,839
	1,568,559,409	**1,493,817,242**
Provision for doubtful trade receivables**	16,651,716	21,314,040
Total	**1,551,907,693**	**1,472,503,202**

* The year-end balances have been reconciled with customer records except in case of few customer accounts

** The Management of the Company as confirmed that all trade receivable are good and realisable in the ordinary course of its business and thus no further provision is called for over and above the amount already provided for in the books of account.

16. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
Current accounts with banks	53,691,763	47,758,057
Cash on hand	807,062	8,948,475
Total (A)	**54,498,825**	**56,706,532**
Other Bank Balances *		
Term deposits	3,785,886	9,197,735
Margin money deposits	49,991,465	37,898,068
Total (B)	**53,777,351**	**47,095,803**
SUB TOTAL [A+B]	**108,276,176**	**103,802,335**

* Includes term deposits of ₹ 61,07,661/-(PY ₹ 1,30,64,474/-) which have an original maturity of more than 12 months.

* Includes term deposits of ₹ 2,32,14,404/-(PY ₹ 1,30,64,474/-) which have maturity of more than 12 months from the balance sheet date.

17. SHORT-TERM LOANS AND ADVANCES		
Balance with government authorities	95,085,777	84,919,358
Supplier Advances	6,706,698	17,860,894
Prepaid expenses	5,568,917	4,962,163
Advance against expenses/others	6,900,897	4,137,130
Total	**114,262,288**	**111,879,545**

Notes forming part of the Financial Statements

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
18. OTHER CURRENT ASSETS		
Interest accrued on term deposits	1,531,922	2,830,272
Other Receivables	67,913,027	76,084,419
Total	**69,444,950**	**78,914,691**

(Amount in ₹)

	For the year ended March 31, 2016	For the year ended March 31, 2015
19. REVENUE FROM OPERATIONS (NET)		
Sale of products		
- Finished goods	7,719,670,352	7,206,320,640
Other operating revenues		
- Scrap sale	63,304,166	44,184,375
	7,782,974,518	**7,250,505,015**
Less:		
Excise duty	957,549,206	860,722,318
Total	**6,825,425,312**	**6,389,782,697**
Note: Details of manufactured goods sold (net)		
Manufactured goods		
Castings made from aluminum alloys	6,284,237,780	6,086,221,611
Conversion Income -(Job work)	125,240,989	109,511,681
Scrap Sales	63,304,166	42,381,464
Dies	352,642,378	151,667,941
Total	**6,825,425,312**	**6,389,782,697**

20. OTHER INCOME		
Interest received (gross)	5,675,412	6,165,862
Dividend on Long-term Investments	2,720	–
Rent received	14,338,308	12,735,170
Net gain /(Loss) on foreign currency fluctuations	9,269,119	(2,549,012)
Miscellaneous income	2,266,952	1,758,590
Total	**31,552,511**	**18,110,610**

21. COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	232,880,189	158,279,582
Add: Purchases	3,634,914,682	3,468,637,189
	3,867,794,871	**3,626,916,771**
Less: Inventory at the end of the year	159,777,886	232,880,189
Cost of raw materials consumed during the year	**3,708,016,985**	**3,394,036,582**

Notes forming part of the Financial Statements

(Amount in ₹)

		For the year ended March 31, 2016	For the year ended March 31, 2015
22.	**CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS & STOCK-IN-TRADE**		
	Semi-finished goods		
	Inventory at the beginning of the year	204,488,442	154,066,781
	Less: Inventory at the end of the year	205,105,632	204,488,442
	Increase in stock of Semi-finished goods	**(617,190)**	**(50,421,661)**
23.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	745,179,925	682,726,833
	Contributions to Provident and other funds	24,628,363	28,766,746
	Gratuity and Leave encashment	13,839,581	23,374,228
	Employee welfare expenses	48,407,579	54,854,020
	Total	**832,055,448**	**789,721,827**
24.	**FINANCE COSTS**		
	Interest expense		
	- Term loan & working capital loan	197,076,199	154,355,479
	- Interest on payments of duties & taxes	2,952,364	17,115,375
	Other borrowing costs	16,282,274	17,172,952
	Total	**216,310,837**	**188,643,806**
25.	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation on Tangible assets	232,985,753	225,604,742
	Amortisation on Intangible assets	2,928,392	2,644,256
	Total	**235,914,145**	**228,248,998**
26.	**OTHER EXPENSES**		
	Manufacturing Expenses		
	Consumption of stores and spares	418,769,150	465,767,946
	Power and fuel	420,617,776	457,133,475
	Processing charges	250,734,230	210,437,675
	Repairs to machinery	47,220,642	50,089,447
	Other manufacturing expenses	42,707,391	51,935,776
	Total (A)	**1,180,049,190**	**1,235,364,319**

Notes forming part of the Financial Statements

(Amount in ₹)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Administrative Expenses		
Legal and Professional Charges	47,085,739	51,113,410
Rent	29,387,022	55,822,675
Other administrative expenses	119,568,220	62,916,213
Total (B)	**196,040,981**	**169,852,298**
Selling and Distribution Expenses		
Selling and Distribution Expenses	173,991,532	155,224,797
Total (C)	**173,991,532**	**155,224,797**
TOTAL [A+B+C]	**1,550,081,703**	**1,560,441,414**

	2015-16		2014-15	
	₹ (In Lacs)	Percentage	₹ (In Lacs)	Percentage
27. OTHER DISCLOSURE				
PART A				
The figures of consumption have been arrived by deducting the closing stock from the quantity/value of opening stock as increased by the purchases during the year.				
1. Raw materials and Stores and Spares Consumed				
A. Raw materials				
a) Imported	1532.13	4.13	1408.68	4.15
b) Indigenous	35548.04	95.87	32531.68	95.85
Total	**37080.17**	**100.00**	**33940.36**	**100.00**
B. Stores and Spares Consumed				
a) Imported	137.63	3.29	19.99	0.43
b) Indigenous	4050.07	96.71	4637.69	99.57
	4187.69	**100.00**	**4657.68**	**100.00**

The figures of consumption have been arrived by deducting the closing stock from the quantity/value of opening stock as increased by the purchases during the year.

(Amount in ₹ Lacs)

Particulars	2015-16	2014-15
2. Imports on CIF Basis		
Capital Goods	752.58	987.82
Components and Spares Parts	1280.00	1433.63
Total	**2032.58**	**2421.45**
3. Expenditure in foreign currency		
Foreign Travel	23.68	44.13
Royalty	215.80	213.39
Commission on Sales	0.00	0.30
Salary	16.18	24.22
Selling & Distribution Expenses	5.56	0.00
Legal & Professional Expenses	137.55	78.54
Freight Inward	0.00	0.00
Welfare Expenses	18.27	22.91
Repairs & Maintenance	17.88	0.00
TOTAL	**434.92**	**383.49**

Notes forming part of the Financial Statements

(Amount in ₹ Lacs)

Particulars	2015-16	2014-15
4. Remittance in foreign currencies for dividends		
i) Number of non-resident shareholders	1	1
ii) Number of Equity shares	1,100,000	1,100,000
iii) Gross amount of dividends (₹)	3,300,000	4,950,000
5. Earning in Foreign Exchange		
Export of goods	3288.87	2601.90
Includes deemed export of Nil		
6. Employee Benefits		
The Company has adopted Accounting Standard 15 "Employee Benefits". The disclosures required by the Standard are given below:		
Defined Contribution Plan		
The contributions recognised as expenses for the year are as under:		
Employer's Contribution to Provident Fund	230.33	222.70

(Amount in ₹ Lacs)

	Leave Encashment (Unfunded) 2015-16	Gratuity (Funded) 2015-16	Leave Encashment (Unfunded) 2014-15	Gratuity (Funded) 2014-15
Defined Benefit Plan				
Disclosures of Defined Benefit Plans in respect of Gratuity and Leave Entitlements, as per actuarial valuations by an independent valuer are given below.				
Present value of obligation as at the beginning of year	185.88	651.71	139.26	468.42
Interest Cost	12.98	48.70	12.18	41.16
Current Service Cost	64.46	68.33	48.02	50.30
Benefits Paid	-59.82	-66.42	-68.42	-41.37
Actuarial(gain) / loss on obligations	-17.53	-16.08	54.84	133.19
Present value of obligation as at the end of year	**185.97**	**686.24**	**185.88**	**651.70**
Table showing changes in the fair value of plan assets				
Fair value of plan assets at beginning of year	0.00	263.92	0.00	173.41
Expected return on plan assets	0.00	21.72	0.00	16.80
Contributions	0.00	81.86	0.00	72.97
Benefits Paid	0.00	-66.42	0.00	-41.37
Actuarial gain/(loss) on plan assets	0.00	1.60	0.00	4.44
Adjustment to Funds	0.00	-7.01	0.00	107.08
Fair value of plan assets at the end of year	**0.00**	**295.67**	**0.00**	**333.33**
The amounts to be recognized in the balance sheet and statements of profit and loss				
Present value of obligations as at the end of year	185.97	686.24	176.53	600.79
Fair value of plan assets as at the end of the year	0.00	295.68	0.00	243.30
Unfunded status asset/ (liability)	185.97	390.56	176.53	357.49
Net asset / (liability) recognized in balance sheet	**185.97**	**390.56**	**176.53**	**357.49**
Expenses Recognized in statement of Profit and loss				
Current Service cost	58.32	68.33	37.45	39.23
Interest Cost	12.98	48.70	9.50	32.10

Notes forming part of the Financial Statements

(Amount in ₹ Lacs)

	Leave Encashment (Unfunded) 2015-16	Gratuity (Funded) 2015-16	Leave Encashment (Unfunded) 2014-15	Gratuity (Funded) 2014-15
Expected return on plan assets	0.00	-21.72	0.00	-13.10
Net Actuarial (gain) / loss recognized in the year	-17.53	-10.68	42.77	69.93
Expenses recognized in statement of Profit and Loss	**53.77**	**84.62**	**89.72**	**128.17**
Actuarial Assumptions				
Assumption Discount Rate	7.80%	7.80%	8.45%	8.45%
Salary Escalation	6.00%	6.00%	5.50%	5.50%
Expected rate of return on plan assets	0.00%	7.80%	0.00%	8.25%
LIC Mortality Table	LIC (1994-96) published table of mortality rates		LIC (1994-96) published table of mortality rates	

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management

(Amount in ₹ Lacs)

Particulars	2015-16	2014-15
7. AUDITOR'S REMUNERATION		
Statutory Audit	15.00	12.50
Limited Review	3.00	2.25
Consolidation Audit	4.50	2.00
Certifications	1.04	2.33
Out of pocket expenses	1.20	1.09
Total	**24.74**	**20.17**
8. COMMITMENT AND CONTINGENT LIABILITIES		
COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1051.80	965.05
CONTINGENT LIABILITIES		
a) Letters of Credit issued by the bank against Purchase of goods	692.12	1031.31
b) Performance and Financial Guarantees issued by the banks	404.78	445.54
c) Customs and related duties for non fulfillment of Export Obligation (Including Interest)	1290.13	1228.03
d) Assessment dues towards VAT/CST	1122.59	1184.87
e) Pending case in local civil court	353.63	353.63
f) Income Tax Penelty Fine & Interest	18.74	18.74
Total	**3881.98**	**4262.12**
9. FOREIGN CURRENCY EXPOSURES (NOT HEDGED BY DERIVATIVE INSTRUMENTS):		
Foreign Currency Liabilities:		
a) Trade payables	100.57	343.55
b) Payables for fixed Assets	41.29	–
Foreign Currency Assets:		
a) Trade Receivables	1,592.40	1,758.92

Notes forming part of the Financial Statements

(Amount in ₹)

Particulars	2015-16	2014-15
10. EARNING PER SHARE AS COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20		
i) Net Profit & Earnings /(Loss) after tax	218,718,657	207,260,846
ii) Weighted average no. of Equity shares of ₹ 5 each	11,357,937	11,000,000
iii) Basic Earning per Share (₹)	19.26	18.84
iv) Diluted Earning per Share (₹)	19.26	18.84

11. Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

	Relationship	Relationship
12. Related Party Disclosure		
Atlas Castalloy Limited	Associates Company	Associates Company
Alicon Holding - GmbH	Wholly Owned Subsidiary	Wholly Owned Subsidiary
Illichmann Castalloy - GmbH	Wholly Owned Subsidiary	Wholly Owned Subsidiary
Illichmann Castalloy - sro	Wholly Owned Subsidiary	Wholly Owned Subsidiary
Shailendrajit Rai - Managing Director	Key Managerial Personnal	Key Managerial Personnal
Rajeev Sikand - Group Chief Executive Officer	Key Managerial Personnal	Key Managerial Personnal
Vimal Gupta - Chief Financial Officer	Key Managerial Personnal	Key Managerial Personnal
P.S. Rao - Company Secretary	Key Managerial Personnal	Key Managerial Personnal

(Amount in ₹ Lacs)

Particulars	2015-16	2014-15
DETAILS OF TRANSACTIONS DURING THE YEAR WITH RELATED PARTIES		
Sales	18.34	16.21
Purchases	1966.38	1694.82
Expenses Charged to Company	292.50	103.91
Expenses Charged by Company	3.54	111.57
Balance of investment in subsidiary at the year end	1061.79	1061.79
Amount Receiveble at the year end	393.82	147.20
Amount Payable at the year end	433.97	830.86
Fixed assets purchased or sold	262.20	623.03
DETAILS OF TRANSACTIONS DURING THE YEAR WITH RELATED PARTIES		
Remuneration		
Managing Director		
Salary, Allowances & Perquisites	21.11	19.76
Contribution to P.F., Gratuity and other funds	0.90	0.90
Commission	14.92	11.08
Total	**36.92**	**31.74**
Group Chief Executive Officer		
Salary, Allowances & Perquisites	63.57	63.61
Contribution to P.F., Gratuity and other funds	4.32	4.32
Commission	72.27	65.02
Total	**140.15**	**132.95**
Group Chief Financial Officer		
Salary, Allowances & Perquisites	48.13	45.70
Contribution to P.F., Gratuity and other funds	2.23	2.11
Commission	0.00	0.00
Total	**50.36**	**47.81**

Notes forming part of the Financial Statements

(Amount in ₹ Lacs)

Particulars	2015-16	2014-15
Company Secretary		
Salary, Allowances & Perquisites	0.84	0.84
Contribution to P.F., Gratuity and other funds	0.00	0.00
Commission	0.00	0.00
Total	**0.84**	**0.84**
13. Proposed Dividend		
On Equity Shares with face value of ₹ 5/- each		
Amount of dividend proposed	459.61	367.69
Dividend per Equity Share	3.75	3.34
14. The Company has operating leases in respect of plants, guest houses etc. Further, lease rentals payable in respect of the same which are non-cancellable are as follows.		
Not later than one year	122.54	107.84
Later than one year but not later than five years	86.09	–
Later than five years	–	–
The Company has given on operating leases equipment (one set of horizontal machining centre) which is non-cancellable for a period of 72 months. The lease rentals receivable from its associate company (leasee are as follows.		
Not later than one year	–	–
Later than one year but not later than five years	–	88.32
Later than five years	–	–

15. Research & Development

The Company has separate in-house Research & Development set-up which is involved in new product development, new process development etc. The details of R&D Expenditure for the financial year 2015-16 of the same are as under:

Particulars	Amount (₹ Lacs)
A. Capital Expenditure	44.76
B. Revenue Expenditure	425.59
Total R&D Expenditure	**470.35**

***Revenue expenditure comprises of Cost to R&D employees, material cost, travelling expenses and utilities.

Summary of Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2016

1. Corporate information

Alicon Castalloy Limited ("the Company") is a public limited company domiciled in India and is listed on both- the Bombay Stock Exchange and National Stock Exchange. The Company is the manufacturer of aluminium alloy die castings mainly used in automotive segment of the industry in India.

2. Significant Accounting Policies:

2.1 Basis of accounting and preparation of financial statements

a) These financial statements have been prepared under historical cost convention and are presented in Indian Rupees.

b) The financial statements have been prepared from the books of account maintained on an accrual basis (unless stated otherwise hereinafter) and comply in all material respects with the accounting principles generally accepted in India, the Accounting Standards, to the extent applicable, issued by the Institute of Chartered Accountants of India and specified under Section 133 of the Companies Act, 2013 ('the Act') of India read with Rule 7 of the Companies (Accounts) Rules, 2014.

c) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

d) The accounting policies adopted in the preparation of financial statements are consistent with those of the earlier years except to the extent stated otherwise hereinafter.

2.2 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) in India requires the Company's management to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during reported period. Examples of such estimates include the useful lives of depreciable assets & asset impairment, employee benefits, provision for doubtful receivables, provision for income taxes. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ as a result of changes in the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

2.3 Revenue Recognition

a) Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection based upon negotiations with the customers for price escalations and price settlements.

b) Sales including export sales are recognised on dispatch of goods by the Company from its factory premises

c) The Company besides manufacturing the products from its raw materials, also converts raw materials supplied by its customers and accounts for the gross receipts as 'conversion income' once the job is competed and goods are dispatched to the customers.

d) Revenue includes excise duty but excludes sales tax and value added tax and accounted in the books of accounts net of returns and trade discounts.

e) Other operating revenue represents income earned from the Company's principal activities and is recognised when the right to receive the income is established as per the terms of the contract.

2.4 Other Income

a) Interest income is recognised on time proportion basis taking into account the amount of deposits held and applicable rate of interest.

b) Dividend income is accounted once it is received or right to receive the dividend is established.

c) Other income for e.g. rent is recognised when the right to receive the income is established as per the terms of the contract.

2.5 Expenditure:

Purchases and all expenses, net of taxes recoverable, are accounted on accrual basis and once liability is determined for goods, services & value received.

2.6 Tangible Fixed Assets & Capital Work-In-Progress

a) Fixed Assets except land are stated at cost less accumulated depreciation and impairment losses, if any. The cost represents purchase price (net of recoverable taxes) and all other direct expenses including financing cost in respect of acquisition or construction of fixed assets incurred or the period up to the date of bringing the asset to its working condition for its intended use or for the period till commencement of commercial production respectively.

b) Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item(s) of the relevant assets.

Summary of Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2016

c) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

d) In case of new production facilities, the project costs incurred are capitalised from the date the facilities are commenced and trial production is obtained successfully. The project cost including attributable borrowing cost incurred in respect of facilities not commenced/expanded has been accounted and classified under 'Capital Work-In-Progress', unless the project takes substantial period to commence and where assets are separately identifiable.

2.7 Intangible Assets

a) Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets which have not been separately identified and continue to be part of tangible fixed assets are those where economic benefits flowing from the use of assets are negligible and assets as such can not be separable from the physical substance of tangible fixed assets.

b) Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price (net of recoverable of taxes) and expenses directly attributable for making the asset ready for its intended use.

2.8 Depreciation and Amortisation

a) Depreciation on Tangible Fixed Assets has been provided on Straight Line Method in the manner provided under of Schedule II to the Companies Act, 2013 (the Act) on the basis of the useful lives of the assets prescribed under Part C of Schedule II to the Companies Act, 2013 except in case of some assets and components where the useful lives followed by the Company are different than specified under the Act.

b) The table below lists out the assets /class of assets where the useful lives estimated and followed by the Company is different than specified under Part C of schedule III to the Act with justification provided for the same.

Fixed Assets	Useful live (original) specified under the Act	Useful live (original) estimated & followed by the Company	Difference – excess (lesser) than specified under the Act	Justifications
Plant & Machinery-Furnace	15 years	10 years	(5) years	On the basis of technical evaluation
Plant & Machinery-Platform	15 years	18 years	3 years	On the basis of technical evaluation
Plant & Machinery CNC/LPDC/GDC	15 years	10 years	(5) years	On the basis of technical evaluation
Computers- desktops, laptops	3 years	6 years	3 years	On the basis of technical evaluation
Electrical Equipments	10 years	Between 5 to 7 years	(3 to 5) years	On the basis of technical evaluation

c) The Company's plant runs into three shifts. The useful lives of some of the assets are as prescribed under the Act for single shift, while in case of others, particularly for machineries, the useful lives are as per its management estimate which consider the estimated usage of assets for 24 hours a day and 365 days a year and best represent the period over which the Company expects to use these assets and thus would not result in additional amount of provision, if any, either on account of depreciation and impairment or otherwise.

d) Depreciation on all additions and disposals during the year is provided on pro rata basis from the date on which asset is purchased or up to the date on which such assets have been sold, discarded, demolished or destroyed as the case may be. In case of plant and machineries, depreciation is provided from the date on which commercial production is obtained with fair degree of regularity and not only on the basis of the asset is ready to put to use.

e) Intangible assets in the nature of computer & functional software are amortised over a period of five years.

2.9 Impairment of Assets

An asset is treated as impaired when identified as such and when the carrying amount of the asset exceeds it recoverable amount. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired and loss is crystalised. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.10. Investments

Long-term investments, which are unquoted, are stated at cost. Cost includes all costs incidental to acquisition including legal costs. Provision for diminution in the value of long-term investments is made only if decline in the investments is other than temporary.

Summary of Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2016

Current investments are stated at lower of the cost and fair market value.

2.11 Inventories

a) Raw Materials

Inventory of raw materials is valued at cost. Cost represents purchase price, net of recoverable taxes and is determined on first in first out (FIFO) basis.

b) Semi-Finished goods

Inventory of semi-finished goods is valued at lesser of cost or net realisable value. Cost comprises of material cost and conversion cost. Conversion cost includes cost of consumables, direct labour, variable overheads and fixed cost in respect of production facilities.

c) Consumables, Stores and Spares

Consumables, stores and spares are valued at cost. Cost represents purchase price, net of recoverable taxes, and is determined on First in First out basis.

d) Dies and Moulds

The expenditure on development of dies and moulds commissioned for and on behalf of the customers is carried in the books at the appropriate cost of development, under ''Current Assets'', subject to such cost not exceeding the maximum value contracted to be paid by the customer. Income from development and development cost of such dies is accounted for in the year in which dies are completed and invoiced.

The unfunded cost of such dies, if any, is written off to revenue in the event of their commercial obsolescence and in the year in which the loss is crystalised and quantified with ease.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise of balance with the banks and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from the date of purchase, to be cash equivalents

2.13 Transactions in Foreign Currencies

a) Transactions denominated in foreign currencies are recorded in the books at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of transaction except exports sales which are recorded at a rate notified for a month, by the customs, for invoice purposes.

b) Old liabilities denominated in foreign currencies but agreed to be settled in Indian Rupees are not restated and continue to be carried at their original values.

c) Monetary items denominated in foreign currencies at the year-end are restated at exchange rates prevailing as at end of the year. Non monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of Profit and Loss of the year.

2.14 Taxes on income

a) Tax expense comprises of current tax and deferred tax / (credit).

b) Current tax expense is the amount of tax due & payable on the taxable income as determined using the applicable tax rates and rules in accordance with the provisions of the Income Tax Act, 1961.

c) Deferred tax expense is recognised subject to the consideration of prudence, on timing differences between accounting income and taxable income that originate in one period and are likely to be reversed in one or more subsequent periods.

d) Deferred tax assets are recognised, only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses etc. are recognised only to the extent of Deferred tax liabilities, if it has legally enforceable right and those relate to taxes on income levied by the same governing taxation laws. In case of others, deferred tax assets are not recognised.

e) Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

2.15 Employee Benefits

Employee benefits include provident fund, pension fund, gratuity fund, compensated absences and medical benefits.

Defined contribution plans

The Company's contribution to provident fund and pension fund, made at pre-defined rates, are considered as defined contribution plans are charged to the statement of profit and loss as and when those are incurred.

Defined benefit plans

For defined benefit plans, such as gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

Summary of Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2016

Actuarial gains and losses are recognised in the Statement of Profit and Loss of the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested or otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employees render the service. These benefits include compensated absences such as paid annual leave, bonus, performance incentives etc.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as an actuarial liability determined by actuarial valuation, at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.16 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. All other borrowing costs incurred and which are not identified to the particular qualifying assets is charged to revenue. Qualifying assets are those that necessarily take a substantial period of time to get ready for their indented use. A longer period than period of twelve months has been considered as a substantial period of time in exceptional and unforeseen circumstances.

2.17 Leases

a) Operating Leases: Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease payments under operating leases are recognised as an expense and are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

Assets leased out under operating leases are capitalised. Rental income in respect of assets leased out is recognised on accrual basis over the lease term.

b) Finance Leases: Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases, are capitalised at the lower of the fair value of the assets and present value of the minimum lease rentals at the inception of the lease with corresponding amount shown as a lease liability. The principal component of the lease rental is adjusted against the lease liability and the interest component is charged to the statement of profit and loss

2.18 Research and Development Costs

a) Research costs are expensed out as and when incurred.

b) Development costs are expensed out as and when incurred, unless the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable and the costs can be measured reliably.

c) Research and development expenditure of a capital nature includes the cost of relevant fixed assets.

2.19 Provisions, Contingencies and Commitments

a) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

b) Contingent Liabilities are not recognised but are disclosed in the in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Independent Auditors' Report

To the Members of
Alicon Castalloy Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Alicon Castalloy Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements.

The Holding Company's Board of Directors & its Management are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules").

The respective Board of Directors & Management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors & Management of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors & its Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

(a) We draw attention para (a), (b) & (c) of note 2.8 of the summary of accounting policies on the consolidated financial statements in respect of 'Depreciation and Amortisation' : "The useful lives of some of its fixed assets & components followed by the Holding company are different than the lives specified under part C of schedule II to the Companies Act, 2013. The useful lives of some of its assets, particularly, in case of plant & machineries are as per its management estimate which considers the estimated usage of assets for 24 hours a day and 365 days a year. The Holding company's management therefore believes and is of the view that

the useful lives estimated by them best represent the period over which it expects to use these assets based on technical evaluation and thus would not result in any additional amount of provision either on account of depreciation, impairment or otherwise."

In the absence of technical evaluation and impairment workings, we have relied upon management representations for the same.

(b) We draw attention to footnote** under Note15-'Trade Receivables' of the attached consolidated financial statements: "The Holding company's management has confirmed that all trade receivables are good and realisable in the ordinary course of the Holding company's business and no provision is required over and above the amount already provided for in the books of account.''

We have relied upon management confirmation for recoverability or otherwise of debts in case of some account balances as customer reconciliations were under process.

(c) We draw attention to footnote under Note 8-'Trade Payables' of the attached consolidated financial statements: ''The Holding company has no dues to suppliers covered under 'MSMED Act, 2006.''

We have relied upon management confirmation for the list of suppliers covered under the Act, dues payable to them etc.

(d) The provisions of the Holding company's Act 2013 as amended require the Holding company to comply with the various requirements under the Acts and the rules made and notifications issued there under from time to time. We are informed by the Holding company's management that the provisions of the Acts have been complied with by the Holding company. We are also informed that the secretarial auditor has been appointed by the Holding company to audit the secretarial records and compliances made by the Holding company. We, therefore have not extensively reviewed the secretarial & related compliances which the secretarial auditor would have covered in his report.

Our opinion is not modified in respect of these matters.

Other Matters

a) We did not audit the financial statements / financial information of three subsidiaries, whose consolidated financial statements/ consolidated financial information made available to us reflect total assets of ₹ 327,018,579/- as at March 31, 2016, total revenues of ₹ 673,188,341/- and net cash inflows amounting to ₹ 25,943,924/- for the year then ended on that date as considered in these consolidated financial statements.

b) These consolidated financial statements /consolidated financial information of three subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

c) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the consolidated financial statements /consolidated financial information of three subsidiaries certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:

(a) Except for the matter described under paragraph 'Emphasis of Matter' and paragraph 'Other Matters' above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Holding company so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid financial statements comply, in all material aspects, with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 unless otherwise referred to in statement of accounting policies.

(e) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company and the operating effectiveness of such controls, refer to our separate report in "Annexure A' enclosed herewith which is based on our report of the Holding company, as reporting requirements of internal financial controls over financial reporting are not applicable to three subsidiaries of the Group incorporated outside India.

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its

subsidiary companies incorporated outside India, none of the directors of the Group companies, is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164 (2) of the Act.

(g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, subject to matter described in paragraph 'Other Matters' above, in our opinion and to the best of our information and according to the explanations given to us :

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - (Refer Sub-note 2 of Note 27 to the consolidated financial statements).

ii) The Group did not have any long–term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.

iii) There has been no delay in transferring the principal amounts of unpaid dividend required to be transferred to the Investor Education and Protection Fund by the. Group.

For **Asit Mehta & Associates**
Chartered Accountants
Registration No. 100733W

Sanjay S. Rane
Partner
Membership No.100374

Pune, May 02, 2016

Annexure A to the Independent Auditors' Report on the consolidated financial statements

(Referred to in Paragraph 1 (e) of our report of even date on the consolidated financial statements of **Alicon Castalloy Limited** ('the Holding Company') for the year ended March 31, 2016)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Alicon Castalloy Limited ('the Holding Company') as of March 31, 2016 in conjunction with our audit of the financial statements of the Holding company for the year ended and as of that date, since the reporting requirements of internal financial controls over financial reporting are not applicable to three subsidiaries of the Group incorporated outside India.

Management's Responsibility for Internal Financial Controls

The Holding Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act and the Guidance Note to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Holding company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding company's internal financial control over financial reporting includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding company are being made only in accordance with authorizations of management and directors of the Holding company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

According to the information and explanations given to us and based on our audit, the following deficiencies & weaknesses have been identified in internal financial controls over financial reporting as at March 31, 2016.

a) The existing rules, policies, and some of its business processes (including sub-processes) of the Holding company have remained to be documented, updated and strengthened to cover all components and facets of internal financial control reporting and all risks of operating the business.

b) Some of its processes (sub-processes) are manually driven and controlled, barring some which are automatically controlled with the use of system software. The scope exists for an adequate and effective design of information technology (IT) general and application controls to provide the complete and accurate information consistent with financial reporting objectives and current needs of the organization.

c) The Holding company needs to improve upon the extent and frequency of physical verification of its fixed assets and timely reconciliation with its book records so as to safeguard the Holding company's assets from loss, damage and misappropriation, if any.

d) The Holding company needs to improve upon performing reconciliations of trade receivables on a frequent basis, by sending the requests for balance confirmations to the customers in frequent manner.

e) The Holding company needs to work upon strengthening the existing controls in respect of segregation of duties among its personnel working in the orgnaisation.

We are informed by the Holding company's management that the Holding Company has taken effective steps in improving its internal financial and operating controls by going for more sophisticated and advanced ERP and related IT systems.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Holding Company has, except for the matters the stated above, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

For **Asit Mehta & Associates**
Chartered Accountants
Registration No. 100733W

Sanjay S. Rane
Partner
Membership No.100374

Pune, May 02, 2016

Consolidated Balance Sheet

(Amount in ₹)

PARTICULARS	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	61,281,110	55,000,000
(b) Reserves and surplus	2	1,369,145,624	1,218,849,662
(c) Money received against share warrants		–	–
2 Share application money pending allotment		–	6,281,110
3 Non-current liabilities			
(a) Long-term borrowings	3	494,733,458	372,996,753
(b) Deferred tax liabilities (net)	4	59,209,748	36,247,185
(c) Other Long term liabilities	5	66,157,273	66,157,273
(d) Long-term provisions	6	47,679,118	42,712,927
4 Current liabilities			
(a) Short-term borrowings	7	1,226,454,097	1,198,850,276
(b) Trade payables	8	1,172,719,923	1,123,962,814
(c) Other current liabilities	9	407,762,851	479,413,321
(d) Short-term provisions	10	171,072,615	162,819,421
TOTAL		**5,076,215,818**	**4,763,290,743**
II. ASSETS			
1 Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11 (a)	2,322,620,942	1,794,239,379
(ii) Intangible assets	11 (b)	4,057,765	7,032,460
(iii) Capital work-in-progress	11 (c)	22,347,228	250,531,874
(iv) Intangible assets under development		–	–
(b) Non-current investments	12	70,300	70,300
(c) Deferred tax assets (net)	4	–	–
(d) Long-term loans and advances	13	203,138,982	178,587,420
(e) Other non-current assets		–	–
2 Current Assets			
(a) Current investments		–	–
(b) Inventories	14	510,866,038	620,501,518
(c) Trade receivables	15	1,649,076,886	1,564,575,843
(d) Cash and bank balances	16	168,897,660	133,930,317
(e) Short-term loans and advances	17	124,240,737	129,524,014
(f) Other current assets	18	70,899,280	84,297,618
TOTAL		**5,076,215,818**	**4,763,290,743**
Significant accounting policies & other disclosures	27		
Notes on Financial Statements	1 to 26		
The notes are an integral part of these financial statements.			

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Consolidated Statement of Profit and Loss Account

(Amount in ₹)

PARTICULARS		Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I.	**Revenue from operations (gross)**	19	8,446,644,387	7,996,331,511
	Less: Excise Duty		957,549,206	860,722,318
	Revenue from operations (net)		**7,489,095,181**	**7,135,609,194**
II.	**Other income**	20	31,555,562	19,701,801
III.	**Total Revenue (I + II)**		**7,520,650,743**	**7,155,310,997**
IV	**Expenses:**			
	(a) Cost of materials consumed	21	3,848,076,212	3,555,999,106
	(b) Purchases of Stock-in-Trade /Services		6,724,786	3,840,330
	(c) Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	22	53,929,686	(31,054,765)
	(d) Employee benefits expense	23	1,004,149,961	991,628,711
	(e) Finance costs	24	223,463,804	1,973,435,577
	(f) Depreciation and amortization expense	25	266,550,440	261,397,868
	(g) Other expenses	26	1,798,236,717	1,886,062,957
	Total expenses		**7,201,131,606**	**6,865,217,785**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		319,519,137	290,093,210
VI.	**Exceptional items**		–	–
VII.	**Profit before extraordinary items and tax (V - VI)**		**319,519,137**	**290,093,210**
VIII.	**Extraordinary Items**		–	–
IX.	**Profit before tax (VII-VIII)**		**319,519,137**	**290,093,210**
X.	**Tax expense:**			
	(1) Current tax		74,508,516	82,419,474
	(2) Deferred tax		22,962,565	5,401,707
	(3) Prior Period Tax		–	3,869,049
	Total tax expense		**97,471,081**	**91,690,230**
XI.	**Profit for the period (IX-X)**		**222,048,056**	**198,402,980**
XII.	**Earnings per equity share:**			
	(1) Basic (₹ 5/-)		19.55	18.04
	(2) Diluted (₹ 5/-)			
Significant accounting policies & other disclosures		27		
Notes on Financial Statements		1 to 26		
The notes are an integral part of these financial statements.				

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Consolidated Cash Flow Statement

(Amount in ₹)

	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A.	**Cash Flow from Operating Activities**		
	Profit before taxation	319,519,137	290,093,210
	Adjustments for:		
	Depreciation & Amortisation	266,550,440	261,397,868
	Loss /(gain) on sale of tangible assets (net)	108,656	449,038
	Interest and dividend received	(5,681,183)	(6,180,634)
	Rent received (net of payment)	(14,338,308)	(12,735,170)
	Finance costs	223,463,804	180,228,203
	Unrealised foreign currency losses	1,294,610	618,594
	Sample sales written off	293,062	257,488
	Provision for Doubtful Debts & Balance written off/back	19,172,872	18,973,936
	Foreign Currency Transaction	(16,434,749)	19,126,970
	Operating profit before working capital changes	**793,948,342**	**752,229,503**
	Changes in Working Capital:		
	Increase / (Decrease) in trade payables	45,968,466	312,535,117
	Increase / (Decrease) in other liabilities & provisions	(93,938,898)	165,231,885
	(Increase) / Decrease in trade receivables	(102,429,994)	(392,474,205)
	(Increase) / Decrease in inventories	109,635,480	(185,932,620)
	(Increase) / Decrease in other current assets & advances	35,731,123	(18,023,173)
	Cash Generated from Operations	**788,914,520**	**633,566,508**
	Taxes paid (net of refunds)	(94,914,826)	**(101,073,829)**
	Net cash generated from operations before extraordinary items	**693,999,693**	**532,492,679**
	Extraordinary items	-	-
	Net cash from Operating Activities (A)	**693,999,693**	**532,492,679**
B.	**Cash flow from Investing Activities:**		
	Additions to fixed assets	(587,254,008)	(852,782,692)
	Proceeds on sale of fixed assets	2,877,540	12,498,576
	Capital Reserve (Excess of assets over liabilites) on acquistion of casting business	-	41,155,011
	Interest and dividend received	5,681,183	6,180,634
	Rent received (net of payment)	14,338,308	12,735,170
	Margin money deposits (matured)	(6,681,548)	(9,918,602)
	Net cash from Investing Activities (B)	**(571,038,525)**	**(790,131,902)**
C.	**Cash flow from Financing Activities**		
	Dividends paid	(33,243,634)	(27,485,587)
	Dividend Distribution Tax	(7,485,365)	(4,673,625)
	Finance costs	(230,133,676)	(180,228,203)
	Proceeds from Long term Borrowings (net of payment)	148,538,758	256,231,060
	Proceeds from Short term Borrowings (net of payment)	27,603,821	234,793,508
	Share capital pending for allotment	-	6,281,110
	Net cash used in Financing Activities (C)	**(94,720,095)**	**284,918,264**
	Net increase in cash and cash equivalents (A+B+C)	**28,241,073**	**27,279,040**
	Cash and Cash equivalents at the beginning of the year	**86,834,514**	**59,541,247**
	Effect of exchange difference on restatement of foreign currency cash and cash equivalents	**44,721**	**14,227**
	Cash and Cash equivalents at the end of the year	**115,120,309**	**86,834,514**

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
1. SHARE CAPITAL				
Authorised share capital				
Equity shares of ₹ 5/- each	13,000,000	65,000,000	11,000,000	55,000,000
Issued, subscribed and paid-up capital				
Equity shares of ₹ 5/- each, fully paid	12,256,222	61,281,110	11,000,000	55,000,000
Total	**12,256,222**	**61,281,110**	**11,000,000**	**55,000,000**
Share Capital Pending Allotment				6,281,110
Notes				
(a) Reconciliation of number of shares				
Shares outstanding at the beginning of the year	11,000,000	55,000,000	11,000,000	55,000,000
Shares issued during the year	1,256,222	6,281,110	–	–
Share bought back during the year	–	–	–	–
Shares outstanding at the end of the year	**12,256,222**	**61,281,110**	**11,000,000**	**55,000,000**

(b) Rights, preferences and restrictions attached to shares

Equity Shares of ₹ 5.00 each:

The Company has one class of equity shares having a par value of ₹ 5.00 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Sl. No.	Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Nastic Trading LLP	5,970,000	48.71%	5,970,000	54.27%
2	Mithras Trading LLP	722,373	5.89%	–	0.00%
3	Shailendra Rai	957,332	7.81%	834,311	7.58%
4	Enkei Corporation	1,100,000	8.98%	1,100,000	10.00%

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
2. RESERVES AND SURPLUS		
Securities Premium Account		
Balance as at the beginning of the year	200,200,000	200,200,000
Balance as at the end of the year	**200,200,000**	**200,200,000**
Foreign currency translation reserve		
Balance as at the beginning of the year	22,054,561	2,927,591
Add :Transactions during the year	(16,434,749)	19,126,970
Balance as at the end of the year	**5,619,812**	**22,054,561**
General Reserve		
Balance as at the beginning of the year	124,000,000	99,000,000
(+) Transferred from Surplus in Statement of Profit and Loss during the year	–	25,000,000
Balance as at the end of the year	**124,000,000**	**124,000,000**
Capital Reserve		
Balance as at the beginning of the year	41,155,011	–
Add :Transactions during the year	–	41,155,011
Balance as at the end of the year	**41,155,011**	**41,155,011**

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	831,440,090	702,291,141
(+) Net Profit/(Net Loss) For the current year	222,048,057	198,402,980
(-) Proposed Dividends	45,960,833	36,768,666
(-) Tax on Proposed Dividend	9,356,513	7,485,365
(-) Transfer to General Reserves	–	25,000,000
Balance as at the end of the year	**998,170,801**	**831,440,090**
Total	**1,369,145,624**	**1,218,849,662**

3.	**LONG-TERM BORROWINGS**		
	Secured		
	Term loans		
	From Banks (Refer Note [a] below)	672,827,575	524,288,817
	Less:Current maturity of long term borrowings	178,094,117	151,292,064
		494,733,458	**372,996,753**

Notes

(a) Long-term borrowings include secured term loans at floating interest rates from State Bank of India,Bank of Maharashtra and Bajaj Finance Ltd. which are repayable through monthly instalments. Loans availed from State Bank of India and Bank of Maharashtra are secured by a first parri-passu charge by way of registered mortgage on the existing fixed assets except Land at Khed city.Loan availed from Bajaj Finance Ltd. is secured by exclusive charge on lease land at Khed city. Loan availed from Bank of India in earlier years has been repaid in full during the financial year 2015-16..Of these, ₹ 17,80,94,117/-(PY ₹ 15,12,92,064/-) are classified as current liabilities being repayable before March 31,2017.

Total number of installments = 490

Number of installments outstanding as at March 31, 2016 = 440 (PY = 251)

(b) There is no default, continuing or otherwise in repayment of installment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

4.	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred Tax Liability		
	Depreciation	61,775,697	36,434,208
	Deferred Tax Assets		
	Disallowances under the Income Tax Act, 1961 (Expenses disallowed under I.T. ACT)	2,565,949	187,023
	Total	**59,209,748**	**36,247,185**

Note :

Deferred Tax Liabilities provided are in respect of timing differences for the year.

5.	**OTHER LONG TERM LIABILITIES**		
	Royalty payable	66,157,273	66,157,273
	Total	**66,157,273**	**66,157,273**

6.	**LONG-TERM PROVISIONS**		
	Provision for employee benefits		
	Provision for gratuity (Funded-Net of Assets)	31,375,304	28,644,669
	Leave Encashment (Unfunded)	16,303,814	14,068,258
	Total	**47,679,118**	**42,712,927**

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

		As at March 31, 2016	As at March 31, 2015
7.	**SHORT-TERM BORROWINGS**		
	Secured		
	Cash credit from banks (Refer Note (a) below)	1,222,750,652	1,178,850,274
		1,222,750,652	**1,178,850,274**
	Unsecured		
	Term loans		
	From Banks (Refer note (b) below)	3,703,445	20,000,002
		3,703,445	**20,000,002**
	Total	**1,226,454,097**	**1,198,850,276**

Notes

(a) Short-term borrowings includes cash credit facilities availed from State Bank of India, Kotak Mahindra Bank (Formerly known as ING Vysya Bank), Bank of Maharashtra, Bank of India and ING Bank Bratislava. These borrowings are secured in favour of all the aforementioned banks by a first parri-passu charge by way of hypothecation of all stocks and receivables and a second parri-passu charge by joint Deed of Hypothecation on all fixed assets of the Company.

(b) Unsecured term loans are availed from Kotak Mahindra Bank for funding purchase orders. These loans, obtained at floating interest rates, are repayable through weekly instalments.

Total number of installments = 4 Installments

Number of installments outstanding as at March 31, 2016 = 1 (PY = 1)

(c) There is no default, continuing or otherwise in repayment of installment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

8.	**TRADE PAYABLES**		
	Acceptances	96,969,705	116,604,568
	Sundry Creditors	1,075,750,218	1,007,358,246
	[Includes amounts payable to related parties ₹ 43,397,315/- (PY: ₹ 83,086,000/-)]		
	Total	**1,172,719,923**	**1,123,962,814**

Note :

i) The Company has no dues to suppliers covered under Micro,Small and Medium Enterprises Development Act,2006 ('MSMED Act')

9.	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term debt	178,094,117	151,292,064
	Interest accrued and due on borrowings	17,953,586	19,209,940
	Unclaimed dividend	4,128,203	603,171
	Employee dues & retentions	45,106,735	49,655,847
	Other liabilities	60,548,207	65,680,218
	Royalty payable	4,320,412	4,825,020
	Statutory remittances	18,503,004	26,122,373
	Advance from customers	19,698,379	59,032,075
	Payable for services	14,357,415	19510835
	Payable for fixed assets	45,052,793	83,481,778
		407,762,851	**479,413,321**

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

		As at March 31, 2016	As at March 31, 2015
10.	**SHORT-TERM PROVISIONS**		
	Employee benefits		
	Leave Encashment (Unfunded)	7,875,356	9,140,842
	Gratuity (Funded Net Of Assets).	7,680,773	7,104,432
	Bonus	20,178,020	17,994,752
	Others		
	Other Provision	2,853,629	2,531,640
	Proposed Dividend	45,960,833	36,768,666
	Tax on Dividend	9,356,513	7,485,365
	Current Tax	77,167,491	81,793,724
	Total	**171,072,615**	**162,819,421**

11. FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at April 1, 2015	Additions during the year	Disposals during the year	Revaluations/ (Impairments)	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation charge for the year	On disposals	Adjustment due to revaluations	Balance as at 31 March 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
Owned Assets:												
(a) Tangible Assets												
Leasehold Land	–	126,546,662	–	–	126,546,662	–	1,406,074	–	–	1,406,074	125,140,588	–
Freehold Land	177,901,895	–	–	–	177,901,895	–	–	–	–	–	177,901,895	177,901,895
Building	309,469,962	11,732,351	–	–	321,202,313	78,337,218	13,324,943	–	–	91,662,161	229,540,152	231,132,744
Factory Equipments	175,408,673	14,343,825	215,000	–	189,537,499	87,465,259	20,248,372	107,153	–	107,606,478	81,931,021	87,943,414
Plant and Machinery	1,928,596,830	516,528,614	6,558,173	–	2,438,567,271	999,839,351	124,646,577	4,242,247	–	1,120,243,681	1,318,323,589	928,757,479
Electrical Installations	144,725,016	21,215,939	–	–	165,940,955	90,381,701	11,277,592	–	–	101,659,293	64,281,662	54,343,315
Furniture and Fixtures	112,601,750	32,436,259	–	–	145,038,009	42,417,834	14,341,459	–	–	56,759,293	88,278,716	70,183,916
Computers	38,682,743	1,536,469	–	–	40,219,211	32,972,296	4,182,140	–	–	37,154,437	3,064,775	5,710,446
Office Equipments	31,494,188	4,431,062	–	–	35,925,249	19,552,849	7,064,453	–	–	26,617,302	9,307,947	11,941,339
Quality Control Equipments	33,166,998	6,630,575	–	–	39,797,573	17,854,275	3,533,778	–	–	21,388,054	18,409,520	15,312,724
Motor Vehicle	46,981,716	1,965,821	1,079,722	–	47,867,815	19,928,144	7,341,170	517,299	–	26,752,015	21,115,800	27,053,571
Dies and Patterns	365,949,490	56,725,978	–	–	422,675,468	205,590,931	47,703,621	–	–	253,294,552	169,380,916	160,358,559
Assets given on lease				–								
Plant and Machinery	43,158,582	–	–	–	43,158,582	19,558,606	7,655,612	–	–	27,214,218	15,944,365	23,599,976
Total	**3,408,137,842**	**794,093,555**	**7,852,895**	**–**	**4,194,378,502**	**1,613,898,465**	**262,725,792**	**4,866,699**	**–**	**1,871,757,559**	**2,322,620,942**	**1,794,239,378**
(b) Intangible Assets												
Software	19,674,384	849,953	–	–	20,524,337	12,641,922	3,824,647	–	–	16,466,569	4,057,765	7,032,462
Total	**19,674,384**	**849,953**	**–**	**–**	**20,524,337**	**12,641,922**	**3,824,647**	**–**	**–**	**16,466,569**	**4,057,765**	**7,032,462**
(c) Capital Work In Progress	250,531,874	(228,184,646)		–	22,347,228	–	–	–		–	22,347,228	250,531,874
Total	**3,678,344,100**	**566,758,862**	**7,852,895**	**–**	**4,237,250,067**	**1,626,540,387**	**266,550,440**	**4,866,699**	**–**	**1,888,224,128**	**2,349,025,937**	**2,051,803,713**
Total Previous Year	**3,130,713,618**	**565,850,882**	**18,084,341**	**136,059**	**3,678,344,100**	**1,370,728,284**	**261,397,868**	**5,585,764**	**–**	**1,626,540,387**	**2,051,803,713**	**1,473,053,527**

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

		As at March 31, 2016	As at March 31, 2015
12.	**NON-CURRENT INVESTMENTS**		
	Trade Investments		
	Quoted	–	–
	Unquoted	–	–
	Investment in subsidiaries	–	–
	Total (A)	–	–
	Other than Trade Investments		
	Quoted		
	Investment in Equity instruments - Bank of Maharashtra	20,300	20,300
	900 equity shares [PY: 900 shares] of ₹ 29.10 each		
	Unquoted		
	Investment in Equity instruments - Shamrao Vithal Co. Op. Bank	50,000	50,000
	2,000 equity shares [PY: 2,000 shares] of ₹ 25 each	–	–
	Total (B)	**70,300**	**70,300**
	Grand Total (A + B)	**70,300**	**70,300**
	Less : Provision for dimunition in the value of Investments	–	–
	Total	**70,300**	**70,300**
	Aggregate amount of quoted investments	20,300	20,300
	Market Value of quoted investments	26,190	33,390
	Aggregate amount of unquoted investments	50,000	50,000
	Aggregate provision for diminution in value of investments	–	–
13.	**LONG-TERM LOANS AND ADVANCES**		
	Unsecured, considered good		
	Advance Income Tax (net of provisions)	114,669,710	101,548,608
	Capital Advances	41,742,978	26,661,350
	Balance with government authorities	32,268,840	43,885,638
	Security Deposits	14,457,453	6,164,916
	Advances recoverable in cash or kind	–	326,908
	Total	**203,138,982**	**178,587,420**
14.	**INVENTORIES**		
	Raw Materials and components	103,746,532	107,090,969
	Consumables	84,463,587	65,350,637
	Semi-finished goods	223,657,129	239,939,888
	(includes goods-in-transit ₹ 2,238,196/- (PY ₹ 116,175/-)		
	Stock of traded goods	29,055,105	65,513,573
	Packing Material	511,995	920,766
	Dies under Development	68,356,633	139,275,516
	Furnace Oils	1,075,056	2,410,168
	Total	**510,866,038**	**620,501,518**
	(i) Details of Inventory		
	Semi-finished goods		
	Semi-finished casting made from aluminum alloys	223,657,129	239,939,888

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
15. TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date trade receivables are due for payment		
- From related parties	15,904,045	14,720,207
- From others	–	–
Unsecured, considered Doubtful		
Outstanding for a period exceeding six months from the date trade receivables are due for payment		
- From related parties	–	–
- From others	23,050,645	26,309,810
Unsecured, considered good*		
- From related parties	644,372	–
- From others	1,545,293,808	1,396,979,797
Trade receivables not due	87,234,661	152,875,839
	1,672,127,531	**1,590,885,652**
Less: Provision for doubtful trade receivables **	23,050,645	26,309,810
Total	**1,649,076,886**	**1,564,575,843**

* The year-end balances have been reconciled with customer records except in case of few customer accounts

** The Management of the Company as confirmed that all trade receivable are good and realisable in the ordinary course of its business and thus no further provision is called for over and above the amount already provided for in the books of account.

16. CASH AND BANK BALANCES		
Balances with banks		
Current accounts with banks	114,091,766	77,848,704
Cash on hand	1,028,542	8,985,810
	115,120,309	**86,834,514**
Other Bank Balances *		
Term deposits	3,785,886	9,197,735
Margin money deposits	49,991,465	37,898,068
	53,777,351	**47,095,803**
Total	**168,897,660**	**133,930,317**

* Includes term deposits of ₹ 6,107,661/-(PY ₹ 13,064,474/-) which have an original maturity of more than 12 months.

* Includes term deposits of ₹ 23,214,404/-(PY ₹ 13,064,474/-) which have maturity of more than 12 months from the balance sheet date.

17. SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Balance with government authorities	103,029,548	100,012,114
Supplier Advances	6,706,698	17,860,894
Prepaid expenses	7,581,060	7,050,737
Advance against expenses/others	6,923,431	4,600,270
Total	**124,240,737**	**129,524,014**

18. OTHER CURRENT ASSETS		
Insurance claim receivable	–	592,539
Interest accured on deposits	1,531,922	2,830,272
Lease rental Deposit	1,289,990	1,159,694
Others Receivables	68,077,367	79,715,114
Total	**70,899,280**	**84,297,618**

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

		For the year ended March 31, 2016	For the year ended March 31, 2015
19.	**REVENUE FROM OPERATIONS (GROSS)**		
	Sale of products		
	- Finished goods	8,116,257,204	7,665,620,209
	- Traded goods	258,746,794	261,501,169
	Sale of services	1,454,541	17,024,500
	Other operating revenues	–	–
	- Scrap sale	70,185,849	52,185,633
		8,446,644,387	**7,996,331,511**
	Less:		
	Excise duty	957,549,206	860,722,318
	Total	**7,489,095,181**	**7,135,609,193**
20.	**OTHER INCOME**		
	Interest Income (gross)	5,678,463	6,180,634
	Dividend on long-term investments	2,720	-
	Rent received	14,338,308	12,735,170
	Net gain/(loss) on foreign currency fluctutaions	9,269,119	(2,549,012)
	Miscellaneous income	2,266,952	3,335,011
	Total	**31,555,562**	**19,701,801**
21.	**COST OF MATERIALS CONSUMED**		
	Inventory at the beginning of the year	246,287,020	174,644,611
	Add: Purchases	3,773,892,357	3,627,641,515
	Less: Inventory at the end of the year	172,103,165	246,287,020
	Cost of raw materials consumed during the year	**3,848,076,212**	**3,555,999,106**

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

		For the year ended March 31, 2016	For the year ended March 31, 2015
22.	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE**		
	Semi-finished goods		
	Inventory at the beginning of the year	305,166,288	274,111,523
	Inventory at the end of the year	251,236,601	305,166,288
	(Increase) in stock of Semi-finished goods and traded goods	**53,929,686**	**(31,054,765)**
23.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	870,587,438	832,694,365
	Contributions to Provident and other funds	68,409,572	80,706,098
	Gratuity and Leave encashement	13,839,581	23,374,228
	Employee welfare expenses	51,313,369	54,854,020
	Total	**1,004,149,961**	**991,628,711**
24.	**FINANCE COSTS**		
	Interest expense	–	–
	- Term loan & working capital loan	203,239,538	160,188,409
	- Interest on payments of duties & taxes	2,952,364	17,115,375
	Other borrowing costs	17,271,902	20,039,793
	Total	**223,463,804**	**197,343,577**
25.	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation on Tangible assets	263,622,049	258,753,612
	Amortization on Intangible assets	2,928,392	2,644,256
	Total	**266,550,440**	**261,397,868**
26.	**OTHER EXPENSES**		
	Manufacturing Expenses		
	Consumption of stores and spare parts	447,885,658	501,646,253
	Power and fuel	459,129,559	504,122,844
	Processing charges	291,791,545	343,462,097
	Repairs to machinery	57,823,826	65,578,507
	Other Manufacturing Expenses	58,669,961	55,618,053
		1,315,300,549	**1,470,427,754**
	Administrative Expenses		
	Legal and Professional Charges	45,463,543	59,327,601
	Rent	43,159,704	67,899,286
	Other administrative expenses	189,313,411	100,918,574
		277,936,658	**228,145,461**
	Selling and Distribution Expenses		
	Selling and Distribution Expenses	204,999,511	187,489,742
		204,999,511	**187,489,742**
	Total	**1,798,236,717**	**1,886,062,957**

Notes forming part of the Consolidated Financial Statements

27. OTHER DISCLOSURE

1) Segment Reporting

The Company has a single business segment viz. that of aluminium castings. Accordingly, disclosure requirements as per Accounting Standard 17 "Segment Reporting" specified in the Companies (Accounting Standard) Rules 2006 are not applicable to the standalone financial statements of the Company. However, in accordance with paragraph 4 of Accounting Standard 17 (Segment Reporting), information about its geographical segments is given below.

(Amount in ₹)

	Domestic	Overseas	Total
Segment Revenue	6,856,977,823	663,672,920	7,520,650,743
Segment Assets	2,600,019,595	127,170,286	2,727,189,881
Segment Liabilities	3,352,117,535	293,671,549	3,645,789,084
Capital Expenditure	4,009,335,597	227,914,470	4,237,250,067

(Amount in ₹ Lacs)

		2015-16	2014-15
2)	**Commitment & Contingent Liabilities**		
	COMMITMENTS		
	Estimated amount of contracts remaining to be executed on capital accounts	1051.80	965.05
	CONTINGENT LIABILITIES		
	a) Letters of Credit issued by the bank against Purchase of goods	692.12	1031.31
	b) Performance and Financial Guarantees issued by the banks	404.78	445.54
	c) Customs and related duties for non fulfillment of Export Obligation (Including interest)	1290.13	1228.03
	d) Assessment dues towards VAT/CST	1122.59	1184.87
	e) Pending case in local civil court	353.63	353.63
	f) Income Tax	18.74	18.74
	TOTAL	**3881.98**	**4262.12**

3)	**Foreign Currency Exposures (not hedged by derivative instruments):-**		
	Foreign Currency Liabilities:		
	a) Trade payables	100.57	343.55
	b) Payables for fixed Assets	41.29	–
	Foreign Currency Assets:		
	a) Trade Receivables	1,592.40	1,758.92

4)	**Earning per share as computed in accordance with Accounting Standard 20 notified under the Companies (Accounting Standard) Rules, 2006**		
	i) Net Profit after Tax (₹ in Lacs)	2,220	1,984
	ii) Weighted average no. of Equity shares of ₹ 5/- each	11,357,937	11,000,000
	iii) Basic Earning per Share (₹)	19.55	18.04
	iv) Diluted Earning per Share (₹)	19.55	18.04

5) Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the Party	Relationship	Relationship
Alicon Holding GmbH,	Wholly Owned Subsidiaries	Wholly Owned Subsidiaries
Illichmann Castalloy - s.r.o.,		
Illichmann Castalloy - GmbH		

Notes forming part of the Consolidated Financial Statements

Related Party Disclosures in accordance with Accounting Standard 18 notified under the Companies (Accounting Standard) Rules, 2006

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Wholly owned subsidiaries (directly and indirectly)	Associate Companies
Alicon Holding GmbH	Atlas Castalloy Ltd.
Illichmann Castalloy - s.r.o.,	Nastik Trading LLP
Illichmann Castalloy - GmbH	Pamela Trading LLP
	Mithras Trading LLP
Key Managerial Personnal	
Shailendrajit Rai - Managing Director	
Rajeev Sikand - Group Chief Executive Officer	
Vimal Gupta - Group Chief Financial Officer	
P.S. Rao - Company Secretary	

DETAILS OF TRANSACTIONS DURING THE YEAR WITH RELATED PARTIES

(Amount in ₹ Lacs)

	2015-16	2014-15
Transactions with subsidiaries & associate companies		
Sales	18.34	16.21
Purchases	1966.38	1694.82
Expenses Charged to the Company	292.50	103.91
Expenses Charged by the Company	3.54	111.57
Fixed assets purchased or sold	262.20	623.03
Balance of investment in subsidiary	1061.79	1061.79
Amount receiveble at the year end	393.82	147.20
Amount payable at the year end	433.97	830.86
Transactions with key managerial personnal		
Remuneration - Shailendrajit Rai		
Salary, Allowances & Perquisites	21.11	19.76
Contribution to P.F., Gratuity and other funds	0.90	0.90
Commission	14.92	11.08
Total	**36.92**	**31.74**
Remuneration - Rajeev Sikand		
Salary, Allowances & Perquisites	63.57	63.61
Contribution to P.F., Gratuity and other funds	4.32	4.32
Commission	72.27	65.02
Total	**140.16**	**132.95**
Remuneration - Vimal Gupta		
Salary, Allowances & Perquisites	48.13	45.70
Contribution to P.F., Gratuity and other funds	2.23	2.11
Commission	0.00	0.00
Total	**50.36**	**47.81**
Remuneration - P. S. Rao		
Salary, Allowances & Perquisites	0.84	0.84
Contribution to P.F., Gratuity and other funds	0.00	0.00
Commission	0.00	0.00
Total	**0.84**	**0.84**

Notes forming part of the Consolidated Financial Statements

7) Disclosure in respect of Leases in accordance with Accounting Standard 19 notified under the Companies (Accounting Standard) Rules, 2006

(Amount in ₹ Lacs)

	As at March 31, 2016	As at March 31, 2015
Not later than one year	122.54	107.84
Later than one year but not later than five years	86.09	-
Later than five years	-	-
The Company has given on operating leases equipment (one set of horizontal machining centre) which is non-cancellable for a period of 72 months.		
The lease rentals receivable from its associate company (lease) are as follows.		
Not later than one year	–	–
Later than one year but not later than five years	–	88.32
Later than five years	–	–

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Summary of Significant Accounting Policies forming part of the Consolidated Financial Statement for the year ended March 31, 2016

1. Corporate information

Alicon Castalloy Limited ("the Company") is a public limited company domiciled in India and is listed on both- the Bombay Stock Exchange and National Stock Exchange. The Company is the manufacturer of aluminium alloy die castings mainly used in automotive segment of the industry in India.

2. Significant Accounting Policies:

2.1 Basis of accounting and preparation of financial statements

a) These financial statements have been prepared under historical cost convention and are presented in Indian Rupees.

b) The financial statements have been prepared from the books of account maintained on an accrual basis (unless stated otherwise hereinafter) and comply in all material respects with the accounting principles generally accepted in India, the Accounting Standards, to the extent applicable, issued by the Institute of Chartered Accountants of India and specified under Section 133 of the Companies Act, 2013 ('the Act') of India read with Rule 7 of the Companies (Accounts) Rules, 2014.

c) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

d) The accounting policies adopted in the preparation of financial statements are consistent with those of the earlier years except to the extent stated otherwise hereinafter.

2.2 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) in India requires the Company's management to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during reported period. Examples of such estimates include the useful lives of depreciable assets & asset impairment, employee benefits, provision for doubtful receivables, provision for income taxes. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ as a result of changes in the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

2.3 Principles / Basis of consolidation

The consolidated financial statements include the financial statements of Alicon Castalloy Limited and its subsidiaries. The subsidiaries, whose financial statements have been consolidated, are as below:

A. Direct subsidiaries:

Name of the subsidiary	Country of incorporation	% shareholding in equity shares	Accounting period
Alicon Holding GmbH	Austria	100%	Year ended 31 March

B. Indirect subsidiaries:

Wholly owned subsidiary of Alicon Holding GmbH

Name of the subsidiary	Country of incorporation	% shareholding in equity shares	Accounting period
Illichmann Castalloy s.r.o.	Slovakia	100%	Year ended 31 March

Wholly owned subsidiary of Illichmann Castalloy s.r.o:

Name of the subsidiary	Country of incorporation	% shareholding in equity shares	Accounting period
Illichmann Castalloy GmbH	Austria	100%	Year ended 31 March

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed in Accounting Standard 21-"Consolidated Financial Statements" ('AS-21'). The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealised profits.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same format as that adopted by the Parent Company for its standalone financial statements.

The financial statements of the subsidiaries used in the preparation of consolidated financial statements have been drawn upto 31 March 2016, .i.e same date as that of the Parent Company.

2.4 Revenue Recognition

a) Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection based upon negotiations with the customers for price escalations and price settlements.

b) Sales including export sales are recognised on despatch of goods by the Company from its factory premises

Summary of Significant Accounting Policies forming part of the Consolidated Financial Statement for the year ended March 31, 2016

c) The Company besides manufacturing the products from its raw materials, also converts raw materials supplied by its customers and accounts for the gross receipts as 'conversion income' once the job is competed and goods are dispatched to the customers.

d) Revenue includes excise duty but excludes sales tax and value added tax and accounted in the books of accounts net of returns and trade discounts.

e) Other operating revenue represents income earned from the Company's principal activities and is recognised when the right to receive the income is established as per the terms of the contract.

2.4 Other Income

a) Interest income is recognised on time proportion basis taking into account the amount of deposits held and applicable rate of interest.

b) Dividend income is accounted once it is received or right to receive the dividend is established.

c) Other income for e.g. rent is recognised when the right to receive the income is established as per the terms of the contract.

2.5 Expenditure:

Purchases and all expenses, net of taxes recoverable, are accounted on accrual basis and once liability is determined for goods, services & value received.

2.6 Tangible Fixed Assets & Capital Work-In-Progress

a) Fixed Assets except land are stated at cost less accumulated depreciation and impairment losses, if any. The cost represents purchase price (net of recoverable taxes) and all other direct expenses including financing cost in respect of acquisition or construction of fixed assets incurred or the period up to the date of bringing the asset to its working condition for its intended use or for the period till commencement of commercial production respectively.

b) Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item(s) of the relevant assets.

c) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

d) In case of new production facilities, the project costs incurred are capitalised from the date the facilities are commenced and trial production is obtained successfully. The project cost including attributable borrowing cost incurred in respect of facilities not commenced/expanded has been accounted and classified under 'Capital Work-In-Progress', unless the project takes substantial period to commence and where assets are separately identifiable.

2.7 Intangible Assets

a) Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets which have not been separately identified and continue to be part of tangible fixed assets are those where economic benefits flowing from the use of assets are negligible and assets as such can not be separable from the physical substance of tangible fixed assets.

b) Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price (net of recoverable of taxes) and expenses directly attributable for making the asset ready for its intended use.

2.8 Depreciation and Amortisation

a) Depreciation on Tangible Fixed Assets has been provided on Straight Line Method in the manner provided under of Schedule II to the Companies Act, 2013 (the Act) on the basis of the useful lives of the assets prescribed under Part C of Schedule II to the Companies Act, 2013 except in case of some assets and components where the useful lives followed by the Company are different than specified under the Act.

b) The table below lists out the assets /class of assets where the useful lives estimated/ followed by the Company is different than specified under Part C of schedule III to the Act.

Fixed Assets	Useful live (original) specified under the Act	Useful live (original) estimated & followed by the Company	Difference – excess (lesser) than specified under the Act	Justifications
Plant & Machinery- Furnace	15 years	10 years	(5) years	On the basis of technical evaluation
Plant & Machinery- Platform	15 years	18 years	3 years	On the basis of technical evaluation
Plant & Machinery CNC/LPDC/GDC	15 years	10 years	(5) years	On the basis of technical evaluation
Computers- desktops, laptops	3 years	6 years	3 years	On the basis of technical evaluation
Electrical Equipments	10 years	Between 5 to 7 years	(3 to 5) years	On the basis of technical evaluation

Summary of Significant Accounting Policies forming part of the Consolidated Financial Statement for the year ended March 31, 2016

c) The Company's plant runs into three shifts. The useful lives of some of the assets are as prescribed under the Act for single shift, while in case of others, particularly for machineries, the useful lives are as per its management estimate which consider the estimated usage of assets for 24 hours a day and 365 days a year and best represent the period over which the Company expects to use these assets and thus would not result in additional amount of provision, if any, either on account of depreciation and impairment or otherwise.

d) Depreciation on all additions and disposals during the year is provided on pro rata basis from the date on which asset is purchased or up to the date on which such assets have been sold, discarded, demolished or destroyed as the case may be. . In case of plant and machineries, depreciation is provided from the date on which commercial production is obtained with fair degree of regularity and not only on the basis of the asset is ready to put to use.

e) Intangible assets in the nature of computer & functional software are amortised over a period of five years.

2.9 Impairment of Assets

An asset is treated as impaired when identified as such and when the carrying amount of the asset exceeds it recoverable amount. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired and loss is crystalised. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.10. Investments

Long-term investments, which are unquoted, are stated at cost. Cost includes all costs incidental to acquisition including legal costs. Provision for diminution in the value of long-term investments is made only if decline in the investments is other than temporary.

Current investments are stated at lower of the cost and fair market value.

2.11 Inventories

a) Raw Materials

Inventory of raw materials is valued at cost. Cost represents purchase price, net of recoverable taxes and is determined on First in First Out (FIFO) basis.

b) Semi-Finished goods

Inventory of semi-finished goods is valued at lesser of cost or net realisable value. Cost comprises of material cost and conversion cost. Conversion cost includes cost of consumables, direct labour, variable overheads and fixed cost in respect of production facilities.

c) Consumables, Stores and Spares

Consumables, stores and spares are valued at cost. Cost represents purchase price, net of recoverable taxes, and is determined on First in First out basis.

d) Dies and Moulds

The expenditure on development of dies and moulds commissioned for and on behalf of the customers is carried in the books at the appropriate cost of development, under ''Current Assets'', subject to such cost not exceeding the maximum value contracted to be paid by the customer. Income from development and development cost of such dies is accounted for in the year in which dies are completed and invoiced.

The unfunded cost of such dies, if any, is written off to revenue in the event of their commercial obsolescence and in the year in which the loss is crystalised and quantified with ease.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise of balance with the banks and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from the date of purchase, to be cash equivalents

2.13 Transactions in Foreign Currencies

a) Transactions denominated in foreign currencies are recorded in the books at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of transaction except exports sales which are recorded at a rate notified for a month, by the customs, for invoice purposes.

b) Old liabilities denominated in foreign currencies but agreed to be settled in Indian Rupees are not restated and continue to be carried at their original values.

c) Monetary items denominated in foreign currencies at the year-end are restated at exchange rates prevailing as at end of the year. Non monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of Profit and Loss of the year.

e) In respect the wholly owned subsidiaries overseas, all assets and liabilities, both monetary and non-monetary, are translated at closing exchange rate, while all income and expenses are translated at average exchange rate for the year. The resulting exchange differences are accumulated and shown as 'Foreign Currency Translation Reserve' under the note 'Reserves & Surplus'.

Summary of Significant Accounting Policies forming part of the Consolidated Financial Statement for the year ended March 31, 2016

2.14 Taxes on income

a) Tax expense comprises of current tax and deferred tax / (credit).

b) Current tax expense is the amount of tax due & payable on the taxable income as determined using the applicable tax rates and rules in accordance with the provisions of the Income Tax Act, 1961.

c) Deferred tax expense is recognised subject to the consideration of prudence, on timing differences between accounting income and taxable income that originate in one period and are likely to be reversed in one or more subsequent periods.

d) Deferred tax assets are recognised, only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses etc. are recognised only to the extent of Deferred tax liabilities, if it has legally enforceable right and those relate to taxes on income levied by the same governing taxation laws. In case of others, deferred tax assets are not recognised.

e) Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

2.15 Employee Benefits

Employee benefits include provident fund, pension fund, gratuity fund, compensated absences and medical benefits.

Defined contribution plans

The Company's contribution to provident fund and pension fund, made at pre-defined rates, are considered as defined contribution plans are charged to the statement of profit and loss as and when those are incurred.

Defined benefit plans

For defined benefit plans, such as gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

Actuarial gains and losses are recognised in the Statement of Profit and Loss of the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested or otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employees render the service. These benefits include compensated absences such as paid annual leave, bonus, performance incentives etc.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as an actuarial liability determined by actuarial valuation, at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.16 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. All other borrowing costs incurred and which are not identified to the particular qualifying assets is charged to revenue. Qualifying assets are those that necessarily take a substantial period of time to get ready for their indented use. A longer period than period of twelve months has been considered as a substantial period of time in exceptional and unforeseen circumstances.

2.17 Leases

a) **Operating Leases:** Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease payments under operating leases are recognised as an expense and are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

Assets leased out under operating leases are capitalised. Rental income in respect of assets leased out is recognised on accrual basis over the lease term.

b) **Finance Leases:** Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases, are capitalised at the lower of the fair value of the assets and present value of the minimum lease rentals at the inception of the lease with corresponding amount shown as a lease liability. The principal component of the lease rental is adjusted against the lease liability and the interest component is charged to the statement of profit and loss

Summary of Significant Accounting Policies forming part of the Consolidated Financial Statement for the year ended March 31, 2016

2.18 Research and Development Costs

a) Research costs are expensed out as and when incurred.

b) Development costs are expensed out as and when incurred, unless the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable and the costs can be measured reliably.

c) Research and development expenditure of a capital nature includes the cost of relevant fixed assets.

2.19 Provisions, Contingencies and Commitments

a) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

b) Contingent Liabilities are not recognised but are disclosed in the in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statement.

As per our report attached

For **Asit Mehta & Associates**
Chartered Accountants
Registration No.100733W

Sanjay Rane
Partner
Membership No: 100374

Place: Pune
Dated: May 2, 2016

For and on behalf of the Board of Directors of Alicon Castalloy Ltd.

S. Rai
Managing Director
DIN: 00050950

A. D. Harolikar
Director
DIN: 00239460

P. S. Rao
Company Secretary

Place: Pune
Dated: May 2, 2016

Notes

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Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

26TH ANNUAL GENERAL MEETING ON 29TH SEPTEMBER, 2016

Attendance Slip

REG. FOLIO NO. .....

I CERTIFY THAT I AM REGISTERED SHAREHOLDER / PROXY FRO THE REGISTERED SHAREHOLDER OF THE COMPANY.

I HEREBY RECORD MY PRESENCE AT THE ANNUAL GENERAL MEETING OF THE ABOVE COMPANY AT THE GAT NO. 1426, VILLAGE - SHIRAKPUR, TALUKA - SHIRUR, DISTRICT - PUNE – 412208

MEMBERS / PROXY'S NAME IN BLOCK LETTERS .....

MEMBERS/ PROXY'S SIGNATURE .....

Note: Fill in the attendance slip and hand it over at the Entrance of The Meeting Hall.

COMPANY HAS ARRANGED THE VEHICLE FROM PUNE RAILWAY STATION TO COMPANY AND VEHICLE WILL LEAVE LATEST BY 11:00 AM.

Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

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26TH ANNUAL GENERAL MEETING ON 29TH SEPTEMBER, 2016

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s).....

Registered Address.....

E-mail Address.....

Folio/Client Id :.....DP ID :.....

I/We, being the member (s) holding.....Shares of the above named company, hereby appoint:

Name : .....Email ID.....

Address : .....

.....Signature.....or failing him

Name : .....Email ID.....

Address : .....

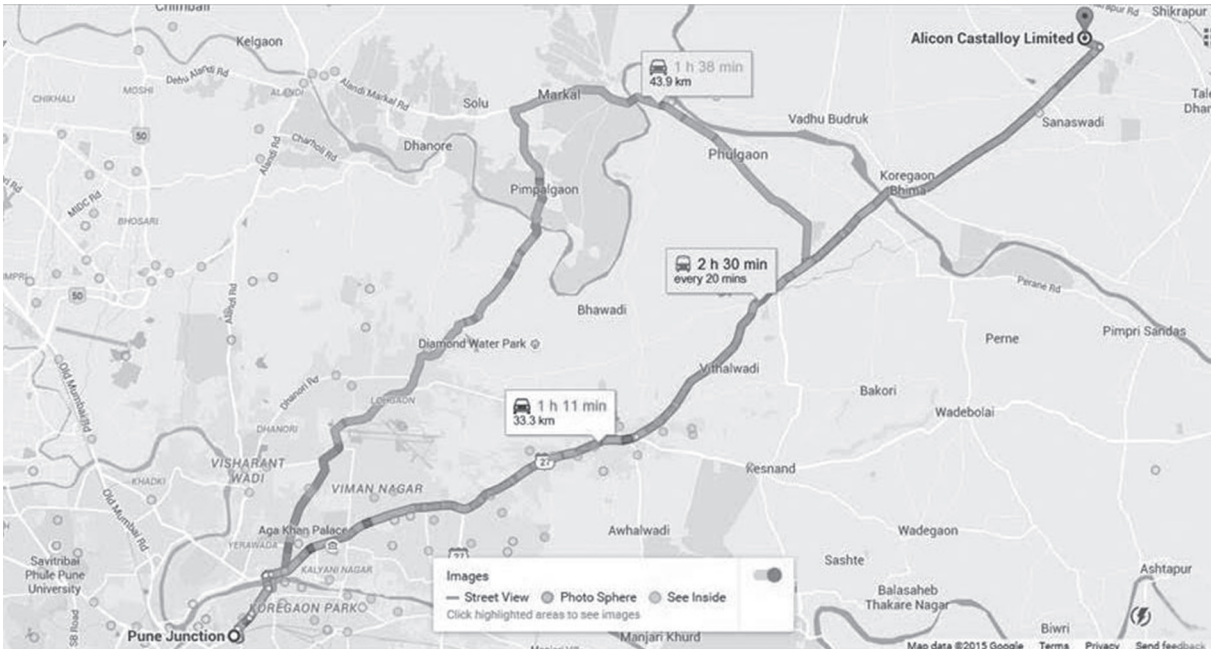
.....Signature.....or failing him

Name : .....Email ID.....

Address : .....

.....Signature.....or failing him.

ROUTE MAP



Source: Google Maps

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the on Thursday, 29th day of September, 2016 at 12:30 p.m. at the premises of the Company at Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

ITEM NO. RESOLUTIONS

	ORDINARY BUSINESS
1.	To receive, consider and adopt the audited Balance Sheet and Statement of Profit & Loss for the year ended on 31st March, 2016.
2.	To declare dividend.
3.	To appoint a Director in place of Mr. Junuchi Suzuki, who retires by rotation, but being eligible, offers himself for reappointment.
4.	To appoint Auditors and fix their remuneration.

Signed this .....day of....., 2016.

Affix
Revenue
Stamp
Re 1/-

..... .
Signature of Member (s)

.....
Signature of Proxy holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

alicon

Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

26TH ANNUAL GENERAL MEETING ON 29TH SEPTEMBER, 2016

ECS MANDATE FORM

(APPLICABLE FOR SHARES IN PHYSICAL FORM ONLY)

To,
M/s. Universal Capital Securities Pvt. Ltd.
21 Shakil Niwas, Opp. Sai Baba Temple,
Mahakali Caves Road, Andheri (E),
Mumbai - 400 093.

Name of the First/ Sole Shareholder.....

Folio No. .....

Income Tax Permanent Account Number (PAN) .....
(Please attach a copy of PAN card)

Email ID .....

ECS Mandate Form (For shares in physical form only)

Bank Name .....

Branch Name and Address .....

Bank Account Type (Tick) ☐ SB ☐ Current ☐ Others

Bank Account Number .....

9 Digit Code Number of the Bank..... and Branch .....

Appearing on MICR cheque issued by the Bank .....
(Pl attach a photocopy of the cheque)

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through e-mail towards dividend paid by the Company under the ECS mode.

Signature of the 1st Registered Holder/ Sole Holder

alicon

ALICON CASTALLOY LIMITED

CIN: L99999PN1990PLC059487

Registered Office:
Gat No.1426, Village - Shikrapur,
Taluka - Shirur, District Pune - 412 208

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)