9th October, 2017

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 31.03.2017

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 31.03.2017.

Please acknowledge the receipt.

Thanks & Regards,

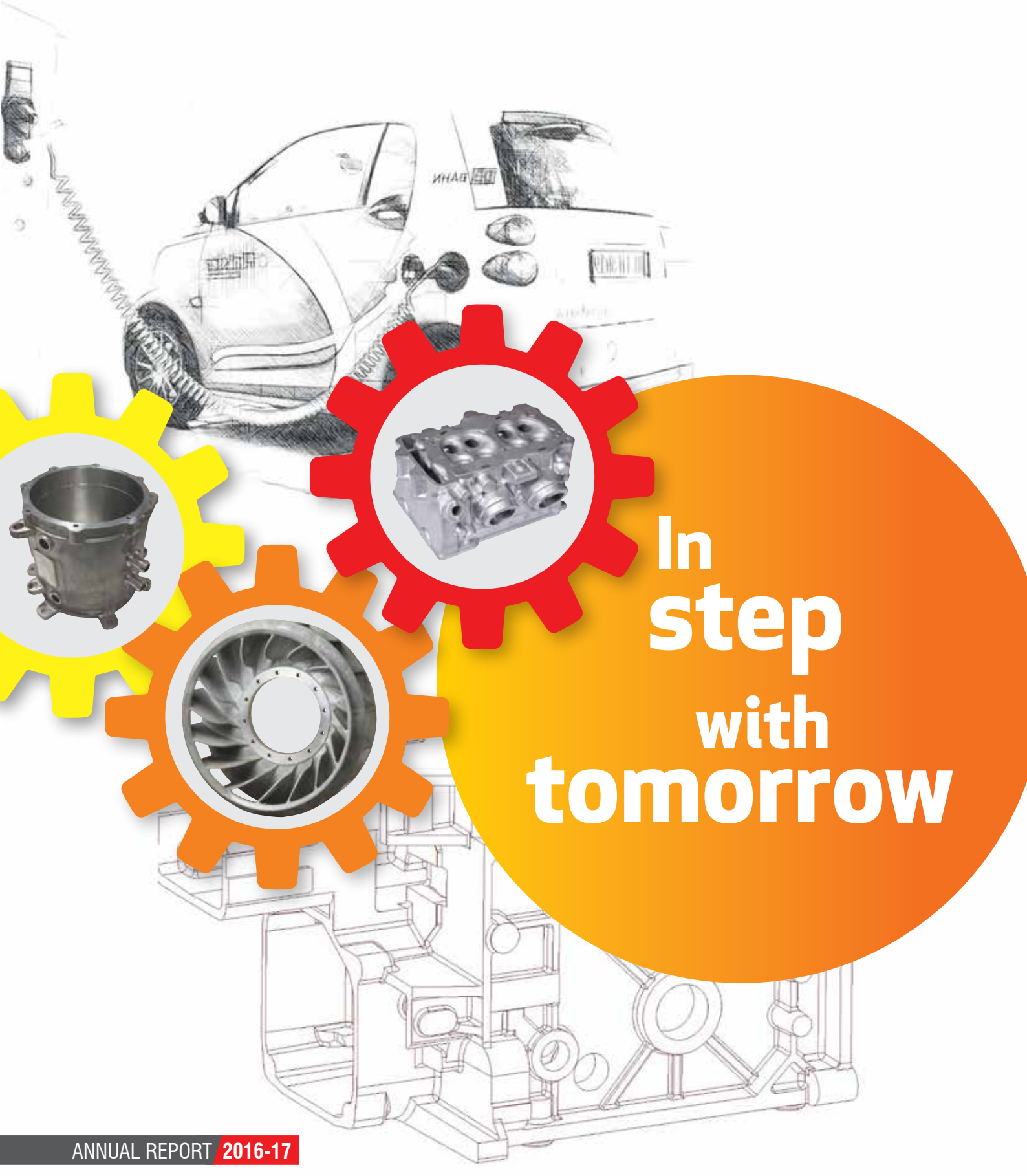
For ALICON CASTALLOY LTD.

Authorized Signatory

Encl: as above

ALICON CASTALLOY LIMITED

alicon



In step with tomorrow

ANNUAL REPORT 2016-17

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

Corporate Information
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

Auditors
M/s. Asit Mehta & Associates

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

Bankers
Bank of Maharashtra
Kotak Mahindra Bank
State Bank of India
Bank of India
IDFC Bank

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

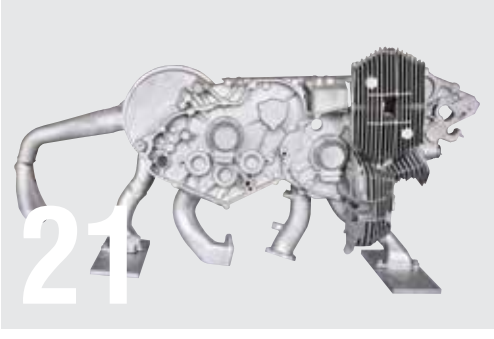
Illichmann Castalloy s.r.o.
Partizanska 81, 966 81, Zarnovica,
Slovakia

Follow the footsteps

02

Overview

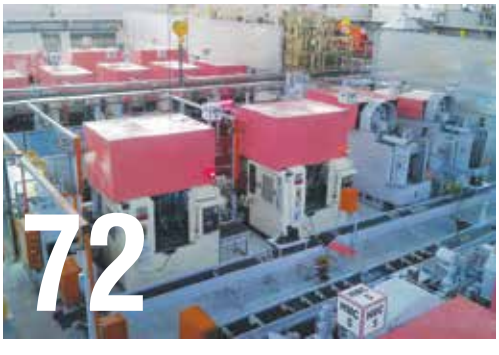
In step with tomorrow 02
From the MD's desk 04
Building for the future 06
Seizing opportunities for tomorrow 12
Financial highlights 14
Towards a better tomorrow 16
Awards & recognition 20



21

Statutory Reports

Notice 21
Management Discussion and Analysis 28
Directors' Report 36
Corporate Governance Report 64



72

Financials

Standalone Financial Statements 72
Consolidated Financial Statements 103

Moving forward in our journey towards our vision G5 2020-21, we continued on our growth path to map new milestones of accomplishment during FY 2016-17.

We challenged the status quo of today through our innovative solutions to reach out to the evolving needs of our customers, beyond tomorrow. Led by our Vision G5 2020-21, we laid down new benchmarks of quality to raise the bar of excellence across our business segments. Expanding our opportunity matrix, we consolidated the efforts of the past few years to gear up to tap new sectors of progress, within and outside India. 'Fewer, Bigger and Bolder' was the mantra on which we mapped our future growth philosophy to stay one step ahead, every step of the way.

From the MD's desk

12.26%

EBIDTA GROWTH OVER THE PREVIOUS YEAR

We may be perceived as being conservative in our projections, but by being focussed towards our North Star, we walk the talk in supporting the "Make in India" campaign and would like to be seen as an innovative, agile and best-in-class solution provider.

Dear Shareholders,

It gives me immense pleasure to share with you the overall performance of your company in FY 2016-17.

While the global economy has moved at a slower pace, the structural changes in the Indian Government policies, economy and business environment have significantly impacted our industry. With the implementation of GST, India will be moving towards a unified tax structure, greater compliance and more digitisation - all positive factors in the development of our country.

For India, the year under review FY 2016-17, has been a combination of disruption in technology, market volatility and a temporary slowdown on account of demonetisation. Furthermore, the rural areas were affected by poor monsoons for the last two consecutive years. This had quite an adverse impact on the two-wheeler segment. At the same time, the automotive and auto component sector have seen rapid technological advancements and newer vehicle concepts emerging globally. These changes will most likely transform the automobile and transportation sectors in a dramatic manner.

In this challenging year under review, we have been able to achieve 12.26% growth in EBIDTA margin and 13.35% growth in Profit after Tax, in spite of Revenue growth of only 4.6%.

The developments mentioned above have had a multi-fold effect on our business. I am pleased to say that Alicon has manoeuvred through these challenges and emerged stronger, with an improvised strategy for achieving our G5 2020-21 vision. Alicon has diversified into international markets and will gradually increase exports to get a more diversified market penetration. We are able to win the confidence of customers across the globe with our proactive approach by unifying the underlying strengths of our European engineering skills, Japanese quality and inherent creativity. Our efforts are driven through focus on our North Star – "We are proud to be Indian, We work to make India Proud" – this is our ultimate guiding force. Our North Star aligns our Corporate Pledge, Vision, Mission, Values, DNA and Strategic Direction.

We may be perceived as being conservative in our projections, but by being focussed towards our North Star, we walk the talk in supporting the "Make in India" campaign and would like to be seen as an innovative, agile and best-in-class solution provider. The disruptions happening in this VUCA world challenge us to be the first movers in embracing the technology for e-Mobility parts. Going forward, we will combat disruptions with product innovations, process innovations and digitisation. We are on the cusp of filing patents for our technological developments.

We look at our G5 2020-21 vision as a focal point for technology upgradation and innovation. While formulating our goals, we have endeavoured to be in step with tomorrow by identifying the product sectors and components that will be a part of the future. We will be

concentrating on niche markets which will be in line with our business philosophy "Fewer-Bigger-Bolder". Going forward, our focus shall be on developing technology of thin-walled castings and newer materials that would add value to our customers and give us a competitive edge. Our efforts in organisational development and focus on our philosophy of AGILITY and INNOVATION will make this change possible.

As part of our G5 2020-21 vision, we have planned investments which required us to infuse fresh equity. A number of Investment Banks were interested in participating, but our Japanese partner, Enkei Corporation stepped up to make the investment. The increased stake of Enkei Corporation in Alicon is a reflection of the trust imposed by Enkei in our business philosophy and confidence shown towards our management and vision. This extraordinary support from our partner will help us in our efforts towards development of technology and becoming more innovative.

With the automotive business going through rapid changes globally, our customers have an ever increasing need to adapt quickly. With our efforts in cutting down development time, along with our capability of producing proto components with near net shapes at a competitive cost, Alicon is emerging as a preferred supplier. Our continuous development in R&D and new technologies like 3D printing, scanning and radiography, has given us an edge over others, enabling us to engage with our customers at a very early stage in component development.

The Indian Government has decided to put its weight behind the development of electric vehicles. To support this, a tripartite alliance has been formed, between Maruti Suzuki, Tata Motors and Mahindra & Mahindra. This open-ended technical cooperation will be for developing parts for electric-hybrid cars. Further, Mr. Nitin Gadkari, Road Transport and Highways Minister, has invited Tesla Motors to invest in setting up a manufacturing plant in India. To be in line with these policy changes, Alicon is proactively involved with the domestic as well as global OEM's, right from the concept and design stage, to the development of parts for electric vehicles. Our European team is taking a lead in this initiative and is in discussions with leading manufacturers for aluminium parts that are quite intricate, like battery housing, stater housing and structural parts. I am pleased to report that we have already begun the development of these parts and have started supplies to the customers. Though it's a small beginning, we are in step with tomorrow, and are preparing ourselves for the changes to come.

We realise that developing our people and our organisation is a key element in achieving our G5 2020-21 goals. We have adopted the Supplier Business Capability Building (SBCB) framework into our business philosophy. Our Employee Value Proposition helps us attract the best available talent. Employee engagement has gained momentum through learning and development initiatives, visits to customer sites, tie-ups with educational institutions and innovative projects. Our North Star gives our employees a sense of direction and pride. Through our participation in "Inner Engineering" programmes, we have embarked on the journey of developing the innermost attitudes and capabilities of our employees.

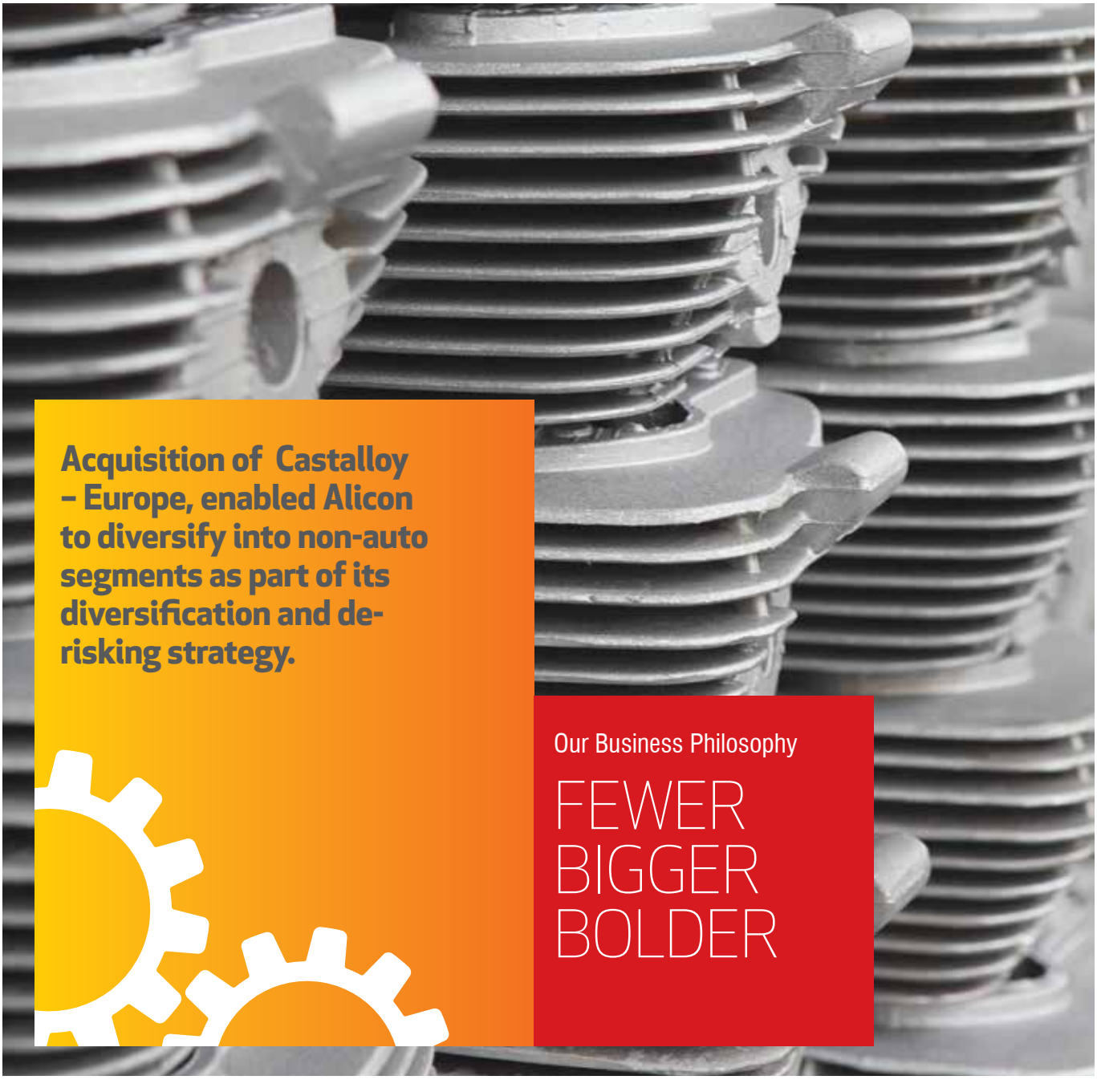
The future is filled with exciting possibilities. We are ideally placed to make the most of these opportunities to further strengthen our position as an industry leader. I am confident that our visionary charter will help drive our efforts to leverage our potential across a range of market sectors and geographical boundaries.

I take this opportunity to thank my colleagues on the Board and the management team for their commitment and focus. Let me also thank all members of the Alicon family for aligning themselves to our North Star and working with dedication, to translate our vision into reality. In conclusion, I would also like to thank our business associates, bankers, shareholders and all stakeholders for their constant support and cooperation.

Shailendrajit Rai
Managing Director

Building for the future

ALICON IS A FUTURISTIC ORGANISATION THAT DELIVERS TOTAL ENGINEERING SOLUTIONS TO ADDRESS ALUMINIUM CASTING NEEDS OF DIVERSE CLIENTS IN INDIA AND AROUND THE WORLD. A GLOBAL CONSORTIUM OF COMPANIES ENGAGED IN RAPID PROTOTYPING, DESIGNING, IN-HOUSE TOOL MANUFACTURING, ENGINEERING, DIE CASTING, MACHINING AND ASSEMBLY, PAINTING AND SURFACE TREATMENT OF ALUMINIUM COMPONENTS, ALICON GROUP DELIVERS HIGH-END SOLUTIONS THAT BLEND EUROPEAN ENGINEERING EXPERTISE WITH JAPANESE QUALITY.



Acquisition of Castalloy – Europe, enabled Alicon to diversify into non-auto segments as part of its diversification and de-risking strategy.

Our Business Philosophy

FEWER
BIGGER
BOLDER

THE INDIA EDGE

AS ONE OF INDIA'S LARGEST FOUNDRIES, ALICON HAS A CLEAR EDGE IN TERMS OF STRONG MANUFACTURING CAPABILITIES. EQUIPPED TO HANDLE BOTH LOW AND HIGH VOLUMES, THE COMPANY HAS TO ITS CREDIT A ROBUST PIPELINE OF INNOVATIVE PRODUCTS AND A PERPETUALLY GROWING CLIENT BASE. ALICON HAS MANUFACTURED ABOUT 7.75 MILLION CYLINDER HEADS, WHICH CONSTITUTE MAJORITY OF THE COMPANY'S PRODUCT PORTFOLIO, IN THE PAST FOUR DECADES.

Alicon's end-to-end solutions span the entire spectrum of aluminium casting needs of clients across industries. The Group has developed core competencies across the value chain of aluminium casting, with its diversified and de-risked business approach helping it drive growth for all its stakeholders.

Strategic sectoral diversification has enabled Alicon, which is armed with strong technical collaborations, to leverage its competencies to harness opportunities in Automotive and non-Automotive segments, including Aerospace, Defence, Locomotive, Medical & Health, Energy, Infrastructure and Agriculture. While technology and innovative drives the Company's offerings to its giant customers in the Automotive sector, Alicon concurrently continues to explore strategic opportunities for growth in the non-Automotive sector.

Alicon's quality proposition, spread across 15 countries, is driven by 3,680 employees, including 179 engineers, who draw from 45 years of experience in casting Aluminium to deliver product excellence.

The Alicon DNA

- We Encourage Decisive Leaders at All Levels.
- We Encourage Leaders to Nurture Their Teams.
- We Empower Our People and Always Maintain Positive Environment.
- We Approach Everything We Do with Sincerity and Integrity.
- We Greet Everyone with a Smile and in High Spirit.
- We Follow the Alicon Vector.
- We Practice LDD (Light, Direct and Deep Communication).
- We Believe in Continuous Improvement and Benchmarking.
- We Aim at Delighting Our Customers with Innovation.
- We are Flexible and Adapt to Shifts in the Market.
- We are Visionary and Set High Targets for Ourselves.
- We use DES – BEP to Establish Lucrative Goals and Practices.
- We Create an Organic Environment and Give Back to our Society.
- We Imbibe 5S as a Way of Life.
- We are Agile, Disciplined and Decisive in Our Work.
- We Advocate Ownership and Accountability.
- We Encourage Perseverance in Case of Failures.
- We Stay True to our Purpose.

With 26 years of experience in aluminium casting, Alicon has the distinction of being India's pioneer in Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC). As forerunners in the development of Pro-Cast and Magma in India, the Company has emerged as the preferred manufacturer for all the major local and many international OEMs at the back of its high level of quality, as endorsed by the various certifications and awards received from global organisations and customers.

Our Customer value proposition

Alicon Group is a single point contact for all engineering solutions related to aluminium alloy castings. We have one of the biggest foundry infrastructures providing total solution under one roof.

Our Corporate Pledge

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

VISION

Become the Globally Preferred Supplier for Light Alloy Casting Solutions

MISSION

- Grow the Employees, Associates and Suppliers
- Ensure Total Customer Satisfaction
- Increase Shareholder Value

VALUES

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

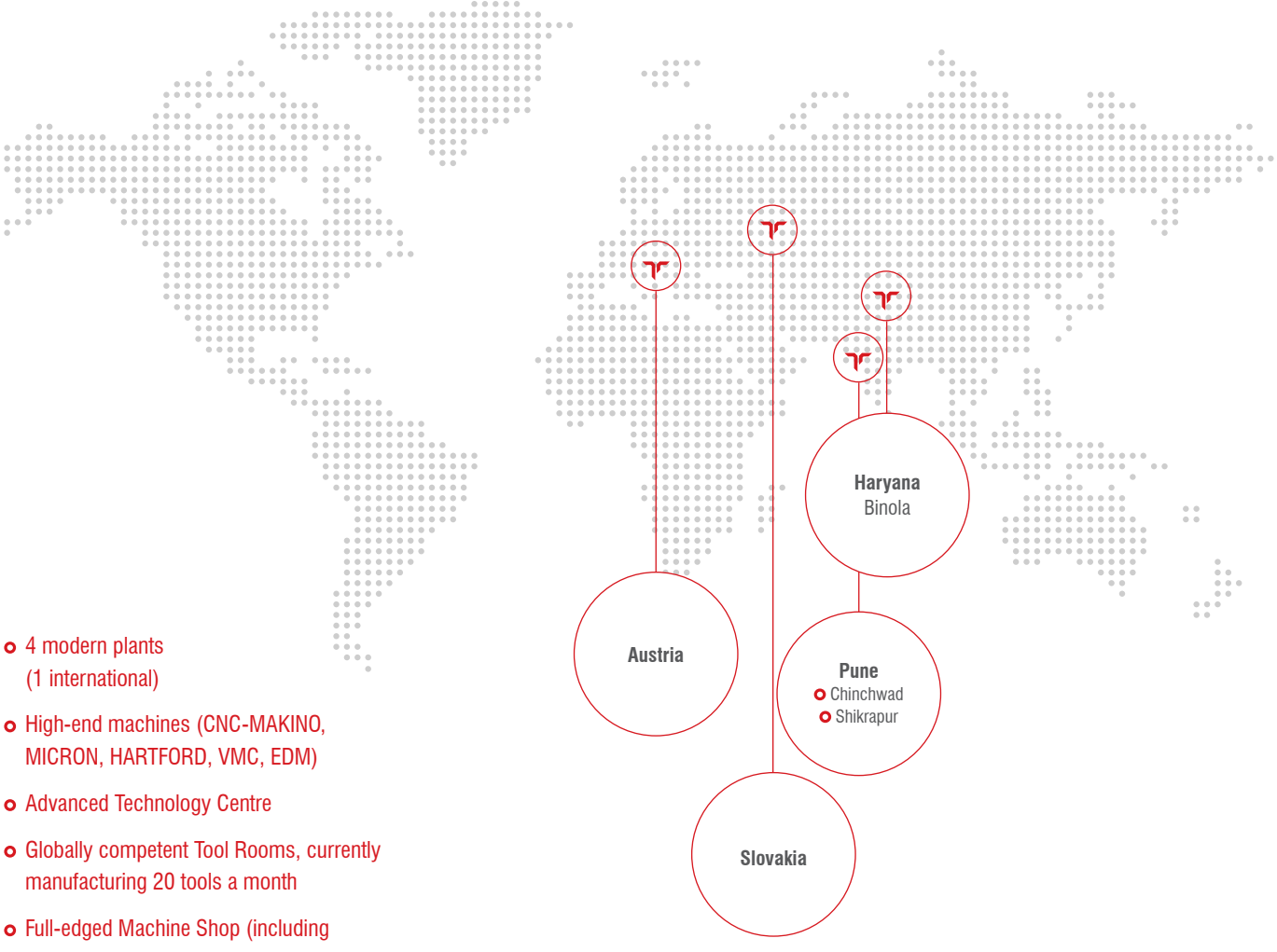
Nurturing strengths for future growth

With a strong focus on building strengths designed to address the future needs of our customers around the world, we are continuously working on amplifying our core competences. Augmentation of infrastructure and enhancement of quality drive this focus and enable us to effectively harness the new opportunities of tomorrow.

Our manufacturing prowess

Our highly advanced, state-of-the-art foundries, which we are continually expanding to create expertise in a few niche areas, are a core pillar of our future-led growth model. Moving aggressively to pursue our agenda for FY 2020-21, we are focussing on strengthening our manufacturing prowess to deliver quality products in the 16 product segments we have identified for growth. Highly automated, best-in-class facilities lie at the heart of this prowess, which is built on a platform of modern equipment and is managed in line with the Japanese lean manufacturing practices to steer higher efficiencies and more optimised costs. Our manufacturing prowess is designed to cater to the Automotive sector, currently constituting 90% of our revenue, while at the same time addressing the needs of our diversified strategy, aimed at growing across 16 identified product segments, as part of our Vision for FY 2020-21.

Our manufacturing base



- 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-edged Machine Shop (including assembly facility)

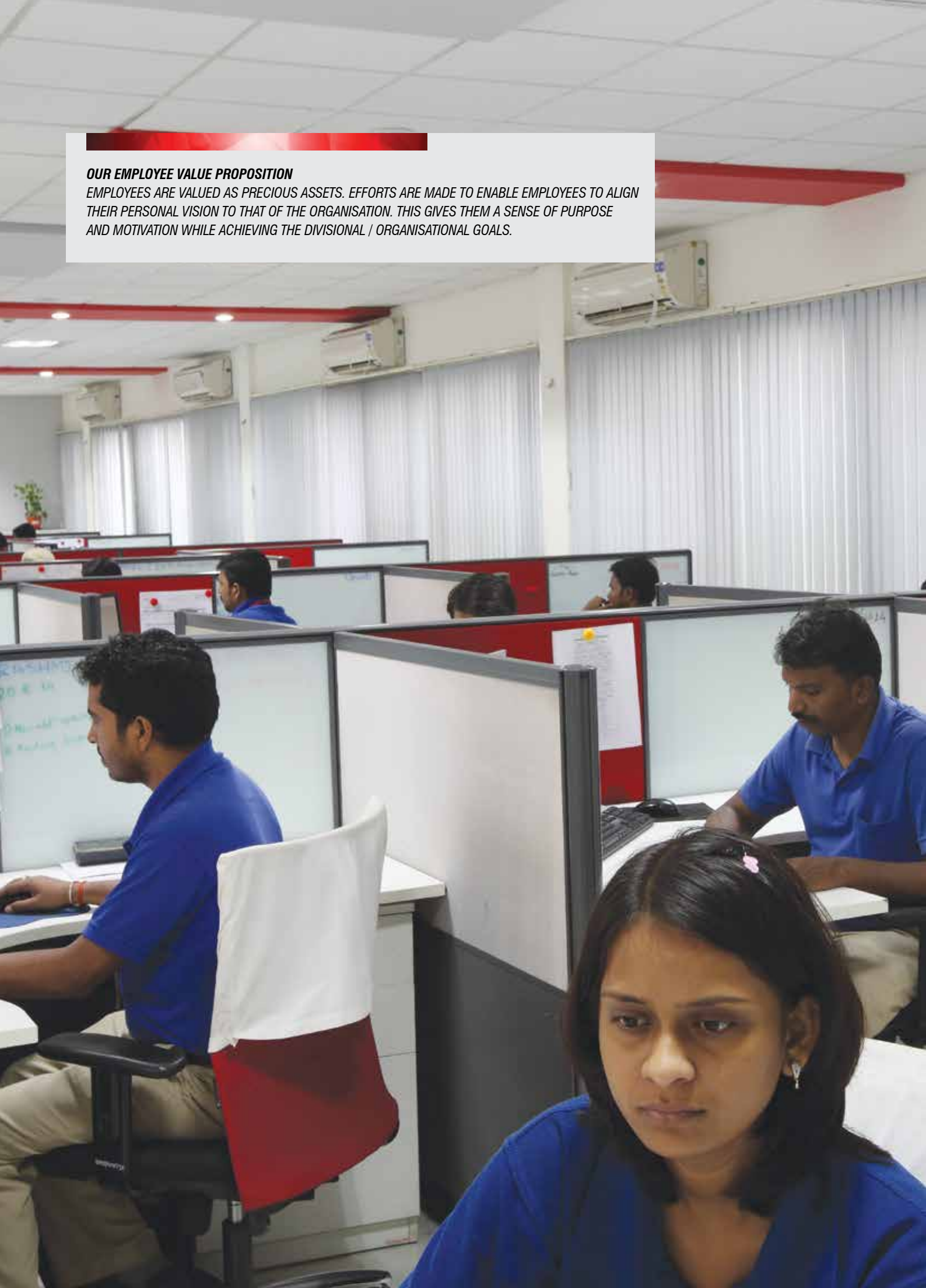
Map not to scale. For illustrative purposes only.

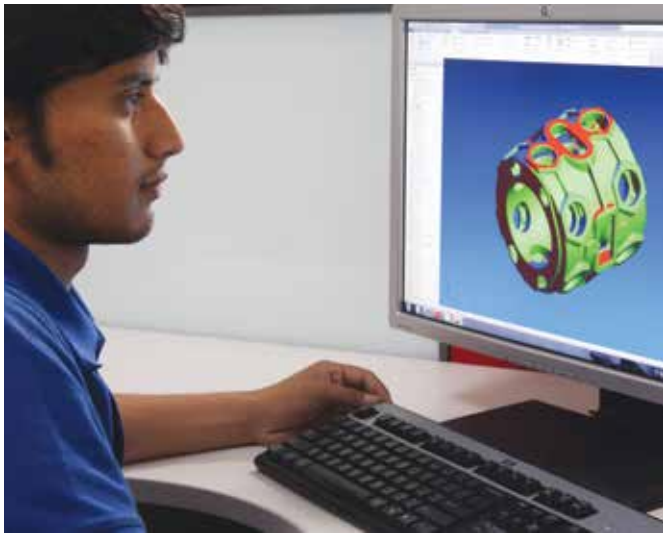
Austria	Slovakia	Chinchwad, Pune (Maharashtra)	Shikrapur, Pune (Maharashtra)	Binola (Haryana)
* International Marketing Office	* Manufacturing Plant * Tool Room * Product Validation Lab	* Manufacturing Plant * Tool Room * Product Validation Lab * Machine Shop	* Manufacturing Plant * Technology Centre * Product Validation Lab * Machine Shop	* Manufacturing Plant * Product Validation Lab

OUR CORE COMPETENCIES
01 RAPID PROTOTYPING
02 IN-HOUSE TOOL MANUFACTURING
03 TESTING
04 DESIGNING (CAD/CAM/CAE/ SIMULATION)
05 DIE CASTING (SAND CASTING/GDC/LPDC)

OUR EMPLOYEE VALUE PROPOSITION

EMPLOYEES ARE VALUED AS PRECIOUS ASSETS. EFFORTS ARE MADE TO ENABLE EMPLOYEES 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.





Our Location Advantage

Our strategic locations enable us to drive optimal efficiencies, lending our clients a better speed-to-market and increased cost efficiencies. Our India foundries are situated in proximity to key markets, while our global presence is designed for effective reach and connectivity with our international clients. This approach also helps us deploy different time zones to provide 24x7 customer support to our clients around the world.

We have a huge presence in India and a significant outlay in Europe through our European subsidiary Illichmann Castalloy, with several clients also in the US.

Our quality quotient

As an organisation eyeing the future needs of customers worldwide, we are cognisant of the need to maintain and sustain high levels of quality performance. Seamless and streamlined processes and systems ensure minimum product rejections, with our quality standards benchmarked to global levels. Our quality certifications underline our high standards and 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), and are continuously scaling up our quality matrix through deployment of the best Kaizen practices. 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.

Our people strength

The main drivers of our quality and efficiency edge are our people, whom we are continually nurturing in an environment of collective and collaborative growth. Led by a mission of 'Challenging the Now', our Human Resource (HR) model is designed to keep our people motivated and always ready to address tomorrow's challenges now through an innovative approach. We conduct regular training programmes and workshops for the skill upgradation of our people in line with our 'fewer, bigger, bolder' business philosophy. This philosophy encourages our people to be creative and rewards them for delivering higher efficiencies and productivity. It also motivates them to keep wastage to the minimum, in a work environment that promotes lean and optimal operations.

Seizing opportunities for tomorrow

IN OUR QUEST TO DELIVER HIGHER EXCELLENCE AND BETTER VALUE TO OUR STAKEHOLDERS, WE ARE CONSTANTLY PREPARING OURSELVES TO HARNESS FUTURE OPPORTUNITIES THROUGH OUR STRATEGIC ROADMAP OF FY 2020-21. INCREASE IN OUR SHARE OF THE NON-AUTO SEGMENT THROUGH OUR DIVERSIFIED APPROACH LIES AT THE CORE OF OUR FUTURE BUSINESS PLANS.

However, we are concurrently working on sustaining our auto business through investments in technological development and innovation to match the new trends, especially in electric vehicles. Though still in its nascent stage in the Indian market, we expect this trend to catch up significantly on the domestic front by FY 2019-20 and are moving proactively to prepare ourselves to make the most of the impending opportunity. Having provided prototypes for eight products to an Indian auto major during FY 2016-17, we are fast developing expertise in this niche area, which we expect to scale up significantly in the year ahead. Our thrust remains on increasing the market share of our products and meeting the diverse needs of our varied customers through continuous technological developments and innovations.

We shall also further ramp up the new projects kick-started during FY 2016-17, and we expect higher revenues from the new product sectors and segments, including e-mobility, going forward. With capacities installed and consolidation in full gear, and with the opening up of the Indian market, the stage for future growth is getting bigger and we expect our investments of the past few years to translate into new growth avenues for us.

We remain focussed on making the most of the burgeoning demand potential in the global market to further boost exports from our Indian locations.

THE FUTURE BECKONS

WITH THE AIM TO BE AMONG THE TOP FIVE FOUNDRIES ACROSS THE GLOBE BY FY 2020-21, WE ARE FOCUSSED ON SEVERAL NEW AREAS OF GROWTH, FOR WHICH WE HAVE EMBARKED ON STRENGTHENING OUR CAPABILITIES. BESIDES WORKING ON PROTOTYPES TO ENABLE CUSTOMERS TO ASSESS THE PRODUCT QUALITY, WE ARE ALSO CLOSELY STUDYING CONVERSION TRENDS AS A STEP TOWARDS FURTHER AUGMENTING OUR VALUE PROPOSITION. IN ADDITION, WE ARE IN TALKS WITH INTERNATIONAL OEMs TO HARNESS THE OPPORTUNITY IN THESE AREAS. EMBOLDENED BY THE TRUST REPOSED BY ENKEI INVESTMENTS, AND HAVING CONSOLIDATED CONSIDERABLY ACROSS OUR BUSINESS VALUE CHAIN OVER THE PAST YEAR, WE SHALL CONTINUE TO DIVERSIFY FURTHER TO DE-RISK OURSELVES FROM THE CYCLICALITY OF ANY SINGLE SEGMENT. ENERGY, AERONAUTICAL ENGINEERING, DEFENCE AND LOCOMOTIVE ARE THE KEY AREAS WHERE WE SEE HUGE GROWTH POTENTIAL EMERGING IN THE COMING YEARS.

Finding tomorrow's solutions today

It is our constant endeavour to identify, pre-empt and address the future needs of our customers. Leading this endeavour is our Research & Development (R&D) facility, approved and certified by the Department of Scientific and Industrial Research (DSIR), Government of India. The facility is equipped with the best-in-class people and technology, enabling us to create innovative products, services and solutions aligned to the evolving requirements of our existing and new clients.

Our R&D function is propelled by our various strategic alliances and technological collaboration with global partners. Our continued thrust on IT augmentation further steers our futuristic growth strategy. 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.

TAKING GROWTH TO THE NEXT LEVEL

MERGER OF CASTING BUSINESS OF ATLAS CASTALLOY DURING FY 2014-15 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.

80

No. of new product innovations delivered during FY 2016-17

Our R&D Vision

To collaborate innovation, co-creation and sustainable business in Light Alloy Castings.

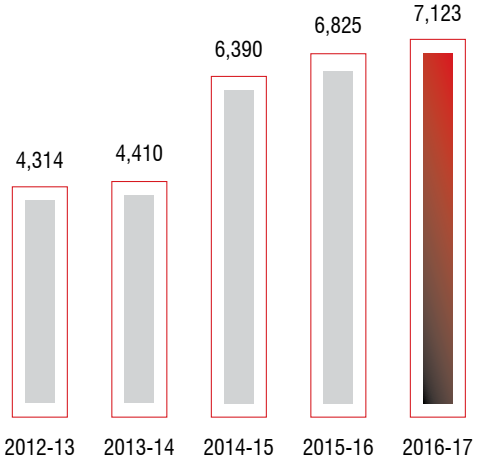
How we mapped the future during FY 2016-17

With several of our innovations finding their way from the drawing board to our manufacturing facilities, we successfully delivered pioneering solutions to our customers across the globe during the year under review. Among our path-breaking solutions were:

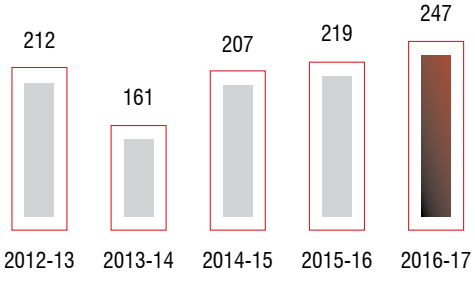
- **Successful development of crankcases for Polaris adventures bike:** We exported 2650 Polaris crankcases to the United States.
- **Exports to Daimler Coolant Collector Germany:** We helped the client successfully eliminate defects in casting due to core gas by using foam filter to prevent oxide from entering the casting and also to avoid turbulence during metal fillings in cavities.
- **Special components for Mahindra:** We developed W205 gasoline engine parts and Durante CNG cylinder head to replace diesel engine parts. We also developed Borg Warner Mixing Unit for export version of Mahindra vehicles.
- **Exports to US Hyster Yale Material Handling:** We provided them with 24 components, including hose guides, tiller handle, steer tiller assembly, dash machining, among others, all of which were developed in a very short time.
- **Other innovative solutions:** Gate freezing concept through air cooling in LPDC dies, power unit bracket twin die, with its challenge of 8 pulling directions, PP Box for Outsource Machining Use.

Financial highlights

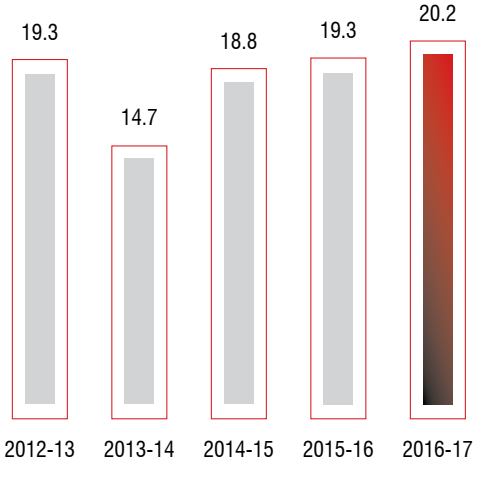
Net Sales
(₹ in Million)



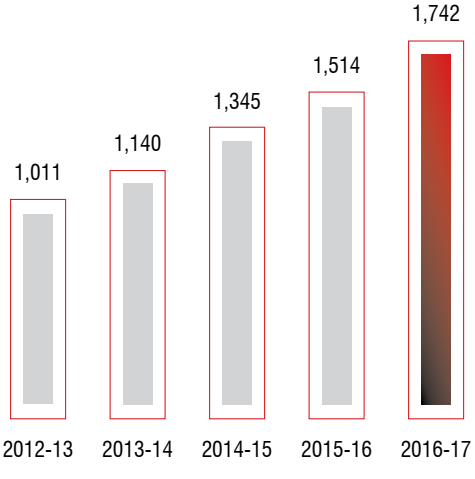
Profit after tax
(₹ in Million)

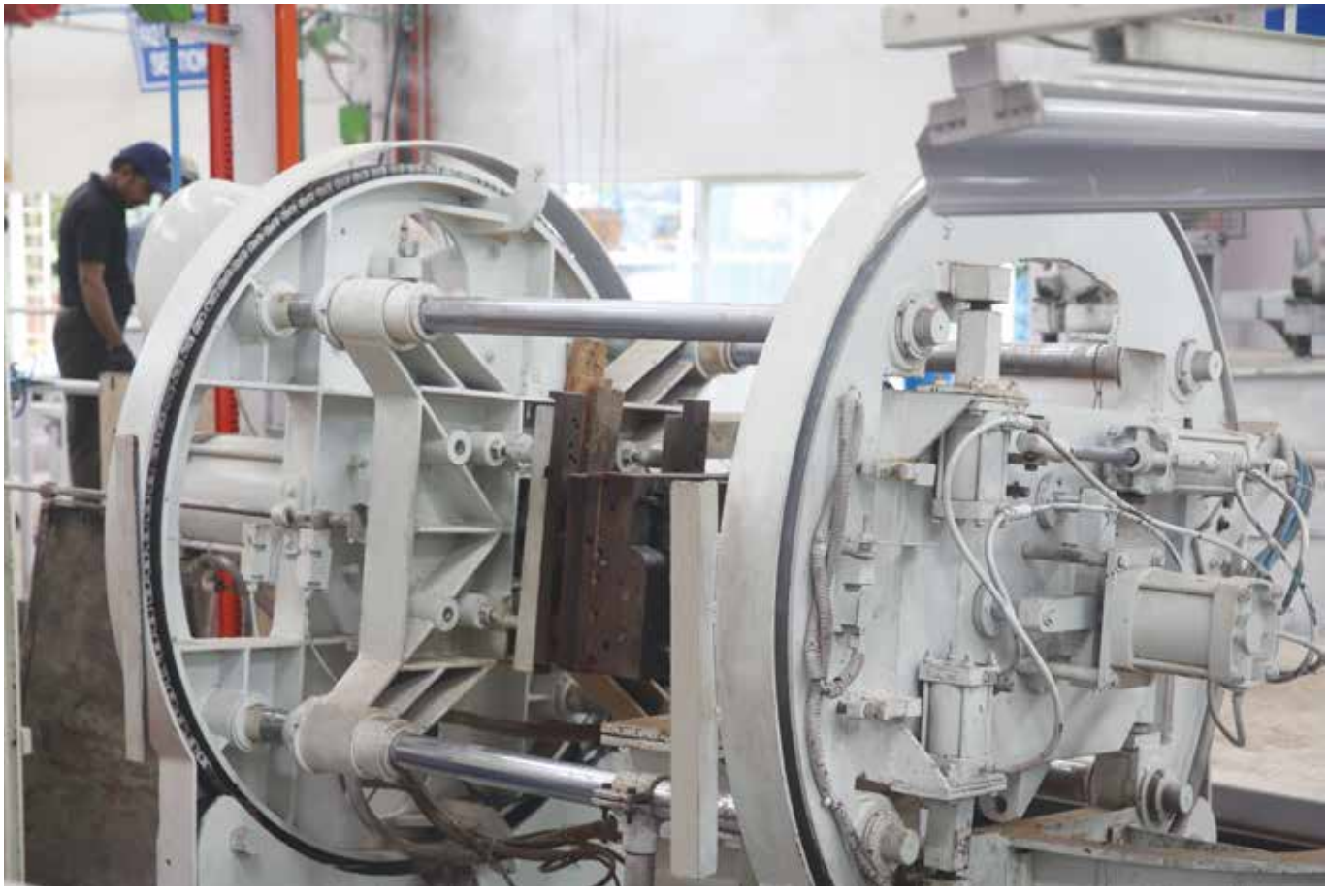


Earnings per share
(₹)



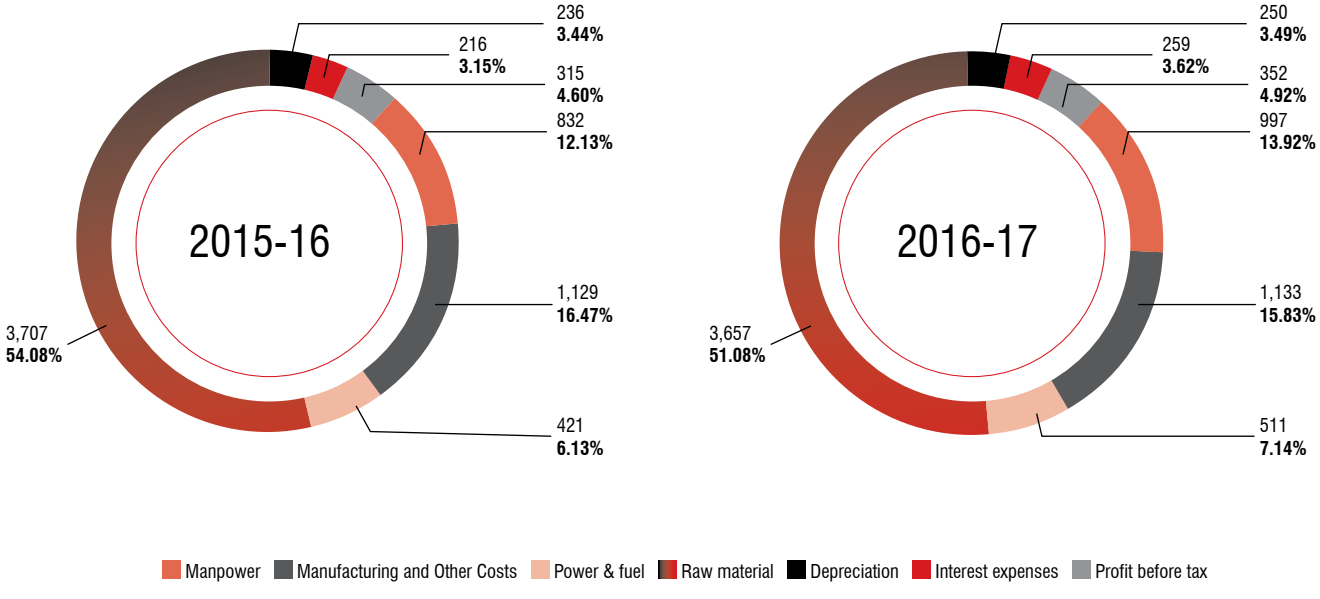
Net worth
(₹ in Million)





Cost and Profit as a percentage of Total Income

(₹ in Million)



Towards a better tomorrow

WHERE THE MIND IS WITHOUT FEAR AND THE HEAD IS HELD HIGH…
…INTO THAT FREEDOM LET MY COUNTRY AWAKE!

At Alicon, our social initiatives are inspired by Rabindranath Tagore's vision for India. Our focus areas are Rural Development and Education.

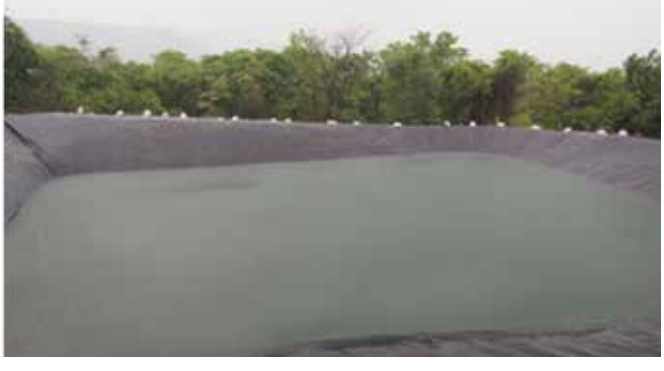
SHAKTI

IF WE COULD FREE EVEN ONE VILLAGE FROM THE SHACKLES OF HELPLESSNESS AND IGNORANCE, AN IDEAL FOR THE WHOLE OF INDIA WOULD BE ESTABLISHED… LET A FEW VILLAGES BE REBUILT IN THIS WAY, AND I SHALL SAY THEY ARE MY INDIA. THAT IS THE WAY TO DISCOVER THE TRUE INDIA.

Tagore, 1928

With an estimated 70% of her population living in villages, India's rural population if empowered to take charge of their own destiny and future can prevent migration to urban areas. We are in the third year of engagement with our on-the-ground partner PEM (People's Empowering Movement) making strides in 7 villages in district Ratnagiri of Maharashtra State. Currently, impacting over 120 families and following our model of deeper engagement, we endeavour to tackle both social and economic challenges in rural India through creating models which are sustainable, focus on human well-being and sensitivity to the environment and are designed in collaboration with all stakeholders.

The Alicon model is empowering as it works mostly with local Self Help Groups (SHGs) who receive financial support through both grants and soft loans, but also contribute their own monetary and personal resources. Each village has a different project designed to meet the needs of the community for its own well-being and progress.



Ratnagiri receives torrential rain every monsoon, yet a large area of around 5,000 habitations of 500 Gram Panchayats are severely affected by annual water scarcity in the summer. Besides developing irrigation systems in the region of our work, a recent intervention has been of **harvesting rainwater** by creating a water tank of a capacity of 27 lakh litres to irrigate 50 acres of agricultural land.

In village **Rajwadi**, our first project in the region, farmers of two SHGs are now able to farm Rabi crops besides the annual Kharif crop. A wide range of vegetables are being cultivated and launch of the Rajwadi Bhaji app has facilitated the sale of cut and packed fresh vegetables at reasonable prices as far as Ratnagiri city. This year, another farmer's SHG received access to irrigated water where for generations subsistence farming was the only livelihood.

In village **Shembhavane**, the dairy project has grown to include a second group of women in a neighbouring hamlet. Rural wisdom is evident in the growth of this project as women decided to increase stock from their existing breed, as extreme weather conditions in this area are known to affect the health of cows brought in from other parts of India. Also the groups have focussed on retail sales as this marketing strategy brings them a higher price and increased income.

In **Deorukh**, block headquarters of Sangamneshwar, as a part of the Swachh Bharat Abhiyan, a project to collect waste at the doorstep of homes and encourage segregation received the support of ACL funding.

In **Sangamneshwar**, safety of primary school children was brought to our attention. This initiated the building of a much-needed compound wall at the local school, a basic requirement that was neglected over the years for lack of funds.

In village **Dhamini**, the third harvest of the banana plantation is in progress as farmers are being given the knowledge to also introduce other agricultural produce on the same land, increasing revenue as well as making the soil more productive.

While supporting livelihood initiatives, strengthening the social fabric of our rural communities through preserving the **Arts, Music and Cultural** traditions of locals was taken up as a serious initiative this year. As an experiment, we promoted the Holi festival which brings families of Rajwadi and surrounding villages, home from urban areas in a week of bonding and celebration. The area has a unique tradition of taking the deity in the local temple into each home. Puppetry and folk & classical musicians were given a platform to share their talent. This period also provided an opportunity to share ideas for village development in the spirit of Alicon's vision of local participation and decision-making for their own development. 4 new village SHGs have evinced interest in our model.

In village **Tural**, our initiative to support the paper craft making unit, continues to provide the extra income for members of the women's SHG.

Village **Chikhali** is our newest partner in development. 25 acres managed by a SHG has now received water in the fields and provided an opportunity beyond subsistence farming.

VIDYA

THE FIRST PRINCIPLE OF TRUE TEACHING IS, NOTHING CAN BE TAUGHT

Sri Aurobindo

Our engagement with **iTeach**, in its third year, is an initiative that aims to provide children from low income families, a high quality free secondary school education. The Babu Jagjivan Ram School, Yerwada, Pune has grown from 125 in FY 2014-15 to 230 students in FY 2016-17. At their entry level, most students could not read a grade 2 English text and perform simple mathematical operations. This year, 109 Xth graders took the board exams. Beyond the financial support for academics, our engagement with iTeach constantly brings into focus the need for developing strong values, ethics, innovation and a pursuit of excellence in the students. We have also facilitated a programme to give students an exposure to Indian classical music. We continue to engage and inspire the iTeach team with new thought for the well-being and mentoring of the students beyond academic achievement so that each one becomes a full, contributing member of the community.

At **Aseema's Education Centre** for tribal children at Igatpuri in Maharashtra, we are in the fourth year of providing financial support to their pre-primary class. We support their dream that the highest quality of education be made available to these children whose families have been marginalised for decades. The education is not limited to any one 'board of instruction' but will focus on developing values, understanding, questioning and analytical skills, appreciation of art and beauty and above all, a deep respect for oneself and others and a love for learning. Children will be provided with vocational training in areas of their choice and those who are academically inclined will be helped to prepare for public exams.

In the fourth year of partnering with **Center for Youth Development (CYDA)**, over 500 secondary school students from low income backgrounds have benefited from their programmes. TARANG (Training for Adolescents on Reproductive Health and Gender), is a platform for discussion on issues related to sexuality, gender, health and hygiene, psychosocial and emotional challenges for secondary school students. Our experimental counselling programme has strengthened the effectiveness of the Tarang programme by providing a platform for discussion and sharing of personal and emotional issues affecting adolescent children. It is our endeavour that school managements who have realised the value of this intervention, adopt it into the school system.

SWACHH

TOILET FIRST, TEMPLE LATER

Narendra Modi

Inspired by Prime Minister Modi's Swachh Bharat Abhiyan, we continue to build toilets and make provision for filtered drinking water for the students of PCMC schools. Our initiatives mandate a sense of ownership by the beneficiaries and commitment by students to participate in cleanliness and maintenance of facilities. Regular training programmes have been organised to create healthy living and cleanliness in the environment.

OTHER INITATIVES

Social Venture Partners (SVP) is an international venture philanthropy organisation. The national focus of SVP is to catalyse livelihoods for the less privileged sections of our country. SVP India complements the expertise of non-profit partners by helping to strengthen the management, governance, and internal operations of an organisation.

The SVP Pune is engaged in projects and organisations that create inclusive livelihood opportunity for youth, farmers, women and the differently-abled in varied ways. Among the various projects, SVP Pune has partnered with investee Anjuman-I-Islam to launch the 'Needle-women on call' initiative. The initiative aims to train and employ women from the community as tailoring aids, alteration experts, or even for some to start their own small businesses.

Social initiatives of Alicon Castalloy Ltd (ACL) have been disclosed in our Annual Reports since FY 2010-11 and we have engaged in CSR activities through our implementing partner, Bansuri Foundation (BF).

Since FY 2013-14, our CSR policy follows the guidelines prescribed in the Government of India's Companies Act, 2013.

Awards & recognition

HMSI Award for Quality Management 2016-17

Mahindra Rise Supplier Business Capability Building 'Mentoring Zone' Award, July 2017

Honda Award for support and valuable contribution to its glorious journey, February 2017

Honda Cars India Ltd Certificate of Appreciation – for remarkable improvements in 'Leak Test Process Maturation', March 2017

Notice

NOTICE is hereby given that the 27th Annual General Meeting of the members of Alicon Castalloy Limited will be held at 12.30 p.m. on Tuesday, the 26th day of September, 2017 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, 2017 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 consolidated Balance Sheet as on 31st March, 2017 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 2016-17.

3. To appoint a Director in place of Mrs. Pamela Rai, who retires by rotation, but being eligible, offers herself for reappointment.

4. To appoint Auditors and fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Kirtane & Pandit LLP, Chartered Accountants (Registration No.105215W/W100057), be and are hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company, subject to ratification by members every year, as applicable at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 and all other applicable provisions of the Companies Act,2013 ("the Act") (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to approval of the Central Government required if any, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. S. Rai (DIN 00050950) as the Managing Director of the Company for a period of five years with effect from 1st November, 2017 to 31st October, 2022 (both days inclusive) on such terms and conditions as set out below :

   1. Basic Salary: In the scale of ₹ 4,00,000/- per month and increase of ₹ 10,000/- every year.

   2. Commission: 0.5% of the profit before tax of the Company in every financial year in addition to salary, perquisites and allowances payable.

   3. Perquisites and allowances :

      a) In addition to the salary and commission payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance and house maintenance allowance in lieu thereof; together with reimbursement of medical/accident insurance, leave travel concession for himself and his family, club fees and such other perquisite and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Managing Director.

      All such perquisites and allowances will be subject to a maximum of an amount equal to the annual salary.

      b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. Provision for use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the ceiling.

      c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act. Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

      d) One month's leave with full pay and allowance for every eleven months of service. However, leave accumulated but not availed of will be allowed to be encashed.

      e) Benefits under loan and other schemes in accordance with the practice, rules and regulations in force from time to time.

      f) Such other benefits as may be provided by the Company to other senior officers of the Company from time to time.

   g) Managing Director shall be entitled to reimbursement of entertainment and all other expense incurred in course of the Company's business.

h) Managing Director shall not be paid any sitting fees for attending the meeting of Board of Directors or Committee thereof.

"RESOLVED FURTHER THAT in case of loss or inadequacy of profit in any financial year of the Company, the payment of salary, perquisites and other allowance shall be governed by the limits prescribed under Schedule V of the Act."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required from time to time to give effect to the aforesaid resolution."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT in furtherance to the special resolution passed by the members of the Company in its Extra-Ordinary General Meeting held on 8th June, 2017 in pursuance to the provisions of Section 62 and all other applicable provisions if any, of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and guideline of preferential issues issued by the Securities & Exchange Board of India (SEBI) under the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and other applicable regulations/ guidelines if any, of SEBI and such other authorities and subject to approval of Reserve Bank of India, wherever applicable, the members of the Company hereby takes on record that Mr. Junuchi Suzuki be deemed to be the ultimate beneficial owner of the 8,60,000 Equity Shares proposed to be issued to Enkei Corporation, Japan, on preferential basis."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 20(2) and all other applicable provisions of the Companies Act,2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), authority be and is hereby given to the Board of Directors of the Company to determine the fee to be charged to a member so as to recover the expenses incurred by the Company for complying with the request of such member for delivery of any documents through a particular mode."

By Order of the Board of Directors

Place: Shikrapur
Date: 08.08.2017

(S. Rai)
Managing Director
DIN: 00050950

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. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed.

4. The Share Transfer Register and Register of Members will be kept closed from 20th September, 2017 to 26th September, 2017 (both days inclusive).

5. 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 upto 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 for transfer to such Fund of the Central Government, which remains unpaid:

Date of Declaration of dividend	Divided for the year	Due date for transfer to IEPF
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
29th September, 2016	2015-2016	28th October,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.

6. 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 Annexed, which forms part of this notice.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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 26.09.2017 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.

12. Electronic copy of the Annual Report for 2016-2017 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 2016-17 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 registered 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.

13. 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 23th September, 2017 (9.00 a.m.) to 25th September, 2017 (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 September 19, 2017, 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 scan 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. 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 Corporate.
- 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 19.09.2017.

b) Mr. Upendra Shukla, Practising Company Secretary, have 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 27th 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 of Directors

Place: Shikrapur
Date: 08.08.2017

(S. Rai)
Managing Director
DIN: 00050950

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

EXPLANATORY STATTEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT,2013

Item No.5

Considering the significant growth achieved by the Company under the able leadership of Mr. S. Rai as the Managing Director, the Board of Directors in its meeting held on 8th August, 2017 had in accordance with the recommendation made by the Nomination and Remuneration Committee and subject to approval of the members of the Company, re-appointed Mr. S. Rai as Managing Director for a term of five years w.e.f. 1st November, 2017 on such remuneration, terms and conditions as laid down in the resolution mentioned in item no. 5 of the notice convening the meeting.

Mr. S. Rai is a Chartered Accountant from the Institute of Chartered Accountant from England & Wales, U.K. Mr. S. Rai is associated with the Company as the Managing Director since its inception. Mr. S. Rai is an instrumental in spearheading the growth of the Company and under his leadership, the Company has grown lips and bound. To-day, the Company has attained a leadership position in casting industry. In view of the valuable contribution towards overall development and strategies of the Company, the Board of Directors recommends this resolution to be passed as a Special Resolution.

Mr. S. Rai is also the Promoter of the Company and is holding 8,34,444 Equity Shares in his individual name and is controlling in aggregate 87,01,143 shares together with his family and associate concerns.

Brief resume of Mr. S. Rai, nature of his experience in specific functional areas and names of companies in which he holds directorship and membership/chairmanship of the Board Committee, shareholding and relationships between Directors inter-se as stipulated under Secretarial Standard on General Meetings [SS-2] and Regualtion 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regualtions, 2015, are provided in the annexure to the notice.

Mr. S. Rai and Mrs. Pamela Rai being the relative be deemed to be interested in the proposed resolution to the extent of their shareholding interest and the remuneration he will be entitled to as the Managing Director.

Save and except the above, none of the other Directors, key managerial personnel or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution.

Information under Section II of Part II of Schedule V of the Companies Act,2013:

I. General Information:

1. Nature of Industry : Aluminium alloy Die castings
2. Date or expected date of commencement of commercial production: The Company is already in the production since 1996.
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators (₹ in millions)

(₹ in Millions)

	2016-17	2015-16
Sales(Net)	7123.31	6825.43
Earning before interest, depreciation & taxes	861.55	767.44
Net profit (after tax)	247.94	218.72
Amount of dividend paid	4.25	3.75
Rate of dividend declared	85%	75%

5. Foreign investments or collaboration, if any as on 31/03/2017:

   Foreign Director Investment: Indian ₹ 5.5 Million

   There is not foreign collaboration.

II. Information about the appointee:

1. Background details :

   Mr. S. Rai is a Chartered Accountant from the Institute of Chartered Accountant from England & Wales, U.K. Mr. S. Rai is 61 years and has more than 35 years experience in business management and administration. He is associated with the Company as the Managing Director since its inception. Mr. S. Rai is an instrumental in spearheading the growth of the Company and under his leadership, the Company has grown to many folds.

2. Past remuneration (for the last three years)

(₹ in Millions)

Year	2016-17	2015-16	2014-15
Amount	38.97	36.92	31.73

   The above figures include Company's contribution to Provident Fund, Superannuation Fund, Provision for Gratuity and commission on profits.

3. Recognition of awards : Nil
4. Job Profile and his suitability

   Subject to supervision and guidance of the Board of Directors, the Managing Director shall have the general control of the business of the Company with power to appoint and dismiss employees, to enter into contracts on behalf of the Company in ordinary course of the business and to do and perform all acts, deeds and things which in the ordinary course of the business, he may consider necessary or proper in the interest of the Company. Considering the vast experience of more than 35 years particularly in casting industry, the Company would definitely benefit from his guidance.

5. Remuneration proposed :

   Details of remuneration proposed are given in the resolution in the accompanying notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

   Taking into consideration the qualifications, skill and experience of Mr. S. Rai, his job profile and the nature and size of the Company's business, there is no meaningful comparative remuneration profile with respect to industry and size of the company, which can be provided under this section.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

   Mr. S. Rai is the Promoter of the Company and is related to Mrs. Pamela Rai, Director of the Company. Other than this Mr. S. Rai has no pecuniary relationship with the Company or with key managerial personnel except to the extent of remuneration being paid to him as Managing Director of the Company.

III. Other Information:

1. Reasons for loss or inadequate profits: There is no inadequacy of profit for the financial year 2016-17.
2. Steps taken or proposed to be taken for improvement:

   Further improving sale margins, better cost control and reduction, focus on working capital and interest management.
3. Expected increase in productivity and profits in measurable terms:

   With good growth in new order flow and improved working, we expect an improving trend in revenue and profits with a fuller return to normative numbers incoming years.

IV. Disclosure:

1. All elements of remuneration Package such as salary, benefits, Bonuses, stock options, pension, etc. of all the directors:

   None of the Director (except the Managing Director), is paid any remuneration.

2. Details of fixed component and performance linked incentives alongwith the performance criteria:

   The remuneration consists of fixed salary.

3. Service contracts, notice period and severance fees:

   Service contract is for a period of five years from 1st November, 2017. There is no notice period and no severance pay is payable on termination of appointment.

4. Stock option details, if any, and whether the same is issued at a discount as well as the period over which accrued and over which exercisable;

   Managing Director is not entitled to any stock options.

Item No.6

The shareholders of the Company in their Extra-Ordinary General Meeting (EGM) held on 8th June, 2017 had passed a special resolution authorising the Board of Directors of the Company to issue and allot 8,60,000 Equity Shares of ₹ 5/- each to Enkei Corporation, Japan, on preferential basis in accordance with the guidelines issued by the Securities and Exchange Board of India under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Enkei Corporation, Japan is the existing shareholders and is holding 11,00,000 Equity Shares, which constitutes 8.98% of the issued, subscribed and paid- up capital of the Company. As stated in the explanatory statement annexed to the notice convening the said EGM on 8th June, 2017, Mr. J. Suzuki is the Director/ Promoter of Enkei Corporation. However, to further clarify that Mr. J. Suzuki be deemed to be the ultimate beneficial owner of 8,60,000 Equity Shares being issued on preferential basis to Enkei Corpn., Japan, it is proposed to pass a special resolution as stated in item no. 6 of the notice convening the 27th Annual General Meeting.

Mr. J. Suzuki, Director of the Company, being the Director/Promoter of Enkei Corporation, Japan, may be deemed to be interested in the resolution to the extent of the existing shareholding as also the number of shares being issued to the Enkei Corporation. None of the other Directors, key managerial personnel or their relatives is in any concerned or interested financially or otherwise in this resolution.

Item No.7

Section 20 of the Companies Act,2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 provides the mode of service of documents. Further, the proviso to Section 20(2) provides that where a member requests for delivery of any document through a particular mode, he/she shall pay such fees as may be determined by the company in its Annual General Meeting. Accordingly, approval of the members of the Company is being sought so as to authorize the Board of Directors to determine the fees to be charged to such members, who makes request for servicing the documents through a particular mode.

The Board recommends the Ordinary Resolution as set out in item no. 7 of the notice.

None of the Directors/key managerial personnel or their respective relatives are in any way concerned or interested financially or otherwise in the proposed resolution.

By Order of the Board of Directors

Place: Shikrapur
Date: 08.08.2017

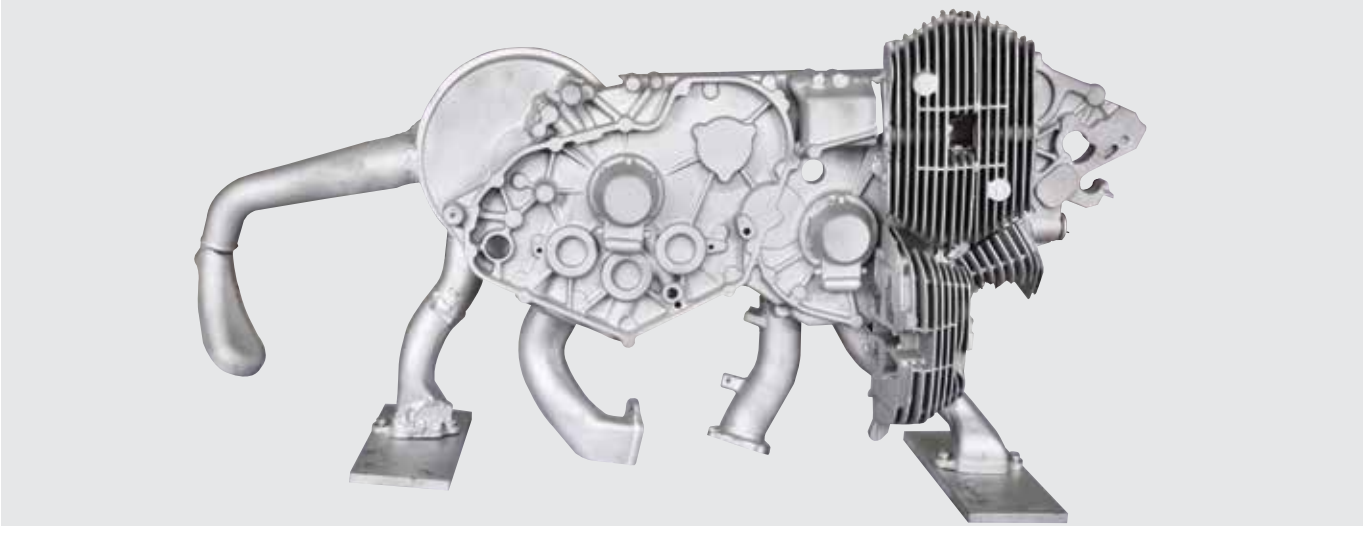
(S. Rai)
Managing Director
DIN: 00050950

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 Tuesday, the 26th September, 2017 as required under under Secretarial Standard on General Meetings [SS-2] and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Mrs. Pamela Rai	Mr. S. Rai
Date of Birth	28.07.1956	19.01.1956
Date of Appointment	29/09/2014	27.04.2005
Qualification	B.A. (Psychology)	C.A., U.K.
Brief Profile	She has vast experience in H.R. and CSR activities.	He has about 35 years experience in management and administration. He is associated with the Company since its inception. He is also promoter of the Company
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	Atlas Castalloy Ltd. Silicon Meadows Engineering Services Ltd.	Atlas Castalloy Ltd. Silcion Meadows Engineering Services Ltd. Enkei Wheels (India) Ltd.
Memberships/Chairmanship of committees of other companies (includes only Audit & Shareholders/ Investors Grievance/ Stakeholders Relationship Committee)	Nil	Nil
Shareholding in the Company (Equity)	Nil	8,34,444

Management Discussion and Analysis



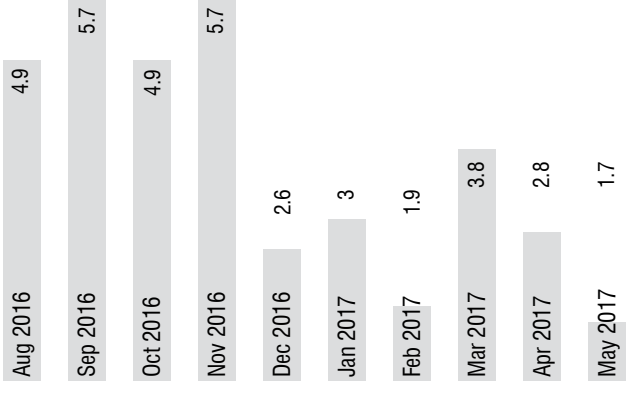
Economic Overview

The IMF, in July 2017, confirmed that the recovery in global growth has remained firm as it retained its earlier predictions of a 3.5% increase in global output in 2017 and a 3.6% in 2018. The regional contributions to this overall growth have, however, changed since the beginning of the fiscal year. Growth projections for the US are lower, primarily on the assumption that going forward, fiscal policy will be less expansionary than previously anticipated. The growth expectations for China, Japan and the Euro areas have been revised upwards. Inflation, on the other hand, remained subdued in advanced economies, while it has been declining in leading emerging economies, including Brazil, India and Russia.

In India, a series of policy initiatives by the government over the past three years of its term in office, in various spheres of economic activity, have been inspiring confidence not only within the country but amongst international investors and in global circles at large too. These include campaigns such as Make in India, Digital India, Skill India, Smart Cities, amongst many others. Amongst these initiatives, the most recent major ones include: Demonetisation that was launched with the replacement of high-value currency with new notes in denominations and the Goods and Services Tax (GST), did cause some temporary uncertainty in the short term. Nevertheless, these inspired greater confidence about the long term, both internationally and in many domestic quarters too. Accordingly, US-based rating agency, Moody's, expects growth to pan out at a robust 7.5% in FY 2016-17 and 7.7% in FY 2017-18. The agency was also optimistic about future economic growth, anticipating that it would gradually accelerate to around 8% over the next 3-4 years.

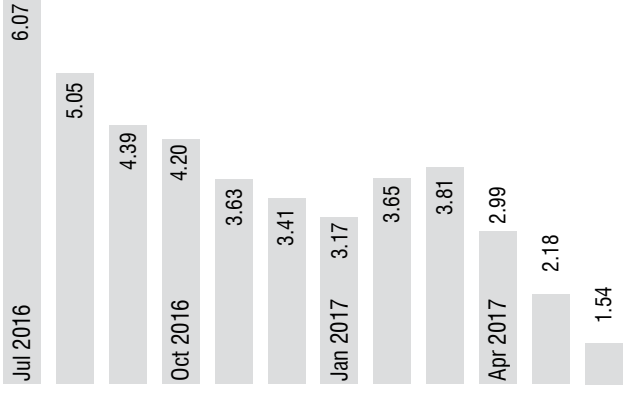
The Index of Industrial Production, which was relatively strong and steady until November 2016, dipped considerably after the announcement of demonetisation, as consumers and industries adjusted to the sudden move. However, it remained in the positive territory, on a year-on-year basis.

India Industrial Production (₹ in Million)



Source: Tradingeconomics.com | Ministry of Statistics and Programme Implementation (MOSPI)

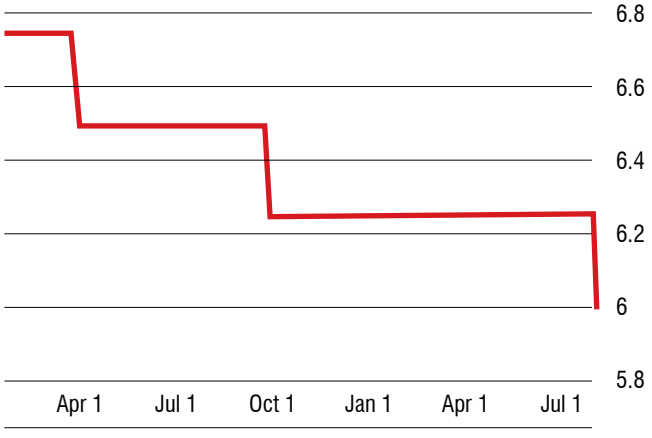
India Inflation Rate



Source: Tradingeconomics.com | Ministry of Statistics and Programme Implementation (MOSPI), India

Note: Figures have been rounded off up to 2 decimals

Reduction in Repo Rate between January 2016 and August 2017



The Consumer Price Index, on the other hand, has been following a declining path for over a year on the back of a favourable monsoon in 2016 and the consequent decline in food prices. There was also some easing in three other major categories, namely, fuel and light, clothing and footwear and housing. Against this backdrop, the Reserve Bank cut the benchmark repo rate by 25 basis points to 6% in late July 2017. This could stimulate economic activity and boost consumption and growth over the medium to long term. In the short term, however, business confidence in India for the three months ended September 2017 has slipped by 13.3% according to a Dun & Bradstreet survey, largely on account of concerns about the Goods and Services Tax. On the brighter side, GST is perceived as a move that will create a level playing field between companies in the formal and informal production sectors.

Overview of the Industry

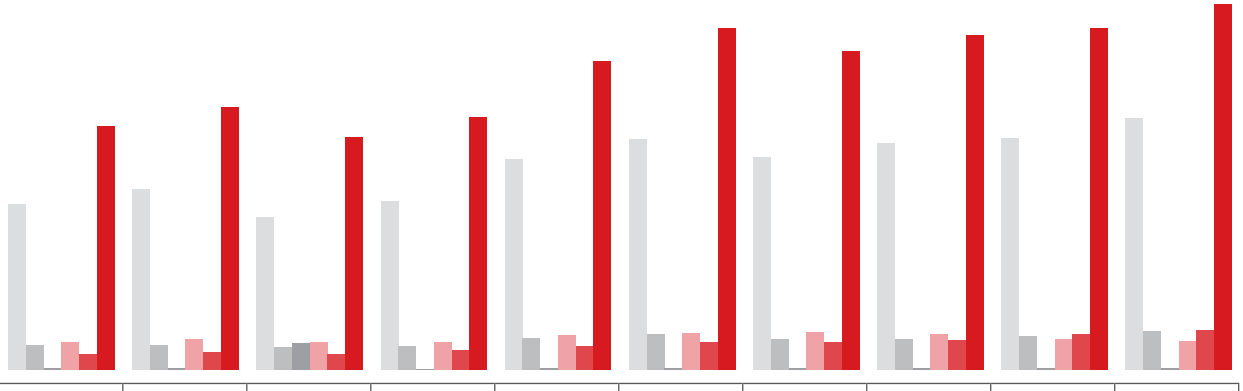
The foundry industry in India manufactures metal cast intermediaries products for sectors such as Automobiles, Tractors, Railways, Machine Tools, Sanitary, Pipe Fittings, Defence, Aerospace, Earth Moving, Textile, Cement, Electrical, Power Machinery, Pumps / Valves, Wind Turbine Generators, etc.

Several large foundries in the Indian foundry industry are modern and globally competitive and about 1,500 units have International Quality Accreditation. (Source: Foundry Informatics Centre, http://www.foundryinfo-india.org/profile_of_indian.aspx) However, many foundries are still in the informal sector and use older technology, such as cupolas using LAM Coke. There is, nevertheless, a gradual shift to Induction Melting. A growing awareness about the environment impact has made many foundries switch over to induction furnaces and some units, especially in Agra, are changing over to cokeless cupolas.

Typically, foundries in India are found in clusters and are known for catering to some specific end-use markets. The sector is highly labour intensive and currently generates employment for about 2 million people, mainly from socially and economically weaker sections of society.

During 2016, the Indian foundry industry produced a total of 10.77 million M.T. of castings, marking a growth of around 7.5% over the previous year. This translates into a turnover of approx. USD 19 billion.

Production of Casting in Million M.T. (FY 2015-16) - INDIA



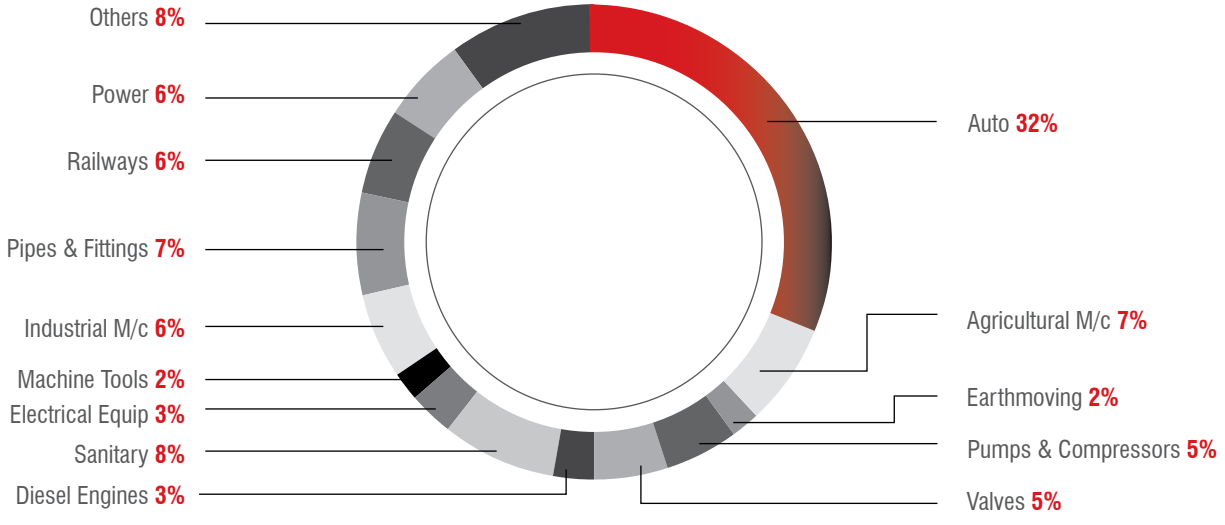
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Grey C.I.	4.87	5.33	4.53	5.05	6.18	6.80	6.25	6.70	6.83	7.41
SG Iron	0.76	0.80	0.79	0.80	0.98	1.09	0.98	1.00	1.07	1.18
Malleable	0.06	0.07	0.06	0.06	0.07	0.07	0.06	0.06	0.06	0.05
Steel	0.91	0.96	0.92	0.88	1.07	1.14	1.16	1.10	0.97	0.88
Non Ferrous	0.57	0.61	0.55	0.65	0.75	0.90	0.89	0.95	1.09	1.25
Total	**7.17**	**7.77**	**6.85**	**7.44**	**9.05**	**10.00**	**9.34**	**9.81**	**10.02**	**10.77**

Source: Foundry Informatics Centre

Note: Figures have been rounded off upto 2 decimals

The automobile sector accounts for a lion's share of the output of the foundry sector, accounting for about one-third of the sector's demand.

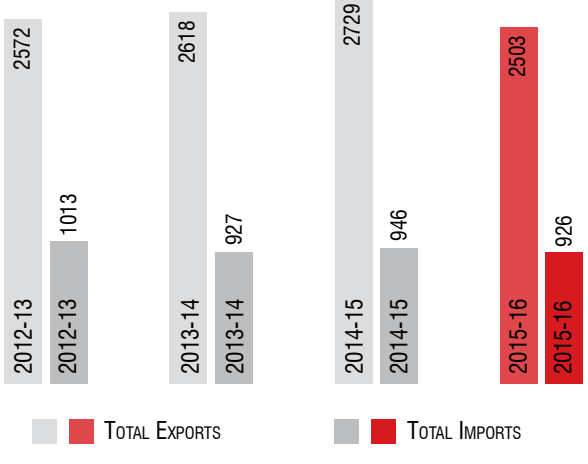
Sectorwise Major Consumers of Castings



Source: Foundry Informatics Centre

On the international trade front, in 2016, the industry exported about USD 2.5 billion worth of products, while its imports stood at USD 926 million.

Export/Import Data of Major Castings (Value in Million USD)



Source: Foundry Informatics Centre

Looking ahead, the foundry industry is expected to play a larger role in the economy. According to the new manufacturing policy, the share of manufacturing in GDP is envisaged to increase to 25% from the current 15%. The industry is also expected to create 100 million additional jobs in the next 10 years. Since a wide range of sectors use metal castings in their manufacturing, the foundry industry's role in manufacturing is increasingly crucial. Effectively, an expansion in the overall economy, which stems from the manufacturing sector, hinges on the growth of the foundry industry.

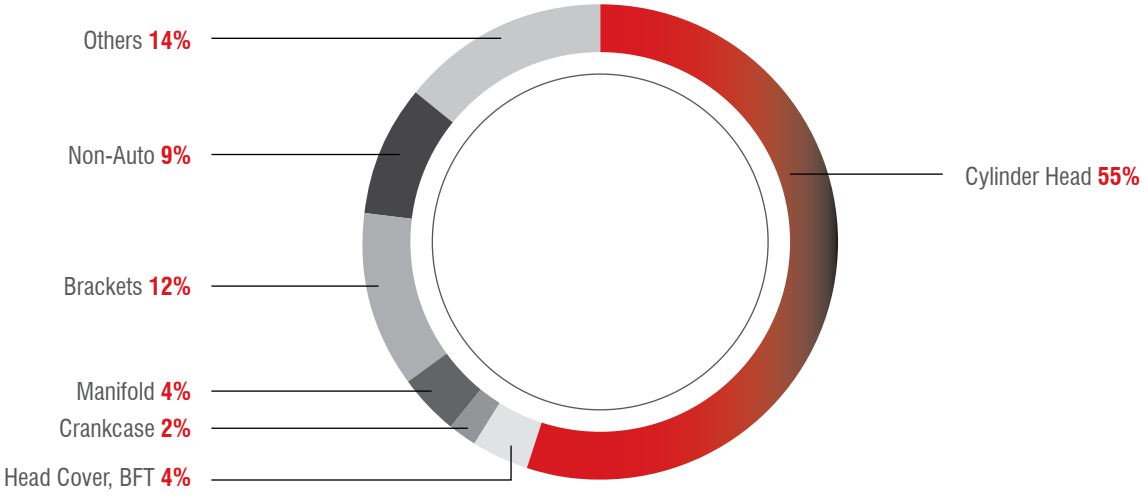
Business Overview

The Alicon Group is a global consortium of companies involved in Design, Engineering, Casting, Machining and Assembly, Painting and Surface Treatment of Aluminium Components. As one of the largest aluminium foundries in India, the Company amalgamates the best of European Engineering, Japanese Quality and Indian Ingenuity to produce exceptional and innovative aluminium casting products. Alicon caters to the capital component input needs of various sectors such as automobiles, agriculture, aero and marine, locomotive, infrastructure, energy, defence, medical and health and others. The Company has operations spread across in India, Austria and Slovakia with 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).

Today, the Alicon Group is a union of Alicon Castalloy Ltd (formerly known as Enkei Castalloy), Atlas Castalloy Ltd., Silicon Meadows Engineering Services Ltd & Illichmann Castalloy, GmbH & s.r.o., all grouped under one umbrella.

The Company is constantly developing new products for its client industries. During FY 2016-17, 91% of the revenues came from the automotive sector (including 24% from niche products and 67% from standard products from 2-wheelers and 4-wheelers), whereas the non-automotive sector contributed 9%. The Company is looking forward to strategically increase the contribution from the non-automotive sector as a part of its diversification strategy. So far, revenue from the International market accounts for 16 per cent, but Alicon aims to raise this proportion to around one-third by FY 2020-21.

Product Mix



Financial Review (Standalone)

Highlights Table

(₹ Million)

Particulars	2016-17	2015-16
Total Income	7,160	6,857
Raw Material Costs	3,657	3,707
Manpower Costs	997	832
Power and Fuel Costs	511	421
Finance Costs	259	216
Earnings before Interest Depreciation, Tax and Amortisation (EBITDA)	862	767
Profit Before Tax	353	315
Profit After Tax	248	219
Earnings Per Share (₹)	20.23	19.26
Book Value Per Share (₹)	147	124
Net Worth	1,805	1,514

Total Income

The Company's total income for FY 2016-17 stood at ₹ 7,160 Million against ₹ 6,857 Million in FY 2015-16, recording an increase of 4.42%.

Costs

Raw material costs reduced to the extent of around ₹ 50 Million compared to the previous year. The overall costs as a percentage of the total turnover, declined by about 300 basis points from 54.06 per cent in FY 2015-16 to 51.07 per cent in FY 2016-17. The same was as a result of the Company's increased focus on controlling/curbing operating costs, so as to safeguard itself from any adverse 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 Company's cost-curbing efforts enabled it to clock better margins for PAT and EBITDA.

The manpower costs increased by 179 basis points i.e. to 13.92 per cent in FY 2016-17, from 12.13 per cent in FY 2015-16. Depreciation was maintained at the same level for both the years, however, the power and fuel costs increased by about 100 basis points from 6 per cent (as a percentage of total turnover) to 7 per cent in FY 2016-17, primarily due to an increase in tariff by Electricity Board for the year in review.

Earnings before Interest Depreciation Tax and Amortisation (EBITDA)

The EBITDA increase from ₹ 767.44 Million in FY 2015-16 to ₹ 861.55 Million (increase of 12.26%) in FY 2016-17.

Profit before Tax (PBT)

The Profit before Tax (PBT) increased by 11.87% to ₹ 352.66 Million in FY 2016-17 from ₹ 315.22 Million in FY 2015-16.

Profit after Tax (PAT)

The PAT for FY 2016-17 is recorded at ₹ 247.94 Million compared to ₹ 218.72 Million in FY 2015-16.

Earnings per Share

The Earnings per Share increased from ₹ 19.26 in 2015-16 to ₹ 20.23 in FY 2016-17.

Net Worth

During the year, the Company's net worth increased from ₹ 1,514 Million in FY 2015-16 to ₹ 1,805 Million in FY 2016-17, bringing the book value per share to ₹ 147 from ₹ 124, during the previous fiscal year.

Dividend

The Company declared a dividend of 85 per cent for the current fiscal year compared to 75 per cent during the previous year.

SWOT Analysis

Strengths

International Conglomerate: In India, the foundry industry is dominated by small scale players with rather outdated manual technology with close to 85 per cent of functional units in the largely unorganised, and small scale sector. In contrast, Alicon is highly mechanised with state-of-the-art processes. It is one of the largest independent foundry in the

country, enabling it to leverage its leadership position and enjoy the first mover advantage. The Company's clients benefit from the scale and level of mechanisation that Alicon offers as the use of superior technology consistently results in high-quality products.

Access to both Domestic and Overseas markets: Alicon has set itself a target of ensuring 33 percent revenue from international market by FY 2020-21. This diversification into international markets insulates the Company from the impact of domestic business cycles and allows it to earn foreign exchange too. Another advantage of this strategy is that the Company secures a wider clientele. Further, as per its mission G5 2020-21, the Company endeavours to be among the world's top 5 foundries of customer choice by FY 2020-21. Accordingly, Alicon aims to derive a third of its revenue from the international markets including exports in the long term.

While targeting the overseas markets, the Company continues to focus on growing its presence in the domestic market as well. As embodied in its North Star Policy, **we are proud to be Indians and we work to make India proud**. This philosophy is supported by the strong business logic that since the Indian market is large and growing, the opportunity that can be tapped by a technology-savvy company with a reputation for quality products will be colossal for years to come. The economy is expanding to meet its growing need for infrastructure and consumer goods. Alicon benefits from an increase in demand for components in these sectors as it has a wide range of clients across various industries.

International tie-ups: Alicon prides itself in its access to European engineering skills, Japanese quality control techniques and Indian insights and creativity. To support this claim, it has a number of strategic tie-ups in the form of Joint ventures, technological collaborations, etc. with global companies. These associations not only enable the Company to benefit from their strengths but inspire greater confidence in new domestic and international clients.

Technology and innovation: Alicon caters to a number of industries that are constantly developing products at a fast pace. To keep up with its user industries, its focus has always been on innovation. To meet the needs of its consumers, Alicon constantly endeavours to offer new products and more efficient variants to upgrade existing ones. Towards this end, Alicon has both the human resource capabilities and state-of-the-art, in-house R&D and tool improvement facilities.

Some technology and design innovations in FY 2016-17 include developing and producing:

- Cylinder head for **Renault Nissan**
- Coolant Collector for **Daimler USA**
- Eeco manifold for **Maruti Suzuki**
- Oil Sump for **Jaguar Land Rover UK**
- Engine parts for **Honda Cars**
- Cylinder **Heads for Aftermarket**
- Intake manifold for **Toyota**
- CAC tank for Modine **Scania Trucks**
- Crankcase for **Polaris Hi-end Motorbike Indian**

Weaknesses

Dependence on Skilled and Motivated Human Resources: While Alicon has the largest and most mechanised foundries and the best R&D facilities, without talented and motivated human resource to drive these assets, it would not have been able to succeed. Acknowledging the importance of its people, Alicon 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

With the implementation of GST in July 2017, a single tax that subsumes all other taxes such as octroi along with the revision in the rate structure alongside, the prices of cars and two-wheelers have fallen in most categories. Larger SUVs and sedans have seen the maximum price cut, while smaller cars have also become marginally cheaper as car manufacturers pass on the lower rates to their customers. Large two-wheeler makers have also cut prices of their products, the price cut varies depending on the model and state. Although marginal, these price cuts have resulted in a spike in demand. (Source: www.businesstoday.in/sectors/auto/honda-ford-cut-car-prices-gst.../255728.html, www.dailymail.co.uk/.../MY-BIZ-Honda-Ford-slash-car-prices-GST-kicks-in.html)

To leverage the buoyant sentiment in the automobile segment, there have been a number of launches of new models from various established automobile and two-wheeler manufacturers.

At the same time, the medium and heavy commercial vehicle segment is on the road to recovery, with the forecast of a good monsoon and a bountiful crop. This has given impetus to the industry with the optimism from rural areas contributing to a sizeable chunk of the total sales.

As a bulk of Alicon's production demand still comes from the automobile segment, the upbeat sentiment in the industry bodes well for the Company.

The hybrid and electric vehicle segment has been making great progress in India too. The government seems determined to encourage this segment as part of its green initiatives. One of India's most well-revered government think-tank, Niti Aayog, has recommended lowering taxes and interest rates for loans on electric vehicles. Further, it suggested that taxi fleet operators should be incentivised in the same manner (lower taxes and interest rates for loans) when purchasing electric vehicles as taxis. It also recommended capping sales of conventional cars. Effectively, its recommendations signal a dramatic shift in policy aimed at electrifying all vehicles in the country by FY 2032 (Source: http://www.reuters.com/article/us-india-autos-policy-exclusive-idUSKBN183010). As a leading supplier to one of the world's fastest growing auto markets, Alicon has been readying itself to cater to the electric vehicle segment by designing and creating various components for such vehicles.

(b) Power

India is the world's third largest producer and fourth largest consumer of electricity with an installed capacity of 3.29 GW as on March 31, 2017. Of this, 59% is coal-based, 8% is gas-based and 13% hydro-based. However, its per capita power consumption around 1,000 units is way below world's average of approximately 3,000 units. One-fourth of the households in the country still have no access to electricity. (Source: http://www.livemint.com/Industry/jqvJpYRpSNyIdcuUlZrqQM/Indias-per-capita-electricity-consumption-touches-1010-kWh.html)

Considering the importance of the power sector in the Indian economy, the Government took several initiatives to improve the prospects of this sector in the form of programmes aimed at providing electricity to over 1,00,000 rural areas (Source IBEF) and 22.6 million households below the poverty line, including the

i) Ujwal DISCOM Assurance Yojana (UDAY)

ii) Private participation in coal mining, incentives/relaxations for the gas sector

iii) Programmes to expand share of renewable energy and comprehensive amendments to the National Tariff Policy

With the political will and measures implemented to augment the supply and distribution of power, the electrical machinery sector is all set to see a spurt in demand.

Electrical Machinery

According to India Brand Equity Foundation (IBEF), the installed capacity is set to increase to 350 GW in 2022 from 305.6 GW at present. As a result, India's generation equipment industry is expected to increase to USD 27.5 billion by 2022 from USD 5.9 billion in 2015. The demand for generators is expected to increase to USD 6.7 billion by 2022 from USD 1.2 billion in 2015.

Despite the presence of big brands within this space, Alicon, being a niche player, has considerable scope in this segment due to the immense expansion in the market size.

(c) Healthcare

The Indian healthcare sector, which comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment, has become one of India's largest sectors - both in terms of revenue and employment. It is growing at a brisk pace and according to Deloitte Touche Tohmatsu India, with increased digital adoption, the Indian healthcare market, which is worth around USD 100 billion, is likely to grow at a CAGR of 23% to USD 280 billion by FY 2020-21.

In February 2017, the government notified the new Medical Devices Rules, 2017, towards reducing the dependence on imported medical technology and giving domestic manufacturing a fillip. The new rules and increase in private & public investment in healthcare are expected to provide immense opportunities for Indian medical devices players. Alicon, being a quality manufacturer of specialised components for the medical devices segment will stand to gain.

(d) Defence

India is one of the largest importers of conventional defence equipment and spends about 31.1% of its total defence budget on capital acquisitions. About 60% of its defence requirements are met through imports. (Source: https://sjeximservices.wordpress.com/2016/10/20/make-in-india-defence-sector-policy/) With the incumbent government's Make in India initiative, a level playing field has been created for both domestic public sector players and international giants to collaborate towards building defence equipment within the country. It has also opened opportunities for the domestic private players as well. This will increase the presence of domestic players in the Indian defence manufacturing market. Alicon, being a quality manufacturer of specialised components for the defence sector will face enhanced opportunities.

Threats & Concerns (Risks and Mitigation)

- **Downturns in business cycles and fall in demand**

  Most industries that Alicon caters to, are directly impacted by any slowdown in the economy. At such times, there is likely to be tepid demand for products from the foundry industry.

  To avert a slowdown in growth, Alicon continuously expands its arena of operations by using innovative technology. With an expanded base of client industries, the Company's business is sustained as all segments of the economy do not get simultaneously adversely impacted. At the same time, Alicon has been cultivating export to diversify its markets.

- **Variations in Raw Material Costs**

  The prices of a bulk of Alicon's major inputs, including metals, fuel and others, are determined by international supply and demand dynamics. As a result, these input costs could fluctuate widely, and sometimes erode cost efficiencies. Coupled with import duties, this could severely impact the bottom line.

  To insulate itself from price shocks, Alicon is adopting a standardisation of alloys, i.e. reducing the number of alloy variants. This will enable consolidation of raw materials purchased with a minimal number of alloys. Standardisation of alloy will also help in bringing down the inventory level, which shall lead to cost benefits thereby, positively impacting bottom line.

- **Evolution of Market Demand**

  As Alicon tailors its products to the needs of industries that use cutting-edge technology, sometimes policy changes, technological breakthroughs and other developments could alter the structure of market demand for its products. For instance, since the government is determined to move ahead with its green policy in the automobile sector, it is promoting the production and sale of electric vehicles. Auto-components comprise a large part of the capacity of Alicon; more importantly, until a few years ago, the Company was focussed on the production of components for petrol and diesel vehicles. To ensure that its products are always relevant for its clients, Alicon is always ahead of emerging trends and quick to modify its designs and processes. This way, it can convert these apparent challenges into opportunities to retain the current business and acquire the fresh business as well.

- **Competition from abroad**

  While Alicon has an advantage over domestic foundries, in the past, it has faced competition from international competitors in the foundry industry. Countries like China, which offered faster deliveries and worked on lower cost models could attract international and even domestic clients.

  Robust in-house R&D, better service and timely deliveries ensure that countries like China are no longer a threat. With innovations like conversion of components, light-weighting and other processes, along with the government's campaign of Make in India, OEMs have gained confidence in India. Alicon maintains its advantage and in fact, has even gained OEM clients that previously sourced components from China.

Business Outlook

With the phase of forward-looking expansion and consolidation behind it, the business philosophy for the future has shifted to moving ahead with - 'Fewer, Bigger and Bolder'. Alicon seeks to enter more niche markets and cater to specialised and challenging needs of fewer clients. At the same time, while doing this, it aims to become one of the top 5 companies in the world in its domain, not in terms of top line or bottom line but rather in terms of innovation and technical competencies.

In an increasing trend, leading vehicle manufacturers in India and the world over are moving towards bringing electric vehicles to the market. Alicon has taken a proactive approach and readied itself for the advent of e-mobile vehicles. It has conducted considerable R&D on prototyping of 8 such vehicle parts and has even facilitated import substitution by producing components for OEMs that would otherwise procure them abroad. Until now it has secured orders to craft transmission, traction motor housing and battery housing components for electric vehicles. The Company is also increasing its share in the non-auto segment and high value-added items, which not much foundries in India are able to provide.

The Company's business plan for the year also entails augmentation of revenue of international markets to reach the target of 33 per cent. While this figure was 15 per cent in FY 2015-16 and 16 per cent by FY 2016-17, Alicon aims to bring it to 33 per cent by FY 2020-21.

During the past one year, there have been two events that impacted the industry – demonetisation in November and GST in July. However, due to the diverse product range of the Company and its presence in 16 different sectors (as compared to merely 9 sectors in the recent past), sustainability delivered results and it was able to compensate for the hit from some sectors as other less impacted sectors grew well.

Looking ahead, Alicon aims to become one of the top 5 foundries across the globe by FY 2020-21. Based on trends of the past, the Company is confident that it will forge ahead with its R&D and innovations in prototyping. It will also continue to focus on convergence projects and critical cores, core placement & Tool design and further light-weighting of materials by moving from steel to aluminium and further to plastics. With great success in our technology innovations so far, we feel encouraged to make bolder bids for niche component manufacturing for various client industries that we are currently servicing.

Human Resource Management

People are the crucial pivot at Alicon, around which everything revolves. Accordingly, the Company makes all efforts to facilitate them and promote alignment of their personal goals and vision to that of the organisations. With a **'One Path, One Goal'** approach, Alicon encourages holistic engagement with its employees. For the past few years, the Company has enjoyed success in the following initiatives which it has specifically designed to create a unified culture through the entire organisation:

Challenging the Now

To motivate our employees and ensure that they constantly strive to perform better and stretch performance indicators to limits, we encourage those at Alicon to take on challenges and deliver improved designs, processes and products. Alongside productivity enhancements, we drive them to find interesting ways to ensure waste reduction based on Kaizen at the work processes. The Company's mission to 'Challenge the Now' has been truly internalised by the employees as is validated by outstanding contributions that they have made in terms of various KPIs.

'North Star' Philosophy

Alicon has adopted the North Star (NS) philosophy to achieve improved levels of performance in various departments. The significance of NS is drawn from the North Star, the brightest star in the night sky. Just as this star provides direction and inspiration, 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**.

On a day-to-day basis, through commitment at the workplace, the employees demonstrate a firm commitment towards the Company and the nation at large. Even before the Government's three-year-old 'Make in India' campaign was initiated, Alicon was already endeavouring to promote Indian self-reliance in the domains in which it is present, through leadership in the production of top quality products. Effectively, the North Star philosophy implies creating a work environment that resonates peace, trust and faith in fellow workers.

This philosophy has been internalised at various physical and interactive levels.

Other Initiatives

At Alicon, training and skill upgradation are considered as essential for progress. Side by side, recognition, motivation and appreciation are also crucial for boosting productivity. Accordingly, Alicon has been undertaking various activities to ensure that its employees are always performing at their best:

- **Preparing employees to lead -** Rather than recruit leaders from outside the Company, Alicon believes that home-grown leaders should always be the first choice as they have already imbibed the unique ethos and philosophy of the Company. Accordingly, Alicon is constantly grooming employees that show potential to eventually carry the banner further.

- **Engagement with students -** Alicon has tie-ups with various technical and non-technical institutes, 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-to-project basis.

- **Focus on 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 first -** Safety of employees is a paramount priority at Alicon. 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 finance function 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 are pleased to present their Twenty-seventh Annual Report together with the audited Statements of Accounts for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

(₹ in Million)

	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Gross Sales	8,061.85	7,782.97	8,666.37	8,446.64
Net Sales/Income from Operations	7,123.31	6,825.43	7,727.83	7,489.10
Profit before Depreciation, Interest & Tax	861.55	767.44	905.83	809.55
Other Income	36.79	31.55	37.45	31.56
Less: Depreciation & Amortization Expenses	250.01	235.91	272.98	266.55
Less: Finance Costs	258.90	216.31	265.29	223.48
Profit before Tax	352.66	315.22	367.65	319.52
Provision for Tax	104.72	96.50	105.92	97.44
Profit after Tax	247.94	218.72	261.73	222.08

DIVIDEND

Based on the Company's performance, your Directors are pleased to recommend a higher dividend of 85% (₹ 4.25 per share of ₹ 5/- each) as against 75% (₹ 3.75 per share of ₹ 5/- each) paid in the previous year. The dividend on equity shares, if approved by the shareholders, would involve a cash outflow of ₹ 62.69 million including dividend taxes. Dividend will be free of tax in the hands of the shareholders.

PERFORMANCE

On standalone basis, turnover increased by 4.36%, whereas pre-tax profit improved by about 12%. The Company recorded the net sales of ₹ 7,123.31 million including other operating income as against ₹ 6,825.43 million in the previous year. The Company earned a pre-tax profit of ₹ 352.66 million as against ₹ 315.22 million a year ago.

On a consolidated basis though, the turnover for the year under review improved marginally, the pre-tax profit was higher by 15% compared to the previous financial year. The net sales including other operating income for the year under review was ₹ 7,727.83 million as against ₹ 7,489.10 million in the previous year and pre-tax profit was ₹ 367.65 million as against ₹ 319.52 million a year ago.

During the year the Company continued to explore domestic as well as export markets. A detailed discussion on operations for the year ended 31st March, 2017 is given in the Management Discussion and Analysis Section.

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

EXPORTS

The total exports (from India) of the Company amounted to ₹ 526.72 million as against ₹ 328.89 million in the previous year. This represents 7.39% of the total net sales. Exports in the current year would be higher since efforts of the management of your Company are expected largely to fructify in the current year.

SHARE CAPITAL

During the year under review and to date, your Company has not issued any shares with differential rights. Hence, no information as required under Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the 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 improved the Company's long-term rating of A-/Stable outlook to A-/Positive outlook and short-term rating 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 guarantee given, investments made or loan given or security provided as per the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements (refer to note no.12).

RELATED PARTY TRANSACTIONS

During the year under review, your Company had, in the ordinary course of business, entered into contract/arrangement/transactions with related parties, which were on arm's-length basis and none of which could be considered as material in accordance with the policy of your Company on materiality of related party transactions. 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 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

No material change and commitment, which could affect your Company's financial position has occurred between the end of FY 2016-17 and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of your Company.

PUBLIC DEPOSITS

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

INTERNAL FINANCIAL CONTROLS

The internal financial control adopted and followed by your Company are adequate and are operating effectively. Your Company has adopted a dynamic internal financial controls framework

formulated by Asit Mehta & Associates based on the best practices followed in the industry. During the year under review, no material or serious observation is made by the Internal Auditors of your Company.

CONSERVATION OF ENERGY

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 Company has Risk Management Committee. This Committee is responsible for reviewing the risk management plan and its effectiveness. The audit committee also reviews the financial risk and its control. The management also continuously access 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 financial review section of 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. The Promoters of your Company has set up the trust viz. 'Bansuri Foundation'. Your Company actively works in association of the said foundation, providing services in community healthcare, women's empowerment, rural education and village development.

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

Terms of appointment of Mr. S. Rai as Managing Director expires on 31st October, 2017. The Board of Directors of your Company, based on the recommendation made by the Nomination and Remuneration Committee, proposes re-appointment of Mr. S. Rai as Managing Director for a further period of five years with effect from 1st November, 2017.

To comply with the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Pamela Rai shall retire by rotation in the forthcoming Annual General Meeting and being eligible offers herself for reappointment.

Profile of Mr. S. Rai and Mrs. Pamela Rai, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings, are given in the Notice of the forthcoming 27th Annual General Meeting.

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, Managing Director, Mr. R. Sikand, Chief Executive Officer, Mr. Vimal Gupta, Chief Financial Officer and Mr. P.S. Rao, Company Secretary, are the key managerial personnel of the Company.

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

Five 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 meetings attended by each Director of the Company.

BOARD EVALUATION

Pursuant to the provisions of the Act 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 as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure V.

In terms of Rule 5 (2) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, the details of top ten employees of the Company in terms of remuneration drawn and details of employees, who were in receipt of remuneration exceeding ₹ 1,02,00,000/- per annum, if employed throughout the year, or ₹ 8,50,000/- per month, if employed for a part of the financial year, are appended and forms part of this report. 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 27th Annual General Meeting and up to the date of the said Annual General Meeting during normal business hours on working days.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

Your Company has adopted 'Alicon Employees Stock Option Scheme 2015 (ESOS 2015) for granting options to eligible employees of your Company. This Scheme was approved by the Members of your Company at their 25th Annual General Meeting held on 30th December, 2015.

Disclosure as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules and Regulations 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is annexed herewith as an Annexure VI and forms part of this report.

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, present Statutory Auditors of your Company, have served your Company for a period of more than two terms of five consecutive years as provided under Section 139 of the Companies Act, 2013 and shall retire on conclusion of the forthcoming 27th Annual General Meeting. Upon recommendation of the Audit Committee, the Board of Directors of your Company proposes the appointment of M/s. Kirtane & Pandit, LLP Chartered Accountants (ICAI Registration No. 105215W/W100057), who shall hold the office from conclusion of the 27th Annual General Meeting for a term of five consecutive years i.e. until the conclusion of the 32nd Annual General Meeting subject to ratification by the members at 28th, 29th, 30th, 31st and 32nd Annual General Meeting to be held in FY 2018, 2019, 2020, 2021 and 2022. A certificate from M/s. Kirtane & Pandit, Chartered Accountants, is received to the effect that they are eligible for appointment and their appointment as statutory auditors, if made, will be within the provisions of Section 141 read with Section 139 of the Companies Act, 2013 read with the rules made thereunder.

The Board places on record its appreciation for the services rendered by M/s. Asit Mehta & Associates, Chartered Accountants, during their tenure as Statutory Auditors of your Company.

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 FY 2016-17. The report on the Secretarial Audit is appended as Annexure VII 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 VIII 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 whistle blower 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)	**(A.D. Harolikar)**
Managing Director	Director
DIN:00050950	DIN:00239460

Place: Shikrapur, Pune
Date: 8th August, 2017

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 ad Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Euro Exchange Rate 1 EURO = INR 69.25	Euro Exchange Rate 1 EURO = INR 69.25	Euro Exchange Rate 1 EURO = INR 69.25
Share Capital	2081939	2081939	297420
Reserves & Surplus	(5855356)	(32010348)	(50727036)
Total Assets	104418537	175347759	292713596
Total Liabilities	104418537	175347759	292713596
Investments	104407467	Nil	44612983
Turnover	-	483838920	508249990
Profit before Taxation	(735166)	5476342	10251278
Provision for Taxation	128885	861051	211987
Profit after Taxation	(864051)	4615291	10039291
Proposed dDividend	Nil	Nil	Nil
% of Shareholding	100%	100%	100%

On behalf of the Board of Directors

(S. Rai)
Managing Director
DIN:00050950

(A.D. Harolikar)
Director
DIN:00239460

Place: Shikrapur, Pune
Date: 8th August, 2017

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:

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 minimise the consumption of energy by optimum utilisation of energy-consuming equipment. During the year under review, the following measures were initiated for conservation and optimize utilizsation of energy.

(i) Steps taken and impact on conservation of energy:

- Cable size upgrading to reduce transmission losses of electricity supply
- Optimising Cooling tower fan motor running through water temperature interlock
- Reduction Energy consumption through Thyrister control in Heat Treat furnace
- Providing Magnetic resonator in LPG & CBFS Fire Furnaces
- Usage of Melting Cum Holding Furnace Holding Burner auto cut-off
- Application of Core shooter heater auto cut-off
- LED Light replaced instead of conventional lights

(ii) Steps taken by the Company for utilising alternate sources of energy:

- Fuel change in MCHF furnace from Furnace oil to LPG
- Conversion of CBFS furnace to LPG fire furnace in order to reduce air pollution

(iii) Capital investment on energy conservation equipment:

- Conversion of heat treatment furnace from electricity to LPG Fire.
- Replaced the Electrical Operated LPG Vaporiser to heater less Vaporiser (Safety enhancement and Energy saving)

[B] TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- Robot installed for machining line (BR08)
- Heater less Vaporised Installed for LPG

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Cost Reduction and Safety enhancement for LPG Vaporised operation

(iii) Information regarding technology imported during the last three years:

- No Technology is imported

(iv) Expenditure incurred on Research and Development:

(₹ in Million)

	2016-17
Capital	0.61
Recurring	51.42
Total	52.03
Total R&D expenditure as a percentage of total turnover	0.73%

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Million)

	2016-17
Foreign Exchange earned	455.39
Foreign Exchange saved/deemed exports	211.16
Total	666.55
Foreign Exchange used	390.09

On behalf of the Board of Directors

(S. Rai)
Managing Director
DIN:00050950

(A.D. Harolikar)
Director
DIN:00239460

Place: Shikrapur, Pune
Date: 8th August, 2017

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

1) Brief outline of the Company's CSR Policy:

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company has adopted the CSR Policy. This policy lays down the thrust area of CSR initiatives that include projects benefiting the under-privileged community and under-developed areas around the plant of the Company located at Shikrapur, Dist. Pune and at Binola, Haryana.

Based on the prevailing social and business challenges, your Company has focussed its resources on the following broad interventions:

a) Education

b) Employment

c) Essential Amenities

The details of CSR Policy enumerating the activities/programmes proposed to be undertaken by the Company can be viewed on the Company's website www.alicongroup.co.in

2) Composition of CSR Committee:

Sr. No.:	Name	Designation	Category
1)	Mr. S. Rai	Chairman	Managing Director
2)	Mrs. Pamela Rai	Member	Director
3)	Mr. Vinay Panjabi	Member	Independent Director

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

(₹ in Million)

Particulars	2013-14	2014-15	2015-16
Net Profit u/s 198	220.25	297.22	315.22
Average Net Profit for the last 3 (three) years - ₹ 277.56 million			

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

5) Details of CSR spent during FY 2016-17:

a) Total amount to be spent for the financial years: ₹ 5.52 million

b) Amount unspent: ₹ 0.03 million

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

(Amount in ₹)

1	2	3	4	5	6	7	8
Sr. 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: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure up to the reporting period**	**Amount spent directly or through Implementing Agency**
1	Aseema	Education	Igatpuri, Nashik	658828	658828		Implementing Agency
2	iTeach	Education	Yerawada, Pune	2000000	2002000		Implementing Agency
3	Centre for Youth Development and Activities (CYDA)	Education	Pimpri-Chinchwad Municipal Corporation Area	892260	892260		Implementing Agency

(Amount in ₹)

1	2	3	4	5	6	7	8
Sr. 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: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure up to the reporting period**	**Amount spent directly or through Implementing Agency**
4	Peoples' Empowering Movement (PEM) (Rain Water Harvesting)	Rural Livelihood	Rajwadi Village, District-Ratnagiri	425000	0		Implementing Agency
5	Peoples' Empowering Movement (PEM) (Supporting Social Workers)	Rural Livelihood	Rajwadi Village, District-Ratnagiri	108000	42877		Implementing Agency
6	Peoples' Empowering Movement (PEM) (Swachh Bharat Abhiyan)	Swachh	Deorukh Village, District-Ratnagiri	100000	83754		Implementing Agency
7	Peoples' Empowering Movement (PEM) (Swachh Bharat Abhiyan - Phase 2)	Swachh	Deorukh Village, District-Ratnagiri	100000	0		Implementing Agency
8	Peoples' Empowering Movement (PEM) (Shembhawne Dairy Project)	Rural Livelihood	Shembhawne Village, District-Ratnagiri	283470	0		Implementing Agency
9	Peoples' Empowering Movement (PEM) (Chikhali Irrigation Project)	Rural Livelihood	Chikhali Village, District-Ratnagiri	500000	204384		Implementing Agency
10	Peoples' Empowering Movement (PEM) (School Compound Wall Construction)	Education	Rajwadi Village, District-Ratnagiri	0	153288		Implementing Agency
11	Peoples' Empowering Movement (PEM) (Rajwadi Cultural Programme)	Rural Development	Rajwadi Village, District-Ratnagiri	0	23158		Implementing Agency
12	ROSE Academy (Pukharpur Computer Centre)	Rural Development	Gurgaon District, Haryana	500000	330561		Implementing Agency
13	Shreemati Anusai Ovhal Secondary School (Science & Computer Lab)	Education	PCMC Pune	0	23000		Implementing Agency

(Amount in ₹)

1	2	3	4	5	6	7	8
Sr. 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: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure up to the reporting period**	**Amount spent directly or through Implementing Agency**
14	Prerna Madhyamik Vidhyalaya (Construction of Toilets)	Swachh	PCMC Pune	0	296901		Implementing Agency
15	Prerna Madhyamik Vidhyalaya (Water Filtration Unit)	Swachh	PCMC Pune	0	50167		Implementing Agency
16	Wet Waste Management Project	Swachh	Shikrapur Village, Shirur Taluka, Dist. Pune	1200000	0		Implementing Agency
17	Nag Foundation	Health	Pune City	0	118000		Implementing Agency
18	Social Venture Partners (SVP)	Livelihood	Pune City	200000	200000		Direct
19	Project Identification, Management and Impact Assessment			630000	442296		Implementing Agency

6) 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:

7) 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
DIN:00050950

(A.D. Harolikar)
Director
DIN:00239460

Place: Shikrapur, Pune
Date: 8th August, 2017

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 persons 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 (iii) 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 1st October, 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, 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	5.54%
		b	Mr. R. Sikand, Chief Executive Officer	41.60%
		c	Mr. Vimal Gupta, Chief Financial Officer	44.74%
		d	Mr. P.S. Rao, Company Secretary	42.85%
(3)	The percentage increase in the median remuneration of employees on the rolls of the Company			11%
(4)	The number of permanent employees on the rolls of the Company			1130
(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	*The existing managerial remuneration was below the current market and thus the same has been rationalised as per the current industry standards while for others it is about 11%. 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
DIN:00050950

(A.D. Harolikar)
Director
DIN:00239460

Place: Shikrapur, Pune
Date: 8th August, 2017

ANNEXURE VI

Disclosure as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 (9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulations 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

		Alicon Employees Stock Option Scheme – 2015 (ESOS-2015)
1	Date of Shareholders' approval	30th December, 2015
2	Total number of options approved under ESOS	612800
3	Vesting Requirements	ESOS Scheme
4	Exercise price or pricing formula	--
5	Maximum terms of options granted	5 years
6	Source of shares	Primary
7	Variation in terms of option	No variation in the terms of option
8	Method of Option Valuation	Intrinsic value
9	Option Movement during the year	--
	Number of Option outstanding at the beginning of the period	612800
	Number of Option granted during the year	465333
	Number of Option forfeited/lapsed during the year	--
	Number of Option vested during the year	Not Applicable
	Number of Option exercised during the year	Not Applicable
	Number of Shares arising as a result of exercise of options	Not Applicable
	Money realised by exercise of Options (Amount in ₹)	Not Applicable
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of Option outstanding at the end of the year	147467
	Number of Option exercisable at the end of the year	Not Applicable
10	Employee wise details of Option granted:	

i. Senior Managerial Personnel:

Name	**Designation**	**Options Granted during the year**	**Exercise Price**
a) Mr. Rajeev Sikand	Group CEO	120000	₹ 124
b) Mr. Vimal Gupta	Group CFO	105000	₹ 124

ii. Any other employee, who receives a grant in any one year of option amounting to 5% or more of option granted during the year;

Name	**Designation**	**Options Granted during the year**	**Exercise Price**
None	--	--	--
None	--	--	--

Note: Other details as required under Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular bearing No: CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 form part of the Notes to the Accounts of the Financial Statement in the Annual Report.

Further, the aforesaid details are also available on the Company's website at the link: www.alicongroup.co.in

A certificate from the Statutory Auditors in respect of implementation of Alicon Employees Stock Option Scheme – 2015 in accordance with the resolution passed by the members at the 25th Annual General Meeting of the Company held on 30th December, 2015 shall be placed at the ensuing Annual General Meeting for inspection by the members.

ANNEXURE VII

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 authorised 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, 2017 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, 2017 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 Byelaws 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, 2015;

c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

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

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

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

c) 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;

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

e) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.

(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; and

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 exists 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 grant of 4,65,333 Options under the Alicon Castalloy Ltd. Employees Stock Option Scheme-2015 by the Board of Directors on 02/08/2016, 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: 29/04/2017

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Alicon Castalloy Limited

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Corporation. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation.

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

Place: Mumbai
Date: 29/04/2017

ANNEXURE VIII

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2017

[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.	Particular	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/ Indian Non-Government Co.
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	Applicable Section
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	192971	1027442	8.38	834620	--	834620	6.81	(1.57%)
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	6610720	1063251	7673971	62.62	7866793		7866793	64.19	1.57%
e) Banks/FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	**7445191**	**1256222**	**8701413**	**71.00**	**8701413**		**8701413**	**71.00**	**--**

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**	**1256222**	**8701413**	**71.00**	**8701413**	**--**	**8701413**	**71.00**	**--**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / UTI	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	---	--	764	--	764	Negligible	Negligible
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):-	**--**	**--**	**--**	**--**	**764**	**--**	**764**	**Negligible**	**Negligible**
2. Non-Institutions	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
a) Bodies Corporate					--	--	--	--	--
i) Indian ii) Overseas	144869	1000	145869	1.19	139698	1000	140698	1.15	(0.04%)
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	1590316	131462	1721778	14.05	1607099	119662	1726761	14.09	0.04%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	416935	--	416935	3.40	420804	--	420804	3.43	0.03%
(c) Any others (specify)									
NRI/OCB	125728	--	125728	1.03	127446	--	127446	1.04	0.01%
Clearing members	44299	--	44299	0.36	38136	--	38136	0.31	(0.05%)
Directors & relatives	200	--	200	--	200	--	200	--	--
Foreign collaborators	1100000	--	1100000	8.98	1100000	--	1100000	8.98	--
Sub-total (B)(2):-	**3422347**	**132462**	**3554809**	**29.00**	**3433383**	**120662**	**3554045**	**29.00**	**--**
Total Public Shareholding (B)= (B)(1)+ (B)(2)	**3422347**	**132462**	**3554809**	**29.00**	**3434147**	**120662**	**3554809**	**29.00**	**--**
C. Shares held by Custodian for GDRs & ADRs	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Grand Total (A+B+C)	**10867538**	**1388684**	**12256222**	**100.00**	**12135560**	**120662**	**12256222**	**100.00**	**--**

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	957332	7.81	0	834444	6.81	0	(1.00%)
2.	Nastic Trading LLP	5970000	48.71	0	6762822	55.18	0	6.47%
3.	Pamela Trading LLP	286000	2.33	0	286000	2.33	0	-
4.	Atlas Castalloy Ltd.	99820	0.81	0	99820	0.81	0	-
5.	Skyblue Trading & Invs. P. Ltd.	254880	2.08	0	254880	2.08	0	-
6.	U.C. Rai Holding P. Ltd	340998	2.78	0	340998	2.78	0	-
7.	Mrs. Usha Rai	100	Negligible	0	100	Negligible	0	-
8.	Mrs. Pamela Rai	69934	0.57	0	0	0	0	(0.57%)
9.	Mrs. Meenal Gidwani	20	Negligible	0	20	Negligible	0	-
10.	Mrs. Vinita Chandra	20	Negligible	0	20	Negligible	0	-
11.	Mithras Trading LLP	722273	5.89	0	122273	1.00	0	(4.90%)
12.	Divya Rai	12	Negligible	0	12	Negligible	0	-
13.	Shefali Rai	12	Negligible	0	12	Negligible	0	-
14.	Ishaan Rai	12	Negligible	0	12	Negligible	0	-
	Total	**8701413**	**70.98**	**0**	**8701413**	**70.98**	**--**	

(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	957332	7.81	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			31/03/2017 (Inter se transfer)	-122888	834444	6.81
	At the End of the year	834444	6.81	31/03/2017			
2	Nastic Trading LLP						
	At the beginning of the year	5970000	48.71	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			30/03/2017	600000	6570000	53.60
				31/03/2017 (Inter se transfer)	192822	6762822	55.18
	At the End of the year	6762822	55.18	31/03/2017			
3	Pamela Trading LLP						
	At the beginning of the year	286000	2.33	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	286000	2.33	31/03/2017			
4	Atlas Castalloy Ltd.						
	At the beginning of the year	99820	0.81	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	99820	0.81	31/03/2017			

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
5	Skyblue Trading and Investments Pvt. Ltd.						
	At the beginning of the year	254880	2.08	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	254880	2.08	31/03/2017			
6	U. C. Rai Holdings Pvt. Ltd.						
	At the beginning of the year	340998	2.78	01/04/2016			
	Date -wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	340998	2.78	31/03/2017			
7	Mrs. Usha Rai						
	At the beginning of the year	100	Negligible	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	100	Negligible	31/03/2017			
8	Mrs. Pamela Rai						
	At the beginning of the year	69934	0.57	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			31/03/2017 (Inter se transfer)	-69934	0	0.00
	At the End of the year	0	0.00	31/03/2017			
9	Mrs. Meenal Gidwani						
	At the beginning of the year	20	Negligible	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	20	Negligible	31/03/2017			
10	Mrs. Vinita Chandra						
	At the beginning of the year	20	Negligible	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	20	Negligible	31/03/2017			
11	Mithras Trading LLP						
	At the beginning of the year	722273	5.89	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			30/03/2017 (Inter se transfer)	-600000	122273	1.00
	At the End of the year	122273	1.00	31/03/2017			
12	Divya S. Rai						
	At the beginning of the year	12	Negligible	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year						
	At the End of the year	12	Negligible	31/03/2017			
13	Shefali S. Rai						
	At the beginning of the year	12	Negligible	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year						
	At the End of the year	12	Negligible	31/03/2017			
14	Ishaan S. Rai						
	At the beginning of the year	12	Negligible	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year						
	At the End of the year	12	Negligible	31/03/2017			

(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	8.98	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	1100000	8.98	31/03/2017			
2	Nirav Mahendra Sheth						
	At the beginning of the year	145509	1.19	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	145509	1.19	31/03/2017			
3	Savitha Raghavan						
	At the beginning of the year	55972	0.46	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			21/10/2016	-9762	46210	0.38
	At the End of the year	46210	0.38	31/03/2017			
4	Mr. Ravindra Prabhudas Mahbubani						
	At the beginning of the year	30000	0.24	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	30000	0.24	31/03/2017			
5	Vijay Mohan Karnani						
	At the beginning of the year	26000	0.21	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	26000	0.21	31/03/2017			
6	Sushil Financial Services Private Limited						
	At the beginning of the year	25200	0.21	01/04/2016	2719	27919	0.13
				08/04/2016	545	28464	0.23
				15/04/2016	-65	28399	0.23
				22/04/2016	379	28778	0.23
				29/04/2016	-493	28285	0.23
				06/05/2016	350	28635	0.23
				13/05/2016	-332	28303	0.23
				20/05/2016	-305	28608	0.23
				27/05/2016	-244	28364	0.23
				03/06/2016	816	29180	0.24
				10/06/2016	162	29342	0.24
				17/06/2016	380	29722	0.24
				24/06/2016	-166	29556	0.24
				30/06/2016	-679	28877	0.24
				01/07/2016	397	29274	0.24
				08/07/2016	279	29553	0.24
				15/07/2016	413	29966	0.24
				22/07/2016	-595	29371	0.24
				29/07/2016	208	29579	0.24
				05/08/2016	823	30402	0.25
				12/08/2016	-383	30019	0.24
				19/08/2016	-78	29941	0.24
				26/08/2016	2064	32005	0.26
				02/09/2016	52	32057	0.26

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
				09/09/2016	1872	33929	0.28
				16/09/2016	1333	35262	0.29
				23/09/2016	-4151	31111	0.25
				30/09/2016	778	31889	0.26
				07/10/2016	2083	33972	0.28
				14/10/2016	-594	33378	0.27
				21/10/2016	1884	35262	0.29
				28/10/2016	91	35353	0.29
				04/11/2016	-4780	30573	0.25
				11/11/2016	-346	30227	0.25
				18/11/2016	-3492	26735	0.22
				25/11/2016	-338	26397	0.22
				02/12/2016	-840	25557	0.21
				09/12/2016	-1312	24245	0.20
				16/12/2016	-1181	23064	0.19
				23/12/2016	-5869	17195	0.14
				31/12/2016	-133	17062	0.14
				06/01/2017	315	17377	0.14
				13/01/2017	207	17584	0.14
				20/01/2017	500	18084	0.15
				27/01/2017	-704	17380	0.14
				03/02/2017	948	18328	0.15
				10/02/2017	-1027	17301	0.14
				17/02/2017	492	17793	0.15
				24/02/2017	-447	17346	0.14
				03/03/2017	3588	20934	0.17
				10/03/2017	1993	22927	0.19
				17/03/2017	-3422	19505	0.16
				24/03/2017	-1838	17667	0.14
				31/03/2017	2463	20130	0.16
	At the End of the year	20130	0.16	31/03/2017			
7	Navinchandra Shah						
	At the beginning of the year	24472	0.20	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year						
	At the End of the year	24472	0.20	31/03/2017			
8	Divyesh A. Shah						
	At the beginning of the year	24299	0.20	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			11/11/2016	-4871	19428	0.16
	At the End of the year	19428	0.16	31/03/2017			
9	Edelweiss Broking Limited						
	At the beginning of the year	23255	0.19	01/04/2016	6491	29746	0.24
	Date-wise Increase / Decrease in Shareholding during the Year			08/04/2016	-1316	28430	0.23
				15/04/2016	80	28510	0.23
				22/04/2016	8	28518	0.23
				29/04/2016	1947	30465	0.25
				06/05/2016	500	30965	0.25
				20/05/2016	-154	30811	0.25
				27/05/2016	-996	29815	0.24

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
				03/06/2016	55	29870	0.24
				10/06/2016	-25	29845	0.24
				17/06/2016	-24574	5271	0.04
				24/06/2016	-1	5270	0.04
				30/06/2016	8	5278	0.04
				08/07/2016	213	5491	0.04
				15/07/2016	10	5501	0.04
				22/07/2016	61	5562	0.05
				29/07/2016	59	5621	0.05
				05/08/2016	-234	5387	0.04
				12/08/2016	-25	5362	0.04
				26/08/2016	51	5413	0.04
				02/09/2016	-1	5412	0.04
				09/09/2016	7890	13302	0.11
				16/09/2016	-7862	5440	0.04
				23/09/2016	-374	5066	0.04
				30/09/2016	-1327	3739	0.03
				07/10/2016	13001	16740	0.14
				14/10/2016	-10585	6155	0.05
				21/10/2016	-479	5676	0.05
				28/10/2016	-248	5428	0.04
				04/11/2016	-1977	3451	0.03
				11/11/2016	1037	4488	0.04
				18/11/2016	-713	3775	0.03
				25/11/2016	-115	3660	0.03
				02/12/2016	-405	3255	0.03
				09/12/2016	-69	3186	0.03
				16/12/2016	-21	3165	0.03
				23/12/2016	-25	3140	0.03
				31/12/2016	37	3177	0.03
				06/01/2017	-67	3110	0.03
				13/01/2017	50	3160	0.03
				20/01/2017	-50	3110	0.03
				03/02/2017	465	3575	0.03
				10/02/2017	-465	3110	0.03
				24/02/2017	10	3120	0.03
				03/03/2017	165	3285	0.03
				10/03/2017	192	3477	0.03
				17/03/2017	-278	3199	0.03
				24/03/2017	124273	127472	1.04
				31/03/2017	-124212	3260	0.03
	At the End of the year	3260	0.03	31/03/2017			
10	Ashwani Kumar						
	At the beginning of the year	23078	0.19	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			22/04/2016	4962	28040	0.23
				29/04/2016	3741	31781	0.26
				06/05/2016	1939	33720	0.28
				16/09/2016	10971	44691	0.36
				23/09/2016	309	45000	0.37
	At the End of the year	45000	0.37	31/03/2017			

(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	957332	7.81	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			31/03/2017	-122888	834444	6.81
	At the End of the year	834444	6.81	31/03/2017			
2	Mr. Anil D. Harolikar, Director						
	At the beginning of the year	200	Negligible	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	200	Negligible	31/03/2017			
3	Mr. Vinay H. Panjabi, Director						
	At the beginning of the year	--	--	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	--	--	31/03/2017			
4	Mrs. Pamela S. Rai, Director						
	At the beginning of the year	69934	0.57	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			31/03/2017	-69934	0	0.00
	At the End of the year	0	0.00	31/03/2017			
5	Mr. Junichi Suzuki, Director						
	At the beginning of the year	--	--	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	--	--	31/03/2017			
7	Mr. Rajeev Sikand, Chief Executive Officer						
	At the beginning of the year	58638	0.49	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	58638	0.49	31/03/2017			
8	Mr. Vimal Gupta, Chief Finance Officer						
	At the beginning of the year	450	Negligible	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year			14/10/2016	100	550	--
	At the End of the year	550	Negligible	31/03/2017			
9	Mr. P. S. Rao, Company Secretary						
	At the beginning of the year	--	--	01/04/2016			
	Date-wise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	--	--	31/03/2017			

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 (01/04/2016)				
i) Principal Amount	1,679,287,579	3,703,445		1,682,991,024
ii) Interest due but not paid	-			
iii) Interest accrued but not due	7,346,704			7,346,704
Total (i+ii+iii)	**1,686,634,283**	**3,703,445**		**1,690,337,728**

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Addition	542,379,823	91,070,304		633,450,127
Reduction				
Net Change				
Indebtedness at the end of the financial year (31/03/2017)				
i) Principal Amount	2,221,667,402	94,773,749		2,316,441,151
ii) Interest due but not paid				
iii) Interest accrued but not due	7,405,428			7,405,428
Total (i+ii+iii)	**2,229,072,830**	**94,773,749**		**2,323,846,579**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

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	22.23	
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.90	
	(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…	15.84	
5.	Others, please specify		
	Total (A)	**38.97**	**38.97**
	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	Total Amount
1.	Independent Directors Fee for attending board / committee meetings Commission • Others, • please specify	1.2	0.40		1.35		2.95
	Total (1)	**1.2**	**0.40**		**1.35**		**2.95**
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify			0.40			0.40
	Total (2)			**0.40**			**3.35**
	Total (B)=(1+2)	**1.2**	**0.40**	**0.40**	**1.35**		**3.35**
	Total Managerial Remuneration						3.35
	Overall Ceiling as per the Act						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amt in Lakhs)

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	96.27	68.73	1.20	166.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.87	4.16	0	15.03
	(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…	91.32	0	0	91.32
5.	Others, please specify				
	Total	**198.46**	**72.89**	**1.20**	**272.55**

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	5	Yes
Mr. A.D. Harolikar	Independent Director	5	Yes
Mr. J. Suzuki	Non-Executive Director	1	No
Mrs. Pamela Rai	Non-Executive Director	4	No
Mr. Vinay Panjabi	Independent Director	5	No
Mr. Ajay Nanavati	Independent Director	3	No

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 31.03.2017
Mr. S. Rai	3	0	8,34,444
Mrs. P. Rai	2	0	0
Mr. A.D. Harolikar	1	0	200
Mr. J. Suzuki	1	0	0
Mr. Vinay Panjabi	0	0	0
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 2016-17

During the year ended March 31, 2017 five Meetings of the Board of Directors were held namely on 02/05/2016, 02/08/2016, 08/11/2016, 23/11/2016 and 30/01/2017.

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 24th March, 2017 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 Codes 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. 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, 2017 four meetings of the Audit Committee were held; namely on 02/05/2016, 02/08/2016, 08/11/2016, 30/01/2017.

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. 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 two meetings were held viz. on 30/04/2016 and 02/08/2016. Mr. A.D. Harolikar and Mr. Vinay Punjabi attended both the meetings.

Remuneration of Managing Director:

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

a) Details of remuneration paid to Managing Director:

(Amt in Lakhs)

Name	Salary	Perquisites	Commission	Total
Mr. S. Rai	22.38	0.90	15.84	38.97

b) Details of sitting Fees paid to the Non-Executive Directors for attending the Board and Committee Meetings during the financial year 2016-17:

S/No:	Name of Directors	Sitting fees paid (₹ In Lakhs)
1)	Mr. A.D. Harolikar	₹ 1.20 /-
2)	Mrs. Pamela Rai	₹ 0.40 /-
3)	Mr. Vinay Panjabi	₹ 1.35/-
4)	Mr. Ajay Nanavati	₹ 0.40/-

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 02nd May, 2016, 02nd August, 2016, 8th November, 2016 and 30th January, 2017. 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, 2017, one complaint was received. All the complaints were duly redressed in time. There was no outstanding complaint as on 31st March, 2017.

All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2017.

6. 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 on the month of 09/04/2016, 02/08/2016, 07/01/2017 and 22/03/2017. All the members of the Committee were present in all the meeting.

7. 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. Ms. Juhi Gupta and Ms. Priti Patil are the members.

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

8. 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.

9. 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
29/09/2016	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208	12.30 p.m.	Nil
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.	Four

b. Resolution passed through Postal Ballot:

No resolution was passed through Postal Ballot during the financial year 2016-17.

At present there is no proposal to pass any resolution through postal ballot.

10. Disclosures

a) CEO & CFO Certification: The Managing Director and Chief Financial 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, 2017 and the same was placed before the Board at its meeting held on 29th April, 2017.

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.

11. Means of Communication

i)	Half yearly report sent to each household of Shareholders / 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

General Shareholder Information

i)	**Annual General Meeting**	
	Date	26th September, 2017 (Tuesday)
	Time	12.30 noon
	Venue	Gat No. 1426, Village Shikrapur Taluka Shirur, Dist. Pune, Maharashtra - 412208
ii)	**Financial Calendar**	**April 2017 to March 2018**
	(a) First Quarter results	Before August 14, 2017
	(b) Second Quarter results	Before November 14, 2017
	(c) Third Quarter results	Before February 14, 2017
	(d) Results for year ending March 2018	Before May 15, 2018
(iii)	**Date of Book closure**	20.09.2017 to 26.09.2017 (Both days Inclusive)
(iv)	**Dividend payment date**	13.10.2017
(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 2017-2018.	
(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, 2016	351.00	280.00	October, 2016	485.00	344.00
May, 2016	364.60	325.10	November, 2016	491.00	330.00
June, 2016	342.00	280.00	December, 2016	410.00	340.00
July, 2016	315.00	282.20	January, 2017	410.00	360.00
August, 2016	338.00	281.05	February, 2017	397.80	360.00
September, 2016	364.00	284.00	March, 2017	458.20	375.05

(B) National Stock Exchange of India Ltd.

Month	High ₹	Low ₹	Month	High ₹	Low ₹
April, 2016	351.90	276.20	October, 2016	487.50	344.05
May, 2016	362.00	322.20	November, 2016	500.60	324.00
June, 2016	344.90	245.50	December, 2016	400.05	335.00
July, 2016	326.95	285.05	January, 2017	411.50	350.15
August, 2016	339.90	281.10	February, 2017	400.00	363.25
September, 2016	364.40	286.50	March, 2017	457.90	376.00

(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, 2017

No. of Equity Shares	No. of Sharesholders	%	No. of Shares	%
01-500	3864	85.242	464935	3.793
501-1000	297	6.552	232324	1.896
1001-2000	163	3.596	258171	2.106
2001-3000	73	1.610	185362	1.512
3001-4000	29	0.640	104406	0.852
4001-5000	25	0.552	112504	0.918
5001-10000	44	0.971	320889	2.618
10001 and above	38	0.838	10577621	86.304
TOTAL	**4533**	**100.000**	**12256222**	**100.000**
In Physical Mode			120662	0.984
In Electronic Mode			12135560	99.016

Shareholding Pattern as on 31st March, 2017

Category	No. of Shares	% of Shareholding
Indian Promoters	8701413	71.00
Foreign Collaborators	1100000	8.98
Bodies Corporate	140698	1.15
Indian Public	2147565	17.52
Directors & Relatives (other than Promoter Directors)	200	Negligible
N.R.Is. / OCB's	127446	1.04
FIIs / Banks	764	Negligible
Clearing Members	38136	0.31
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, 2017, 1,21,35,560 Equity Shares of the Company, forming 99.01% of total shareholding stands dematerialized. As on March 31, 2017, the promoter's and promoter's group holding of 87,01,413 shares (71%) were held 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 412208
Maharashtra

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

c) 57-58 Km Mile Stone,
Delhi –Jaipur,NH-8,
Industrial Area, Village - Binola,
District – Gurgaon,
Haryana – 122051

d) Illichmann Castalloy s.r.o.
(Subsidiary Company)
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 : 8th August, 2017

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, 2017.

S. RAI
MANAGING DIRECTOR
DIN: 00050950

Place: Shikrapur
Date: 8th August, 2017

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 2017 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, 2017

CERTIFICATION

[As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We certify that –

We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:

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

(b) 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:

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

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

(c) 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
DIN: 00050950

VIMAL GUPTA
Chief Financial Officer

Place: Shikrapur
Date: 8th August, 2017

Standalone and Consolidated Financial Statements

Independent Auditors' Report

To the Members
Alicon Castalloy Limited.

Report on the Standalone 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, 2017, 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.

1. The Company's Board of Directors 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 relevant rules issued thereunder.

   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

2. Our responsibility is to express an opinion on these standalone 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.

3. 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 Directors as well as evaluating the overall presentation of the financial statements.

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2017 and its profit and its cash flows for the year ended on that date.

6. **Emphasis of Matter**

   a) We draw attention to note 2.8 & 2.9 of the statement of significant accounting policies to these standalone financial statements prepared by the Company in respect of "Depreciation and Amortisation" and "Impairment of Assets" : "The useful lives of some of its Property, Plant and Equipment followed by the Company are different than the lives specified under part C of schedule II to the Companies Act, 2013 and which have remained to be reviewed by the Company. The Company has also not determined useful lives of significant components of its Property, Plant and Equipment separately as required under amended Accounting Standard (AS) -10, 'Property, Plant and Equipment' notified and duly amended under the Companies (Accounting Standard), Amendment Rules, 2016.

      The Company's management believes and is of the view that the useful lives estimated by them in respect of its Property, Plant and Equipment (including components) best represent the period over which it expects to use these assets based on technical evaluation.

      The management has also represented that there is no indication of potential impairment loss as of the March 31, 2017 and impairment testing, if done would not result in any additional amount of provision either on account of depreciation, impairment or otherwise.

   (b) We draw attention to footnote**under Note16-'Trade Receivables' of the attached standalone 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 cases where customer confirmations and /or reconciliations were not made available to us.

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

We have relied upon management confirmation for the list of suppliers covered under the Act, dues (including overdue balances, if any) payable to them etc in the absence of third party confirmations and other necessary evidence.

(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 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.

7. 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 and to the extent for the matters described under para - 'Emphasis of Matter' above, and in the annexures enclosed hereto, 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, except and to the extent referred in sub para (a) of para 'Emphasis of Matter' above.

(e) On the basis of written representations received from the Directors, as on March 31,2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 Part A of Note 28 in respect of Other Disclosures to the standalone 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.

iv. The Company has provided requisite disclosures in its standalone financial statement as regards to its holding and dealings in Specified Bank Notes (SBN) as defined in the Notification S.O. 3407 (E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016. On the basis of audit procedures carried out and management representations, we report that the said disclosures are in accordance with the books of account maintained by the Company and as produced before us for our verification. Refer sub-note 16 of Part A of Note 28 in respect of Other Disclosures to the standalone financial statements;

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

Sanjay S. Rane
Partner
Membership No. 100374

Pune, April 29, 2017

Annexure A to the Independent Auditors' Report

(Referred to in Paragraph 1 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, 2017)

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 generally 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. However, we have relied upon management representations for the same.

(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 (a) – "Property, Plant & Equipment" 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 only that 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 13 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 the records of the Company produced before us and examined by us, 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.

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, 2017 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)
Income Tax	2009-10	18.74	Commissioner of Income Tax (Appeals) Mumbai.
Total		**1196.73**	

(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 audit. Accordingly, the provisions of clause (xiv) paragraph 3 of the Order are not applicable to 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, April 29, 2017

Annexure B to the Independent Auditors' Report

(Referred to in Paragraph 2 (f) 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, 2017)

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, 2017 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 Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, both issued by the Institute of Chartered Accountants of India, 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, 2017.

a) Some of the existing rules, policies, in 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 a few 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 properties, plants, equipments and assets, identification of components, review / determination of useful lives of all its assets, timely reconciliation of the results with its book records so as to safeguard the Company's properties, plants, equipments and assets from loss, damage and misappropriation, if any and potential misstatement in the financial statements.

d) The existing system for identification of suppliers covered under the MSMED Act, 2006 has remained to be improved by the Company so as to cover all such suppliers and timely reconciliation and payment of their dues.

e) The Company needs to work upon strengthening the existing controls in respect of segregation of duties among its personnel working across of the various departments in the organization.

We are informed 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. We are further informed that the new and advanced ERP has become functional in the current financial year.

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, 2017, 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, April 29, 2017

Balance Sheet
as at March 31, 2017

(Amount in ₹)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	61,281,110	61,281,110
(b) Reserves and surplus	2	1,743,683,862	1,453,017,022
2 Non-current liabilities			
(a) Long-term borrowings	3	716,080,619	494,733,458
(b) Deferred tax liabilities (net)	4	104,858,180	59,209,748
(c) Other Long term liabilities	5	66,157,273	66,157,273
(d) Long-term provisions	6	55,438,369	47,679,118
3 Current liabilities			
(a) Short-term borrowings	7	1,379,320,577	1,012,176,758
(b) **Trade payables**	8		
(i) Total outstanding dues of micro enterprises and small enterprises		21,071,364	21,781,083
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,210,379,331	1,168,278,923
(c) Other current liabilities	9	321,498,027	365,367,424
(d) Short-term provisions	10	82,445,249	152,177,514
TOTAL		**5,762,213,961**	**4,901,859,431**
II. ASSETS			
1 Non-current assets			
(a) Property, Plant & Equipment	11 (a)	2,516,289,208	2,241,568,381
(b) Capital work-in-progress	11 (b)	84,761,480	22,347,228
(c) Intangible assets	12 (a)	1,962,921	2,480,462
(d) Intangible assets under development	12 (b)	27,833,666	-
(e) Non-current investments	13	113,268,200	106,249,200
(f) Deferred tax assets (net)		-	-
(g) Long-term loans and advances	14	237,904,850	254,733,036
2 Current Assets			
(a) Current investments		-	-
(b) Inventories	15	581,129,247	447,700,027
(c) Trade receivables	16	1,852,678,916	1,551,907,693
(d) Cash and bank balances	17	101,463,289	108,276,176
(e) Short-term loans and advances	18	137,452,874	97,152,277
(f) Other current assets	19	107,469,310	69,444,951
TOTAL		**5,762,213,961**	**4,901,859,431**
Significant Accounting Policies & Other Disclosures	28		
Notes on Financial Statements	1 to 27		
The Notes are an integral part of these Financial Statements			

As per our report attached
For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No.: 100374

Place: Pune
Dated: April 29, 2017

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

Statement of Profit and Loss

for the year ended March 31, 2017

(Amount in ₹)

Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I. Revenue from operations (gross)	20	8,061,851,727	7,782,974,518
Less: Excise Duty		938,545,044	957,549,206
Revenue from operations (net)		**7,123,306,683**	**6,825,425,312**
II. Other income	21	36,794,448	31,552,511
III. Total Revenue (I + II)		**7,160,101,131**	**6,856,977,823**
IV. Expenses:			
(a) Cost of materials (including dies & components) consumed	22	3,694,734,783	3,708,016,985
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of semi-finished goods & stock-in-trade	23	(37,503,339)	(617,190)
(d) Employee benefits expense	24	996,704,175	832,055,448
(e) Finance costs	25	258,895,479	216,310,837
(f) Depreciation and amortization expense	26	250,007,291	235,914,145
(g) Other expenses	27	1,644,608,062	1,550,081,703
Total expenses		**6,807,446,451**	**6,541,761,928**
Profit before exceptional and extraordinary items and tax (III-IV)		352,654,680	315,215,895
V. Exceptional items		-	-
VI. Profit before extraordinary items and tax (IV - V)		**352,654,680**	**315,215,895**
VII. Extraordinary Items		-	-
VIII. Profit before tax (VI-VII)		**352,654,680**	**315,215,895**
IX. Tax expense:			
(1) Current tax - current year		59,066,394	73,534,673
(2) Current tax - prior years		-	-
(3) Deferred tax /(credit)		45,648,432	22,962,565
Total tax expense		**104,714,826**	**96,497,238**
X. Profit for the period (VIII-IX)		**247,939,854**	**218,718,657**
XI. Earnings per equity share of face value of ₹ 5/- each.			
Basic		**20.23**	**19.26**
Diluted		**19.90**	**19.26**
Significant accounting policies & other disclosures	28		
Notes on Financial Statements	1 to 27		
The notes are an integral part of these financial statements.			

As per our report attached
For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No.: 100374

Place: Pune
Dated: April 29, 2017

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

Cash Flow Statement

(Amount in ₹)

	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax and extraordinary items	352,654,680	315,215,895
	Adjustments for:		
	Depreciation & Amortisation	250,007,291	235,914,145
	Employee stock compensation cost	42,726,986	-
	Employee cost capitalised towards intangible assets under development	(10,024,772)	-
	Loss /(gain) on sale /surrender of property, plant & equipment (net)	4,221,062	108,656
	Interest received	(4,135,488)	(5,678,132)
	Rent received	(13,909,682)	(14,338,308)
	Finance costs	258,895,479	216,310,837
	Bad Debts written off		-
	Provision for doubtful debts /bad debts written off	8,597,456	14,807,902
	Unrealised foreign currency losses	4,882,798	1,294,610
	Sample sales written off	196,676	293,062
	Operating profit before working capital changes	**894,112,487**	**763,928,667**
	Changes in Working Capital:		
	Increase / (Decrease) in trade payables	42,309,042	95,626,623
	Increase / (Decrease) in other liabilities & provisions	(75,603,409)	(93,321,102)
	(Increase) / Decrease in trade receivables	(315,792,975)	(90,979,233)
	(Increase) / Decrease in inventories	(133,429,221)	54,377,647
	(Increase) / Decrease in other current assets & advances	(107,969,529)	8,431,286
	Cash generated from Operations	**303,626,394**	**738,063,889**
	Direct Taxes paid (net)	(67,863,196)	(93,811,841)
	Net cash generated from operations before extraordinary items	**235,763,198**	**644,252,047**
	Extraordinary items	-	-
	Net cash from Operating Activities (A)	**235,763,198**	**644,252,047**
B.	**Cash flow from Investing Activities:**		
	Investment in overseas subsidiary- share application money	(7,019,000)	-
	Purchase of property, plant and equipment, capital work-in-progress and capital advances	(598,270,004)	(566,734,262)
	Proceeds of sale /surrender of property, plant and equipment	32,779,565	2,877,540
	Interest received	4,135,488	5,678,132
	Finance costs	13,909,682	14,338,308
	Investment in deposits with banks - Margin money & others	(10,642,772)	(6,681,548)
	Net cash from Investing Activities (B)	**(565,107,041)**	**(550,521,829)**

(Amount in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
C. Cash flow from Financing Activities		
Dividends paid	(48,981,552)	(33,243,634)
Dividend distribution tax paid	(9,356,513)	(7,485,365)
Finance costs	(261,199,818)	(218,982,439)
Proceeds from long-term borrowings from banks (net)	263,855,780	148,538,758
Proceeds from short-term borrowings from banks (net)	367,583,600	15,190,035
Net cash used in Financing Activities (C)	**311,901,496**	**(95,982,645)**
Net increase in cash and cash equivalents (A+B+C)	**(17,442,348)**	**(2,252,429)**
Cash and Cash equivalents at the beginning of the year	**54,498,825**	**56,706,532**
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	(13,311)	44,721
Cash and Cash equivalents at the end of the year	**37,043,166**	**54,498,825**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Accounting Standard (AS -3), 'Cash Flow Statement'.
2. The previous year figures have been regrouped/ rearranged wherever considered necessary.
3. Figures in bracket represents cash outflow

As per our report attached
For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No.: 100374

Place: Pune
Dated: April 29, 2017

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

Notes forming part of the Financial Statements

1. SHARE CAPITAL

Particulars	As at March 31, 2017 Number	As at March 31, 2017 Amount	As at March 31, 2016 Number	As at March 31, 2016 Amount
Authorised share capital				
Equity shares of ₹ 5/- each	13,000,000	65,000,000	13,000,000	65,000,000
Issued, subscribed and paid-up capital				
Equity shares of ₹ 5/- each, fully paid	12,256,222	61,281,110	12,256,222	61,281,110
Total	**12,256,222**	**61,281,110**	**12,256,222**	**61,281,110**

Notes

(a) Reconciliation of number of shares

Particulars	As at March 31, 2017 Number	As at March 31, 2017 Amount	As at March 31, 2016 Number	As at March 31, 2016 Amount
Shares outstanding at the beginning of the year	12,256,222	61,281,110	11000000	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	12,256,222	61281110

(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, 2017 No. of Shares held	As at March 31, 2017 % of Holding	As at March 31, 2016 No. of Shares held	As at March 31, 2016 % of Holding
1	Nastic Trading LLP	6,762,822	55.18%	5,970,000	48.71%
2	Mithras Trading LLP	122,273	1.00%	722,373	5.89%
3	Shailendra Rai	834,444	6.81%	957,332	7.81%
4	Enkei Corporation	1,100,000	8.98%	1,100,000	8.98%

2. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
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	124,000,000
(+) Transferred from Surplus in Statement of Profit and Loss	-	-
Balance as at the end of the year	**124,000,000**	**124,000,000**

Notes forming part of the Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
Balance as at the begning of the year	41,155,011	41,155,011
Add : Transaction during the year	-	-
Balance as at the end of the year	**41,155,011**	**41,155,011**
Employee Stock Options Outstanding:		
Add:On account of options granted during the year	90,367,669	-
Less:Deferred Employee Compensation Expenses	47,640,683	
Balance at the end of the year	**42,726,986**	**-**
Surplus in Statement of Profit and Loss		
Balance as the beginning of the year.	1,087,662,011	924,260,700
(+) Net Profit/(Loss) for the current year	247,939,854	218,718,657
(-) Proposed Dividend	-	45,960,833
(Dividend per Share ₹ 4.25/-(PY ₹ 3.75))		
(-) Tax on Proposed Dividend	-	9,356,513
(-) Transfer to General Reserve	-	-
Balance as at the end of the year	**1,335,601,865**	**1,087,662,011**
Total	**1,743,683,862**	**1,453,017,022**

3. LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Term loans		
From Banks (Refer Note [a] below)	936,683,355	672,827,575
Less: Current maturity of long term borrowings	220,602,736	178,094,117
	716,080,619	**494,733,458**

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 installments.

Total number of installments = 486
Number of installments outstanding as at March 31, 2017 = 365 (PY = 440)

(b) Loans availed from State Bank of India, Bank of Maharashtra and Bajaj Finance Ltd 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. Of these, ₹ 22,06,02,736/-(PY ₹ 17,80,94,117/-) are classified as current liabilities being repayable before March 31,2018.

(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.

4. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability		
Fixed Assets /Depreciation	104,858,180	61,775,697
Deferred tax Assets		
Disallowances under the income Tax Act 1961	-	2,565,949
Total	**104,858,180**	**59,209,748**

Notes forming part of the Financial Statements

5. OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Royalty payable	66,157,273	66,157,273
Total	**66,157,273**	**66,157,273**

6. LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Employee benefits		
Gratuity (Funded-Net of assets)	38,685,372	31,375,304
Leave Encashment (Unfunded)	16,752,997	16,303,814
Total	**55,438,369**	**47,679,118**

7. SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Cash credit from banks (refer note (a) below)	1,169,410,324	1,008,473,313
	1,169,410,324	**1,008,473,313**
Unsecured		
Term loans		
From Banks [Refer note (b) below]	209,910,253	3,703,445
	209,910,253	**3,703,445**
Total	**1,379,320,577**	**1,012,176,758**

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 Bajaj Finance Ltd. 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 and from Bajaj Finance Ltd, working capital demand loan, Kotak are repayable through weekly instalments.

Total number of installments = 8 Installments (PY = 4)
Number of installments outstanding as at March 31, 2017 = 8 (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.

Notes forming part of the Financial Statements

8. TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Total outstanding dues of micro enterprises and small enterprises	21,071,364	21,781,083
Total outstanding dues of creditors other than micro enterprises and small enterprises*		
Total outstanding dues of creditors other	1,140,426,824	1,071,309,218
Acceptances	69,952,507	96,969,705
*[Includes amounts payable to related parties ₹ 7,14,85,322/- (PY: ₹ 4,33,97,315/-)]		
Total	**1,231,450,695**	**1,190,060,006**

The Company Management has confirmed their are no over dues amount payable to the Micro, Small and Medium Enterprises

9. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term borrowings	220,602,736	178,094,117
Interest accrued but not due on borrowings	7,405,428	7,346,704
Unclaimed dividend	1,107,484	4,128,203
Employee dues & retentions	36,778,603	35,443,321
Other liabilities	667,500	51,811,907
Royalty payable.	3,906,037	4,320,412
Statutory remittances (Net)	360,042	5,114,173
Advances from customers	234,282	19,698,379
Payable for services	20,267,978	14,357,415
Payable for Fixed Assets	30,167,937	45,052,793
Total	**321,498,027**	**365,367,424**

10. SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Employee benefits		
Leave Encashment (unfunded).	2,255,221	2,293,433
Gratuity (funded, net of assets)	8,131,967	7,680,773
Bonus	12,991,667	13,351,289
Others		
Proposed Dividend	-	45,960,833
Tax on Dividend	-	9,356,513
Current Tax	59,066,394	73,534,673
Total	**82,445,249**	**152,177,514**

* The Board of Directors in their meeting held on April 29, 2017 have proposed dividend of ₹ 4.25 per share in respect of the financial year 2016-17. The same are not recognised as a liability at the balance sheet date, as no obligation exists at that time. The said accounting treatment is in accordance with the requirements of the "Accounting Standard (AS) 4, Contingencies and Events Occurring After the Balance Sheet Date" duly amended vide MCA Notification dtd. 30.03.2016 and applicable for the financial year beginning from 01.04.2016.

Notes forming part of the Financial Statements

11. PROPERTY, PLANT & EQUIPMENT

(Amount in ₹)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at April 1, 2016	Additions during the year	Disposals/ (Transfer) during the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Deductions on Disposals	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
(a) Property, Plant & Equipment										
Leasehold Land	126,546,662	-	-	126,546,662	1,406,074	1,285,292	-	2,691,366	123,855,296	125,140,588
Freehold Land	177,901,895	-	-	177,901,895	-	-	-	-	177,901,895	177,901,895
Building	318,784,805	24,876,904	-	343,661,709	90,234,449	14,898,709	-	105,133,157	238,528,552	228,550,356
Factory Equipments	151,511,726	14,326,941	-	165,838,666	77,615,987	15,000,179	-	92,616,167	73,222,500	73,895,738
Plant and Machinery	2,338,780,301	371,057,297	541,033	2,709,296,564	1,064,169,675	152,577,131	1,144,621	1,215,602,185	1,493,694,380	1,274,610,626
Electrical Installations	164,686,707	38,502,389	-	203,189,096	100,744,768	12,925,883	-	113,670,651	89,518,445	63,941,939
Furniture and Fixtures	142,734,218	32,584,264	-	175,318,482	54,986,865	15,975,954	-	70,962,819	104,355,663	87,747,353
Computers	31,936,308	1,238,609	-	33,174,917	29,041,125	1,918,998	-	30,960,123	2,214,793	2,895,182
Office Equipments	31,822,889	6,319,190	-	38,142,079	24,621,072	4,191,765	-	28,812,837	9,329,242	7,201,817
Quality Control Equipments	38,280,465	3,294,836	-	41,575,300	20,166,609	4,107,583	-	24,274,192	17,301,109	18,113,856
Motor Vehicle	32,262,029	1,486,932	-	33,748,961	16,932,199	2,912,165	-	19,844,364	13,904,596	15,329,829
Dies and Patterns	418,326,222	29,334,861	-	447,661,083	252,087,021	23,111,341	-	275,198,361	172,462,738	166,239,201
Total	**3,973,574,225**	**523,022,221**	**541,033**	**4,496,055,413**	**1,732,005,844**	**248,904,999**	**1,144,621**	**1,979,766,222**	**2,516,289,208**	**2,241,568,381**
Total Previous Year	**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**	**1,695,801,601**
(b) Capital Work In Progress	**22,347,228**	**62,414,253**		**84,761,480**	**-**	**-**	**-**	**-**	**84,761,480**	**22,347,228**
Total Previous Year	**247,164,036**	**(224,816,808)**		**22,347,228**					**22,347,228**	**247,164,036**

12. INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at April 1, 2016	Additions during the year	Disposals/ (Transfer) during the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Deductions on Disposals	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
(a) Accouting /Application Software	13,414,144	584,750	-	13,998,894	10,933,682	1,102,291	-	12,035,973	1,962,921	2,480,462
Total	**13,414,144**	**584,750**	**-**	**13,998,894**	**10,933,682**	**1,102,291**	**-**	**12,035,973**	**1,962,921**	**2,480,462**
Total Previous Year	**13,269,916**	144,228	-	13,414,144	8,005,290	2,928,392	-	10,933,682	2,480,462	5,264,626
(b) Intangible assets under development		27,833,666		27,833,666	-	-	-	-	27,833,666	-
Total Previous Year	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

13. NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Investments		
Unquoted		
Investment in subsidiaries - 1 [PY: 1] equity share of Euro 35,000/- each held in Alicon Holding GmbH	106,178,900	106,178,900
Share application money - (in Transit)	7,019,000	
Total	**113,197,900**	**106,178,900**
Other than Trade Investments		
Qouted		
Investment in Equity instruments - Bank of Maharashtra	20,300	20,300
900 equity shares [PY: 900] shares of ₹ 29.10 each.		
Investment in equity instruments (quoted)		
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.		
Investment in equity instruments (unquoted)		
Total (B)	**70,300**	**70,300**
Grand Total (A+B)	**113,268,200**	**106,249,200**
Aggregate amount of quoted investments	**20,300**	**20,300**
Market Value of quoted investments	**30,240**	**26,190**
Aggregate amount of unquoted investments	**50,000**	**50,000**

14. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Advance Income Tax (net of provisions)	108,998,233	114,669,710
Capital Advances	36,385,464	77,186,742
Balance with government authorities.	76,846,643	49,378,851
Security Deposits	15,674,511	13,497,733
Total	**237,904,850**	**254,733,036**

15. INVENTORIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials and components	99,848,908	91,421,253
Consumables	82,907,179	81,335,952
Semi-finished goods (Includes goods-in-transit ₹ 4466955/- (PY ₹ 22,38,196/-)	242,608,971	205,105,632
Packing Material	236,914	405,501
Dies under Development	152,395,846	68,356,633
Furnace Oils	3,131,429	1,075,056
Total	**581,129,247**	**447,700,027**

Note

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(i.) Details of Semi-finished goods		
Semi-finished casting made from aluminum alloys	242,608,971	205,105,632

Notes forming part of the Financial Statements

16. TRADE RECEIVABLES *

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months from the date these are due for payment		
Unsecured, considered good		
- From related parties.	7,500,276	15,904,045
- From others.	-	-
Unsecured, considered doubtful		
- From related parties..	-	-
- From others.	13,806,311	16,651,716
Other trade receivables		
Unsecured, considered good		
- From related parties	3,399,049	644,372
- From others	1,684,744,348	1,448,124,615
Trade receivables not due	157,035,243	87,234,661
	1,866,485,227	**1,568,559,409**
Provision for doubtful trade receivables **	13,806,311	16,651,716
Total	**1,852,678,916**	**1,551,907,693**

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

17. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Balances with banks		
Current accounts with banks	34,946,880	53,691,763
Cash on hand	2,096,286	807,062
Total	**37,043,166**	**54,498,825**
Other Bank Balances *		
Term deposits	3,785,886	3,785,886
Margin money deposits	60,634,237	49,991,465
Total	**64,420,123**	**53,777,351**
Sub Total	**101,463,289**	**108,276,176**

* Includes term deposits of ₹ 3,785,886 /-(PY ₹ 61,07,661 /-) which have an original maturity of more than 12 months.

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

18. SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance with government authorities	120,950,615	77,975,765
Supplier Advances	5,478,348	6,706,698
Prepaid expenses	4,656,117	5,568,917
Advance against expenses/others	6,367,794	6,900,897
Total	**137,452,874**	**97,152,277**

Notes forming part of the Financial Statements

19. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accured on term deposits	1,886,910	1,531,922
Other Receivables - Unbilled Revenue	105,582,400	67,913,029
Total	**107,469,310**	**69,444,951**

20. REVENUE FROM OPERATIONS (GROSS)

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products		
- Finished Goods	7,985,547,135	7,719,670,352
Other operating revenues		
- Scrap Sale	76,304,592	63,304,166
	8,061,851,727	7,782,974,518
Less:		
Excise duty	938,545,044	957,549,206
Total	**7,123,306,683**	**6,825,425,312**
Note		
Details of manufactured goods sold (net)		
Manufactured goods		
Castings made from aluminum alloys	6,592,478,605	6,284,237,780
Conversion Income -(Job work)	91,783,790	125,240,989
Scrap Sales	76,304,592	63,304,166
Dies	362,739,697	352,642,378
Total	**7,123,306,683**	**6,825,425,312**

21. OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest received (gross)	4,842,840	5,675,412
Dividend on Long-term Investments	-	2,720
Rent received	13,909,682	14,338,308
Net gain/(loss) on foreign currency fluctutaions	-	9,269,119
Export Incentives	12,737,366	-
Miscellaneous income	5,304,560	2,266,952
Total	**36,794,448**	**31,552,511**

22. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Inventory at the beginning of the year	159,777,886	232,880,189
Add: Purchases - Materials	3,787,201,651	3,634,914,682
	3,946,979,537	**3,867,794,871**
Less: Inventory at the end of the year	252,244,754	159,777,886
Cost of raw materials consumed during the year	**3,694,734,783**	**3,708,016,985**

Notes forming part of the Financial Statements

Note : Additional Details

(i) Details of raw material and components consumed

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Aluminium / Alloys	3,184,049,233	3,435,892,597
Dies & Fixtures	510,685,550	272,124,388
Total	**3,694,734,783**	**3,708,016,985**

Material consumed includes material on conversion account as certified by the management.

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.

(ii) Details of year end inventory of raw material and components

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Alloys/Dies	252,244,754	159,777,886

23. CHANGES IN INVENTORIES OF SEMI-FINISHED GOODS & STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Inventory at the beginning of the year	205,105,632	204,488,442
Inventory at the end of the year	242,608,971	205,105,632
Increase/(Decrease) in stock of Semi-finished goods	**(37,503,339)**	**(617,190)**

24. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, Wages And Bonus	847,703,085	745,179,925
Contributions To Provident And Other Funds	25,920,415	24,628,363
Gratuity And Leave Encashment	22,268,601	13,839,581
Employee Stock Compensation Cost (Net)	42,726,986	-
Employee Welfare Expenses	58,085,088	48,407,579
Total	**996,704,175**	**832,055,448**

Notes forming part of the Financial Statements

25. FINANCE COSTS

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense		
- Term Loan & Working Capital Loan	232,117,903	197,076,199
- Interest On Payments Of Duties & Taxes	2,237,490	2,952,364
Other Borrowing Costs	24,540,086	16,282,274
Total	**258,895,479**	**216,310,837**

26. DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation on Tangible assets	248,905,000	232,985,753
Amortisation on Intangible assets	1,102,291	2,928,392
Total	**250,007,291**	**235,914,145**

27. OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Manufacturing Expenses		
Consumption Of Stores And Spares	387,746,742	418,769,150
Power And Fuel	511,493,704	420,617,777
Processing Charges	290,274,434	250,734,230
Repairs To Machinery	42,883,252	47,220,642
Other Manufacturing Expenses	43,881,440	42,707,391
	1,276,279,572	**1,180,049,190**
Administrative Expenses		
Legal And Professional Charges	29,288,279	47,085,739
Rent	34,465,367	29,387,022
Other Administrative Expenses	128,120,944	119,568,220
	191,874,590	**196,040,981**
Selling and Distribution Expenses		
Selling And Distribution Expenses	176,453,900	173,991,532
	176,453,900	**173,991,532**
Total	**1,644,608,062**	**1,550,081,703**

Notes forming part of the Financial Statements

28. OTHER DISCLOSURES

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

Particulars	2016-17		2015-16	
	₹ (in Lacs)	Percentage	₹ (in Lacs)	Percentage
a) Imported	2,034.76	5.51%	1532.13	4.13%
b) Indigenous	34,912.59	94.49%	35,548.04	95.87%
Total	**36,947.35**	**100.00%**	**37,080.17**	**100.00%**

(B) Stores and Spares consumed

Particulars	2016-17		2015-16	
	₹ (in Lacs)	Percentage	₹ (in Lacs)	Percentage
a) Imported	476.38	12.29%	137.63	3.29%
b) Indigenous	3401.09	87.71%	4050.07	96.71%
Total	**3877.47**	**100.00%**	**4187.69**	**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.

2. Imports on CIF Basis

(Amount in ₹ Lacs)

Particulars	2016-17	2015-16
Capital Goods	1335.46	752.58
Components and Spares Parts	2037.99	1280.00
Total	**3373.45**	**2032.58**

3. Expenditure in foreign currency

(Amount in ₹ Lacs)

Particulars	2016-17	2015-16
Foreign Travel	37.93	23.68
Royalty	213.37	215.80
Commission on Sales	0.00	0.00
Salary	0.00	16.18
Traning & Seminor Expenses	6.10	0.00
Selling & Distribution Expenses	8.63	5.56
Legal & Professional Charges	64.50	137.55
Freight & Forward - Export	28.70	0.00
Employee Welfare Expenses	22.68	18.27
Repairs & Maintenance	0.98	17.89
Total	**382.89**	**434.93**

Notes forming part of the Financial Statements

4. Remittance in foreign currencies for dividends

Particulars		2016-17	2015-16
i)	Number of non-resident shareholders	1	1
ii)	Number of Equity shares	1,100,000	1,100,000
iii)	Gross amount of dividends (₹)	4,125,000	3,300,000

5. Earning in Foreign Exchange

(Amount in ₹ Lacs)

Particulars	2016-17	2015-16
Export of goods	5267.24	3288.87

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:

(Amount in ₹ Lacs)

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	259.20	246.28

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.

(Amount in ₹ Lacs)

Particulars	Leave Encashment (Unfunded) 2016-17	Gratuity (Funded) 2016-17	Leave Encashment (Unfunded) 2015-16	Gratuity (Funded) 2015-16
Present value of obligation as at the beginning of year	185.97	686.24	185.88	651.71
Interest Cost	18.50	50.46	12.98	48.70
Current Service Cost	86.38	76.81	64.46	68.33
Benefits Paid	-65.28	-93.13	-59.82	-66.42
Actuarial(gain) / loss on obligations	-35.49	48.41	-17.53	-16.08
Present value of obligation as at the end of year	**190.09**	**768.79**	**185.97**	**686.24**

Table showing changes in the fair value of plan assets

(Amount in ₹ Lacs)

Particulars	Leave Encashment (Unfunded) 2016-17	Gratuity (Funded) 2016-17	Leave Encashment (Unfunded) 2015-16	Gratuity (Funded) 2015-16
Fair value of plan assets at beginning of year	0.00	295.68	0.00	263.92
Expected return on plan assets	0.00	22.98	0.00	21.72
Contributions	0.00	75.68	0.00	81.86
Benefits Paid	0.00	-93.12	0.00	-66.42
Actuarial gain/(loss) on plan assets	0.00	-0.61	0.00	1.60
Adjustment to Funds	0.00	0.00	0.00	-7.01
Fair value of plan assets at the end of year	**0.00**	**300.62**	**0.00**	**295.67**

Notes forming part of the Financial Statements

The amounts to be recognized in the balance sheet and statements of profit and loss

(Amount in ₹ Lacs)

Particulars	Leave Encashment (Unfunded) 2016-17	Gratuity (Funded) 2016-17	Leave Encashment (Unfunded) 2015-16	Gratuity (Funded) 2015-16
Present value of obligations as at the end of year	190.09	768.79	185.97	686.24
Fair value of plan assets as at the end of the year	0.00	300.62	0.00	295.68
Unfunded status asset/ (liability)	190.09	468.17	185.97	390.56
Net asset / (liability) recognized in balance sheet	**190.09**	**468.17**	**185.97**	**390.56**

Expenses Recognized in statement of Profit and loss

(Amount in ₹ Lacs)

Particulars	Leave Encashment (Unfunded) 2016-17	Gratuity (Funded) 2016-17	Leave Encashment (Unfunded) 2015-16	Gratuity (Funded) 2015-16
Current Service cost	86.38	76.81	58.32	68.33
Interest Cost	18.50	50.46	12.98	48.70
Expected return on plan assets	0.00	-22.98	0.00	-21.72
Net Actuarial (gain) / loss recognized in the year	-35.49	49.02	-17.53	-10.68
Expenses recognized in statement of Profit and Loss	**69.40**	**153.30**	**53.77**	**84.62**

Actuarial Assumptions

(Amount in ₹ Lacs)

Particulars	Leave Encashment (Unfunded) 2016-17	Gratuity (Funded) 2016-17	Leave Encashment (Unfunded) 2015-16	Gratuity (Funded) 2015-16
Assumption Discount Rate	7.25%	7.25%	7.80%	7.80%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Expected rate of return on plan assets	0.00%	7.25%	0.00%	7.80%
LIC Mortality Table			LIC (1994-96) published table of martality rates	LIC (1994-96) published table of martality 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.

7. Auditor's Remuneration

(Amount in ₹ Lacs)

Particulars	2016-17	2015-16
Statutory Audit	15.00	15.00
Limited Review	4.50	3.00
Consolidation Audit	2.50	4.50
Certifications	0.70	1.04
Review of Internal Financial Controls	4.00	0.00
Out of pocket expenses	1.02	1.20
Total	**27.72**	**24.74**

Notes forming part of the Financial Statements

8. Commitment and Contingent Liabilities

(Amount in ₹ Lacs)

	2016-17	2015-16
COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for	723.73	1051.80

(Amount in ₹ Lacs)

		2016-17	2015-16
CONTINGENT LIABILITIES			
a)	Letters of Credit issued by the bank against Imports	126.03	692.12
b)	Performance and Financial Guarantees issued by the banks	377.98	404.78
c)	Customs and related duties for non fulfillment of Export Obligation	1,272.09	1,228.03
d)	Assessment dues of VAT & CST	1,196.73	1,122.59
e)	Pending case in local civil court	353.63	353.63
f)	Income Tax	18.74	18.74
Total		**3,345.20**	**3,819.89**

9. Foreign Currency Exposures (not hedged by derivative instruments)

(Amount in ₹ Lacs)

		2016-17	2015-16
Foreign Currency Liabilities:			
a)	Trade payables	888.41	100.57
b)	Payables for fixed Assets	-	41.29
c)	Capital Advances	33.44	-
Foreign Currency Assets:			
Trade Receivables		3,142.33	1,592.40

10. Earning per share as computed in accordance with Accounting Standard 20

(Amount in ₹ Lacs)

	Particulars	2016-17	2015-16
i)	Net Profit & Earnings /(Loss) after tax	247,939,854	218,718,657
ii)	Weighted average no. of Equity shares of ₹ 5 each	12,256,222	11,357,937
iii)	Basic Earning per Share (₹)	20.23	19.26
iv)	Diluted Earning per Share (₹)	19.90	19.26

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 share application money (in transit) refer note 13 for the year ₹ 7,019,000 (PY ₹ NIL)of the Company by such parties.

12. Related Party Disclosure

Atlas Castalloy Limited
Alicon Holding - GmbH
Illichmann Castalloy - GmbH
Illichmann Castalloy - sro
Shailendrajit Rai - Managing Director
Rajeev Sikand - Chief Executive Officer (CEO)
Vimal Gupta - Chief Financial Officer (CFO)
Preeti Gupta - Relative of CFO
P.S. Rao - Company Secretary

Notes forming part of the Financial Statements

Details of transactions during the year with Related parties

(Amount in ₹ Lacs)

Particulars	2016-17	2015-16
Sales	65.30	18.34
Purchases	4420.68	1966.38
Expenses Charged to Company	352.70	292.50
Expenses Charged by Company	5.74	3.54
Balance of investment (includes share application) in subsidiary at the year end	1131.98	1061.79
Amount Receiveble at the year end	650.73	393.82
Amount Payable at the year end	972.50	433.97
Fixed assets purchased (net)	105.65	262.20

Details of transactions during the year with key managerial personnel

(Amount in ₹ Lacs)

Remuneration	2016-17	2015-16
Managing Director -		
Salary,Allowances & Perquisites	22.23	21.11
Contribution to P.F., Gratuity and other funds	0.90	0.90
Commission	15.84	14.92
Total	**38.97**	**36.93**
Chief Executive Officer		
Salary,Allowances & Perquisites	96.27	63.57
Contribution to P.F., Gratuity and other funds	10.86	4.31
Commission	91.32	72.27
Total	**198.45**	**140.15**
Chief Financial Officer		
Salary,Allowances & Perquisites	68.73	48.13
Contribution to P.F., Gratuity and other funds	4.16	2.23
Total	**72.89**	**50.36**
Company Secretary		
Salary,Allowances & Perquisites	1.20	0.84
Contribution to P.F., Gratuity and other funds	0.00	0.00
Total	**1.20**	**0.84**
Relatives of Key Managerial Personnel		
Rent	2.28	2.28
Total	**2.28**	**2.28**

13. Proposed Dividend

	2016-17	2015-16
On Equity Shares with face value of ₹ 5/- each		
Amount of dividend proposed (Amount in ₹ Lacs)	520.89	459.61
Dividend per Equity Share ₹ 4.25/- (PY ₹ 3.75/-)	-	-

Notes forming part of the Financial Statements

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.

(Amount in ₹ Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Not later than one year	153.57	122.54
Later than one year but not later than five years	56.57	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

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 2016-17 of the Same Are As Under:

Particulars	(Amount in ₹ Lacs)
A Capital Expenditure	6.06
B Revenue Expenditure	514.21
Total R&D Expenditure	**520.27**

Revenue Expenditure comprise Of Material, Consumables, Employee Cost, Power & Utilities

16. Disclosure on Specified Bank Notes

Details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016

(Amount in ₹ Lacs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	32.77	12.40	45.17
Permitted Receipts	-	8.06	8.06
Permitted Payments	-	14.77	14.77
Amount deposited in banks	32.77	-	32.77
Closing cash in hand as on 30.12.2016	-	5.69	5.69

As per our report attached
For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No.: 100374

Place: Pune
Dated: April 29, 2017

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

Summary of Significant Accounting Policies

forming part of the Financial Statements for the year ended March 31, 2017

1. Corporate information

Alicon Castalloy Limited ("the Company") is a public limited company domiciled in India and is listed on both- 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. The Company' s products also cover non-auto sector of the Industry. The Company also exports its products to the countries like U,S,A, and U.K.

2. Significant Accounting Policies:

2.1 Basis of accounting and preparation of financial statements

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

b) The standalone 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, 2014duly amended by the Companies (Accounting Standards) Amendment Rules, 2016 except and to the extent otherwise stated hereinafter.

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 standalone financial statements are consistent with those of the earlier years except and to the extent stated otherwise hereinafter.

2.2 Use of Estimates

The preparation of the standalone 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 standalone 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 completed and goods are dispatched to the customers. Income from development of such dies is accounted for in the year in which dies are completed and invoiced.

d) Revenue includes excise duty but excludes sales tax and value added tax and is 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 Property, Plant and Equipment

a) Property, Plant and Equipment except free hold land are stated at cost less accumulated depreciation and impairment losses, if any. The cost represents purchase price (net of

Summary of Significant Accounting Policies

forming part of the Financial Statements for the year ended March 31, 2017

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 Property, Plant and Equipment 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 Property, Plant and Equipment 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. Advances paid for the acquisition of property, plant and equipment that remained outstanding at each balance sheet date is classified as 'capital advances' under "non-current assets".

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.

c) During the year, the Company has incurred expenditure on new and advanced ERP system, S.A.P. which includes cost of identified employees who were part of the activity of development of S.A.P. All these expenditure have been shown and classified under 'Intangible Assets under Development' in the Balance Sheet.

2.8 Depreciation and Amortisation

a) Depreciation on Property, Plant and Equipment 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 Property, Plant and Equipment 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 Property, Plant and Equipment where the useful lives estimated/followed by the Company is different than specified under Part C of schedule III to the Act.

Property, Plant and Equipment	Useful live (original) specified under the Act	Useful live (original) estimated & followed by the Company	Difference –excess (lesser) than specified under the Act	Justifications provided by the Company's management
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	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 Property, Plant and Equipment 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 Property, Plant and Equipment 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 Property, Plant and Equipment 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.

Summary of Significant Accounting Policies

forming part of the Financial Statements for the year ended March 31, 2017

e) The useful lives of the Property, Plant and Equipment have remained to be reviewed by the Company. The Company has also not determined useful lives of significant components of its Property, Plant and Equipment separately as required under amended Accounting Standard (AS) -10, 'Property, Plant and Equipment' notified and duly amended under the Companies (Accounting Standard), Amendment Rules, 2016,

f) 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.

Since the useful lives of the Property, Plant and Equipment estimated / followed by the Company are more on conservative basis, there is no indication of potential impairment loss as of the March 31, 2017, though all its assets have remained to be comprehensively tested for impairment in the manner required under Accounting Standard (AS) -28, "Impairment of Assets" read with amended Accounting Standard (AS) -10. "Property, Plant and Equipment', as referred above.

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 FIFO) 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.

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.

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.

Summary of Significant Accounting Policies

forming part of the Financial Statements for the year ended March 31, 2017

c) Deferred tax expense (or credit) 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 in respect of unabsorbed depreciation and carry forward of losses are recognised only when there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. At times, these are recognised 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.

e) Deferred tax assets in respect of others are recognised, only when there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

f) 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 Financial Statements for the year ended March 31, 2017

2.18 Research and Development Costs

a) Research costs are expensed as and when incurred.

b) Development costs are expensed 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 legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

b) If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation.

c) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

d) Contingent Liabilities are not recognised but are disclosed 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
Date : April 29, 2017

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
Date : April 29, 2017

Independent Auditors' Report

To the Members
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, 2017, 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 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 the relevant rules issued thereunder.

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 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, 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, 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements so far as audit of standalone financials are concerned.

Opinion

In our opinion and to the best of our information and according to the explanations given to us based on the consideration of reports of the other auditors received by the Holding Company and forwarded to us ,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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

a) We draw attention to note 2.8 & 2.9 of the statement of significant accounting policies to these consolidated financial statements prepared by the Company in respect of 'Depreciation and Amortisation' and "Impairment of Assets": "The useful lives of some of its Property, Plant and Equipment followed by the Company are different than the lives specified under part C of schedule II to the Companies Act, 2013 and which have remained to be reviewed till date. The Company has also not determined useful lives of significant components of its Property, Plant and Equipment separately as required under amended Accounting Standard (AS) -10, 'Property, Plant and Equipment' notified and duly amended under the Companies (Accounting Standard), Amendment Rules, 2016."

   The Holding Company's management believes and is of the view that the useful lives estimated by them in respect of its Property, Plant and Equipment (including components) best represent the period over which it expects to use these assets based on technical evaluation.

   The Holding Company's management has also represented that there is no indication of potential impairment loss as of the March

31, 2017 and impairment testing, if done would not result in any additional amount of provision either on account of depreciation, impairment or otherwise.

b) We draw attention to footnote**under Note16-'Trade Receivables' of the attached consolidated financial statements: "The Groups 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 the Groups management confirmation for recoverability or otherwise of debts wherever customer confirmations and /or reconciliations were not made available to us

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

We have relied upon the Holding Company's management confirmation for the list of suppliers covered under the Act, dues (including overdue balances, if any) payable to them etc in the absence of third party confirmations and other necessary evidence.

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 ₹ 374,261,292/- as at March 31, 2017, total revenues of ₹ 611,550,963/- and net cash inflows amounting to ₹ (4,506,513/-) 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 on the basis of their reports received by the Holding Company and forwarded to us 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 our report and the reports of 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 other auditors and the consolidated financial statements /consolidated financial information of three subsidiaries certified by the Group 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, the reports of other auditors referred in paragraph 'Other Matters' above, and Group's Management certifications.

(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 /consolidated financial information referred in paragraph 'Other Matters' above

(d) In our opinion, and on the basis of reports of other auditors referred in paragraph 'Other Matters' above, the aforesaid financial statements comply, in all material aspects, with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder except and to the extent referred in sub para (a) of para 'Emphasis of Matter' above.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company, is disqualified as on March 31, 2017 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 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.

(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 28 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 Holding Company.

iv) The Holding Company has provided requisite disclosures in its consolidated financial statement as regards to its holding and dealings in Specified Bank Notes (SBN) by the The Holding Company as defined in the Notification S.O. 3407 (E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016. On the basis of audit procedures carried out and management representations, we report that the said disclosures are in accordance with the books of account maintained by the The Holding Company Company and as produced before us for our verification. Refer sub-note 8 of Part A of Note 28 in respect of Other Disclosures to the consolidated financial statements;

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

Sanjay S. Rane
Partner
Membership No. 100374

Pune, April 29, 2017

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, 2017)

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, 2017, We have audited the internal financial controls over financial reporting of Alicon Castalloy Limited ('the Holding Company') as of March 31, 2017 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, 2017.

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 the 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 significantly improve upon the extent and frequency of physical verification of its properties, plants, equipments and assets, identification of significant components, review / determination of useful lives of all its assets, timely reconciliation of the results with its book records so as to safeguard the Company's properties, plants, equipments and assets from loss, damage and misappropriation, if any and potential misstatement in the financial statements.

d) The system for identification of suppliers covered under the MSMED Act, 2006 has remained to be improved by the Company so as to cover all such suppliers and timely reconciliation and payment of their dues.

e) The Holding company needs to work upon strengthening the existing controls in respect of segregation of duties among its personnel working across of the various departments 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. We are further informed that the new and advanced ERP has become operational in the current financial year.

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, 2017, 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, April 29, 2017

Consolidated Balance Sheet

as at March 31, 2017

(Amount in ₹)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	61,281,110	61,281,110
(b) Reserves and surplus	2	1,683,891,122	1,378,432,926
2 Non-current liabilities			
(a) Long-term borrowings	3	716,080,619	494,733,458
(b) Deferred tax liabilities (net)	4	104,858,180	59,209,748
(c) Other Long term liabilities	5	66,157,273	66,157,273
(d) Long-term provisions	6	55,438,369	47,679,118
3 Current liabilities			
(a) Short-term borrowings	7	1,545,463,322	1,226,454,097
(b) Trade payables	8		
(a) Total outstanding dues of micro enterprises and small enterprises		21,071,364	21,781,083
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,300,025,741	1,223,646,766
(c) Other current liabilities	9	365,549,123	408,158,090
(d) Short-term provisions	10	98,674,117	170,884,119
TOTAL		**6,018,490,340**	**5,158,417,788**
II. ASSETS			
1 Non-current assets			
(a) Property, Plant & Equipment	11 (a)	2,580,762,358	2,331,723,012
(b) Capital work-in-progress	11 (b)	88,522,525	22,772,268
(c) Intangible assets	12 (a)	2,974,598	3,814,496
(d) Intangible assets under development	12 (b)	27,833,666	-
(e) Non-current investments	13	7,089,300	70,300
(f) Deferred tax assets (net)		-	-
(g) Long-term loans and advances	14	242,186,051	259,119,628
2 Current Assets			
(a) Current investments		-	-
(b) Inventories	15	648,651,488	510,866,038
(c) Trade receivables	16	2,006,487,114	1,685,070,624
(d) Cash and bank balances	17	157,578,260	168,897,659
(e) Short-term loans and advances	18	147,215,220	105,326,287
(f) Other current assets	19	109,189,760	70,757,476
TOTAL		**6,018,490,340**	**5,158,417,788**
Significant Accounting Policies & Other Disclosures	28		
Notes on Financial Statements	1 to 27		
The Notes are an integral part of these Financial Statements			

As per our report attached
For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No.: 100374

Place: Pune
Dated: April 29, 2017

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

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(Amount in ₹)

Particulars		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I.	Revenue from operations (gross)	20	8,666,371,049	8,446,644,387
	Less: Excise Duty		938,545,044	957,549,206
	Revenue from operations (net)		**7,727,826,005**	**7,489,095,181**
II.	Other income	21	37,450,007	31,555,562
III.	**Total Revenue (I + II)**		**7,765,276,012**	**7,520,650,743**
IV.	**Expenses:**			
	(a) Cost of materials (including dies & components) consumed	22	3,832,183,203	3,848,076,212
	(b) Purchases of stock-in-trade		14,473,549	6,724,786
	(c) Changes in inventories of semi-finished goods & stock-in-trade	23	(42,395,597)	53,929,686
	(d) Employee benefits expense	24	1,173,674,400	1,003,765,458
	(e) Finance costs	25	265,206,175	223,481,881
	(f) Depreciation and amortization expense	26	272,977,339	266,550,440
	(g) Other expenses	27	1,881,509,809	1,798,601,463
	Total expenses		**7,397,628,878**	**7,201,129,926**
	Profit before exceptional and extraordinary items and tax (III-IV)		367,647,134	319,520,817
V.	Exceptional items		-	-
VI.	**Profit before extraordinary items and tax (V - VI)**		**367,647,134**	**319,520,817**
VII.	Extraordinary Items		-	-
VIII.	**Profit before tax (VI-VII)**		**367,647,134**	**319,520,817**
IX.	**Tax expense:**			
	(1) Current tax - current year		60,268,317	74,478,428
	(2) Current tax - prior years			-
	(3) Deferred tax /(credit)		45,648,432	22,962,565
Total tax expense			**105,916,749**	**97,440,993**
X.	**Profit for the period (VIII-IX)**		**261,730,385**	**222,079,824**
XI.	**Earnings per equity share of face value of ₹ 5/- each.**			
	Basic		**21.35**	**20.38**
	Diluted		**21.00**	**20.38**
Significant accounting policies & other disclosures		28		
Notes on Financial Statements		1 to 27		
The notes are an integral part of these financial statements.				

As per our report attached
For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No.: 100374

Place: Pune
Dated: April 29, 2017

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

Consolidated Cash Flow Statement

(Amount in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash Flow from Operating Activities		
Profit before taxation	367,647,134	319,519,137
Adjustments for:		
Depreciation & Amortisation	272,977,338	266,550,440
Employee stock compensation cost	42,726,986	-
Employee cost capitalised towards intangible assets under development	(10,024,772)	-
Loss /(gain) on sale /surrender of property, plant & equipment (net)	4,221,062	108,656
Interest received	(4,846,678)	(5,681,183)
Rent received	(13,909,682)	(14,338,308)
Finance costs	265,206,175	223,463,804
Provision for doubtful debts /bad debts written off	9,272,256	19,172,872
Unrealised foreign currency losses	772,455	1,294,610
Sample sales written off	196,676	293,062
Foreign Currency Transaction Reserve	1,000,825	(7,179,214)
Operating profit before working capital changes	**935,239,775**	**803,203,877**
Changes in Working Capital:		
Increase / (Decrease) in trade payables	76,587,608	45,968,466
Increase / (Decrease) in other liabilities & provisions	(72,614,553)	(93,938,898)
(Increase) / Decrease in trade receivables	(337,113,041)	(102,429,994)
(Increase) / Decrease in inventories	(137,785,453)	109,635,480
(Increase) / Decrease in other current assets & advances	(109,860,397)	35,731,123
Cash Generated from Operations	**354,453,940**	**798,170,054**
Taxes paid (net of refunds)	(67,863,196)	(94,914,826)
Net cash generated from operations before extraordinary items	**286,590,744**	**703,255,228**
Extraordinary items	-	-
Net cash from Operating Activities (A)	**286,590,744**	**703,255,228**
B. Cash flow from Investing Activities:		
Investment in overseas subsidiary- share application money	(7,019,000)	-
Purchase of property, plant and equipment, capital work-in-progress, Intangible assets under development etc.	(596,802,212)	(587,254,008)
Proceeds of sale /surrender of property, plant and equipment	32,779,565	2,877,540
Interest received	4,846,678	5,681,183
Rent received	13,909,682	14,338,308
Investment in deposits with banks - Margin money	(10,642,772)	(6,681,548)
Net cash from Investing Activities (B)	**(562,928,059)**	**(571,038,525)**

(Amount in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
C. Cash flow from Financing Activities		
Dividends paid	(48,981,552)	(33,243,634)
Dividend Distribution Tax	(9,356,513)	(7,485,365)
Finance costs	(270,578,265)	(230,133,676)
Proceeds from Long term Borrowings (net of payment)	263,855,780	148,538,758
Proceeds from Short term Borrowings (net of payment)	319,449,005	27,603,821
Net cash used in Financing Activities (C)	**254,388,455**	**(94,720,095)**
Net increase in cash and cash equivalents (A+B+C)	**21,948,861**	**28,241,072**
Cash and Cash equivalents at the beginning of the year	**115,120,309**	**86,834,514**
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	(13,311)	44,721
Cash and Cash equivalents at the end of the year	**93,158,136**	**115,120,309**

As per our report attached
For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No.: 100374

Place: Pune
Dated: April 29, 2017

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

Notes forming part of the Consolidated Financial Statements

1. SHARE CAPITAL

Particulars	As at March 31, 2017 Number	As at March 31, 2017 Amount	As at March 31, 2016 Number	As at March 31, 2016 Amount
Authorised share capital				
Equity shares of ₹ 5/- each	13,000,000	65,000,000	13,000,000	65,000,000
Issued, subscribed and paid-up capital				
Equity shares of ₹ 5/- each, fully paid	12,256,222	61,281,110	12,256,222	61,281,110
Total	**12,256,222**	**61,281,110**	**12,256,222**	**61,281,110**

Notes

(a) Reconciliation of number of shares

Particulars	As at March 31, 2017 Number	As at March 31, 2017 Amount	As at March 31, 2016 Number	As at March 31, 2016 Amount
Shares outstanding at the beginning of the year	12,256,222	61,281,110	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	12,256,222	61,281,110

(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, 2017 No. of Shares held	As at March 31, 2017 % of Holding	As at March 31, 2016 No. of Shares held	As at March 31, 2016 % of Holding
1	Nastic Trading LLP	6,762,822	55.18%	5,970,000	48.71%
2	Mithras Trading LLP	122,273	1.00%	722,373	5.89%
3	Shailendra Rai	834,444	6.81%	957,332	7.81%
4	Enkei Corporation	1,100,000	8.98%	1,100,000	8.98%

2. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
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**
Foreign currency translation reserve		
Balance as at the beginning of the year	14,875,347	22,054,561
Add :Transactions during the year	1,000,825	(7,179,214)
Balance as at the end of the year	**15,876,172**	**14,875,347**

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
General Reserve		
Balance as the beginning of the year	124,000,000	124,000,000
(+) Transferred from Surplus in Statement of Profit and Loss during the year	-	-
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	41,155,011
Add : Transaction during the year	-	-
Balance as at the end of the year	**41,155,011**	**41,155,011**
Employee Stock Options Outstanding:		
Add:On account of options granted during the year	90,367,669	-
Less:Deferred Employee Compensation Expenses	47,640,683	-
Balance at the end of the year	**42,726,986**	**-**
Surplus in Statement of Profit and Loss		
Balance as the beginning of the year.	998,202,568	831,440,090
(+) Net Profit/(Loss) for the current year	261,730,385	222,079,824
(-) Proposed Dividend	-	45,960,833
(-) Tax on Proposed Dividend	-	9,356,513
(-) Transfer to General Reserve	-	-
Balance as at the end of the year	**1,259,932,953**	**998,202,568**
Total	**1,683,891,122**	**1,378,432,926**

3. LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Term loans		
From Banks (Refer Note [a] below)	936,683,355	672,827,575
Less: Current maturity of long term borrowings	220,602,736	178,094,117
	716,080,619	**494,733,458**

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 installments.

Total number of installments = 486

Number of installments outstanding as at March 31, 2017 = 365 (PY = 440)

(b) Loans availed from State Bank of India, Bank of Maharashtra and Bajaj Finance Ltd 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. Of these, ₹ 22,06,02,736/-(PY ₹ 17,80,94,117/-) are classified as current liabilities being repayable before March 31,2018.

(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.

Notes forming part of the Consolidated Financial Statements

4. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability		
Fixed Assets /Depreciation	104,858,180	61,775,697
Deferred tax Assets		
Disallowances under the income Tax Act 1961	-	2,565,949
Total	**104,858,180**	**59,209,748**

5. OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Royalty payable	66,157,273	66,157,273
Total	**66,157,273**	**66,157,273**

6. LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Employee benefits		
Gratuity (Funded-Net of assets)	38,685,372	31,375,304
Leave Encashment (Unfunded)	16,752,997	16,303,814
Total	**55,438,369**	**47,679,118**

7. SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Cash credit from banks (refer note (a) below)	1,335,553,069	1,222,750,652
	1,335,553,069	**1,222,750,652**
Unsecured		
Term loans		
From Banks [Refer note (b) below]	209,910,253	3,703,445
	209,910,253	**3,703,445**
Total	**1,545,463,322**	**1,226,454,097**

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 Bajaj Finance Ltd. 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 and from Bajaj Finance Ltd, working capital demand loan, Kotak are repayable through weekly instalments.

Total number of installments = 8 Installments (PY = 4)
Number of installments outstanding as at March 31, 2017 = 8 (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.

Notes forming part of the Consolidated Financial Statements

8. TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Total outstanding dues of micro enterprises and small enterprises	21,071,364	21,781,083
Total outstanding dues of creditors other than micro enterprises and small enterprises*		
Total outstanding dues of creditors other	1,230,072,234	1,126,677,061
Acceptances	69,952,507	96,969,705
[*Includes amounts payable to related parties ₹ 7,14,85,322/- (PY: ₹ 4,33,97,315/-)]		
Total	**1,321,097,105**	**1,245,427,849**

Note :
The Company Management has confirmed their are no over dues amount payable to the Micro, Small and Medium Enterprises

9. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term borrowings	220,602,736	178,094,117
Interest accrued but not due on borrowings	4,252,951	7,261,978
Interest accrued and due on borrowings	9,848,899	10,691,608
Unclaimed dividend	1,107,484	4,128,203
Employee dues & retentions	47,293,835	43,305,129
Other liabilities	5,676,353	58,780,476
Royalty payable.	3,906,037	4,320,412
Statutory remittances*	20,908,204	22,058,308
Advances from customers	1,516,707	20,107,649
Payable for services	20,267,978	14,357,415
Payable for Fixed Assets	30,167,939	45,052,795
Total	**365,549,123**	**408,158,090**

10. SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Employee benefits		
Leave Encashment (unfunded).	7,832,266	7,875,355
Gratuity (funded, net of assets)	8,131,967	7,680,773
Bonus	19,169,194	20,178,020
Others		
Other Provision	2,700,656	3,385,898
Proposed Dividend	-	45,960,833
Tax on Dividend	-	9,356,513
Current Tax	60,840,034	76,446,727
Total	**98,674,117**	**170,884,119**

* The Board of Directors in their meeting held on April 29, 2017 have proposed dividend of ₹ 4.25 per share in respect of the financial year 2016-17. The same are not recognised as a liability at the balance sheet date, as no obligation exists at that time. The said accounting treatment is in accordance with the requirements of the "Accounting Standard (AS) 4, Contingencies and Events Occurring After the Balance Sheet Date" duly amended vide MCA Notification dtd. 30.03.2016 and applicable for the financial year beginning from 01.04.2016.

Notes forming part of the Consolidated Financial Statements

11. FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at April 1, 2016	Additions during the year	Disposals/ (Transfer) during the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Deductions on Disposals	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
(a) Property, Plant & Equipment										
Leasehold Land	126,546,662	-	-	126,546,662	1,406,074	1485281.101	-	2,891,355	123,655,307	125,140,588
Freehold Land	177,901,895	-	-	177,901,895	-	0	-	-	177,901,895	177,901,895
Building	321,202,313	25,214,754	-	346,417,067	91,662,161	14898708.6	-	106,560,870	239,856,197	229,540,152
Factory Equipments	189,537,499	15,303,350	-	204,840,848	107,606,478	18684598.23	-	126,291,076	78,549,772	81,931,021
Plant and Machinery	2,447,669,338	363,012,227	541,033	2,810,140,532	1,120,243,681	160692706.9	1,144,621.29	1,279,791,767	1,530,348,765	1,327,425,657
Electrical Installations	165,940,955	38,502,389	-	204,443,344	101,659,293	13031803.2	-	114,691,096	89,752,248	64,281,662
Furniture and Fixtures	145,038,009	32,666,119	-	177,704,128	56,759,293	16181242.85	34,595.13	72,905,941	104,798,187	88,278,716
Computers	40,219,211	2,808,863	-	43,028,075	37,154,437	2402888.201	-	39,557,325	3,470,750	3,064,775
Office Equipments	35,925,249	7,157,316	-	43,082,565	26,617,302	5186411.939	-	31,803,714	11,278,851	9,307,947
Quality Control Equipments	39,797,573	3,734,398	-	43,531,972	21,388,054	4466489.138	-	25,854,543	17,677,429	18,409,520
Motor Vehicle	47,867,815	1,779,736	-	49,647,551	26,752,015	5466021.524	-	32,218,037	17,429,514	21,115,800
Dies and Patterns	422,675,468	29,334,861	-	452,010,329	253,294,552	23439773.63	-	276,734,325	175,276,004	169,380,916
Assets given on lease to related parties										
Plant and Machinery	43,158,582	-	-	43,158,582	27,214,218	5176924.681	-	32,391,143	10,767,439	15,944,364
Total	**4,203,480,570**	**519,514,013**	**541,033**	**4,722,453,549**	**1,871,757,558**	**271,112,850**	**1,179,216**	**2,141,691,192**	**2,580,762,358**	**2,331,723,012**
Total Previous Year	**3,408,137,842**	**803,195,623**	**7,852,895**	**4,203,480,570**	**1,613,898,464**	**262,725,793**	**4,866,699**	**1,871,757,558**	**2,331,723,012**	**1,794,239,378**
(b) Capital Work In Progress	22,347,228	66,175,297		88,522,525	-	-	-	-	88,522,525	22,772,269
Total Previous Year	**250,531,874**	**(227,759,605)**	**-**	**22,772,269**					**22,772,268**	**250,531,874**

12. INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at April 1, 2016	Additions during the year	Disposals/ (Transfer) during the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Deductions on Disposals	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
(a) Accouting /Application Software	20,281,065	1,024,586	-	21,305,651	16,466,569	1,864,488	-	18,331,057	2,974,594	3,814,496
Total	**20,281,065**	**1,024,586**	**-**	**21,305,651**	**16,466,569**	**1,864,488**	**-**	**18,331,057**	**2,974,594**	**3,814,496**
Total Previous Year	**19,674,384**	606,681	-	20,281,065	12,641,922	3,824,647		16,466,569	3,814,496	7,032,462
(b) Intangible assets under development		27,833,666		27,833,666	-	-	-	-	27,833,666	-
Intangible assets under development Previous Year	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

13. NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Investments		
Unquoted		
Investment in subsidiaries - 1 [PY: 1] equity share of Euro 35,000/- each held in Alicon Holding GmbH	0	0
Share application money - (in Transit)	7,019,000	
Total	**7,019,000**	**0**
Other than Trade Investments		
Qouted		
Investment in Equity instruments - Bank of Maharashtra	20,300	20,300
900 equity shares [PY: 900] shares of ₹ 29.10 each.		
Investment in equity instruments (quoted)		
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.		
Investment in equity instruments (unquoted)		
Total (B)	**70,300**	**70,300**
Grand Total (A+B)	**7,089,300**	**70,300**
Aggregate amount of quoted investments	20,300	20,300
Market Value of quoted investments	30,240	26,190
Aggregate amount of unquoted investments	50,000	50,000

14. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Advance Income Tax (net of provisions)	108,998,233	114,669,711
Capital Advances	36,385,464	77,186,742
Balance with government authorities.	76,846,643	49,378,851
Security Deposits	16,559,495	14,457,453
Advances recoverable in cash or kind	3,396,216	3,426,871
Total	**242,186,051**	**259,119,628**

15. INVENTORIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials and components	111,626,211	103,746,533
Consumables	82,907,179	84,463,587
Semi-finished goods	269,967,305	223,657,129
Stock of traded goods	28,386,604	29,055,105
Packing Material	236,914	511,995
Dies under Development	152,395,846	68,356,633
Furnace Oils	3,131,429	1,075,056
Total	**648,651,488**	**510,866,038**

Note

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(i.) Details of Semi-finished goods		
Semi-finished casting made from aluminum alloys	269,967,305	223,657,129

Notes forming part of the Consolidated Financial Statements

16. TRADE RECEIVABLES *

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months from the date these are due for payment		
Unsecured, considered good		
- From related parties	-	-
- From others	-	-
Unsecured, considered doubtful		
- From related parties	-	-
- From others	20,246,338	23,050,645
Other trade receivables		
Unsecured, considered good		
- From related parties	-	-
- From others	1,849,451,870	1,597,835,963
Trade receivables not due	157,035,244	87,234,661
	2,026,733,452	**1,708,121,269**
Provision for doubtful trade receivables **	20,246,338	23,050,645
Total	**2,006,487,114**	**1,685,070,624**

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

17. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Balances with banks		
Current accounts with banks	45,230,145	114,091,766
Cash on hand	47,927,992	1,028,542
Total	**93,158,137**	**115,120,308**
Other Bank Balances *		
Term deposits	3,785,886	3,785,886
Margin money deposits	60,634,237	49,991,465
Total	**64,420,123**	**53,777,351**
Sub Total	**157,578,260**	**168,897,659**

* Includes term deposits of ₹ 37,85,886/-(PY ₹ -/-) which have maturity of more than 12 months from the balance sheet date.

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

18. SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance with government authorities	130,738,001	85,919,537
Supplier Advances	5,478,348	6,706,698
Prepaid expenses	7,078,601	7,581,060
Advance against expenses/others	3,920,270	5,118,992
Total	**147,215,220**	**105,326,287**

Notes forming part of the Consolidated Financial Statements

19. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accured on deposits	1,886,910	1,531,922
Lease rental Deposit	-	-
Other Receivables	1,720,452	1,312,526
Other Receivables - Unbilled Revenue	105,582,398	67,913,028
Total	**109,189,760**	**70,757,476**

20. REVENUE FROM OPERATIONS (GROSS)

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products		
- Finished Goods	8,334,132,897	8,116,257,204
- Traded goods	183,139,614	258,746,794
Sale of services	65,491,588	1,454,541
Other operating revenues	-	-
- Scrap Sale	83,606,950	70,185,848
	8,666,371,049	**8,446,644,387**
Less:		
Excise duty	938,545,044	957,549,206
Total	**7,727,826,005**	**7,489,095,181**

21. OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest received (gross)	4,846,678	5,678,463
Dividend received	-	2,720
Rent received	13,909,682	14,338,308
Net gain/(loss) on foreign currency fluctutaions	-	9,269,119
Export Incentives	12,737,366	-
Miscellaneous income	5,956,281	2,266,952
Total	**37,450,007**	**31,555,562**

Notes forming part of the Consolidated Financial Statements

22. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Inventory at the beginning of the year	175,337,295	246,287,020
Add: Purchases - Materials	3,920,867,967	3,773,892,357
	4,096,205,262	**4,020,179,377**
Less: Inventory at the end of the year	264,022,059	172,103,165
Cost of raw materials consumed during the year	**3,832,183,203**	**3,848,076,212**

Note : Additional Details

(i) Details of raw material and components consumed

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Aluminium / Alloys	3,321,497,653	3,435,892,597
Dies & Fixtures	510,685,550	272,124,388
Total	**3,832,183,203**	**3,708,016,985**

Material consumed includes material on conversion account as certified by the management.

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.

(ii) Details of year end inventory of raw material and components

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Alloys/Dies	264,022,059	172,103,165

23. CHANGES IN INVENTORIES OF SEMI-FINISHED GOODS & STOCK-IN-TRADE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Inventory at the beginning of the year	251,236,601	305,166,288
Less : Inventory at the end of the year	293,632,198	251,236,601
Increase/(Decrease) in stock of Semi-finished goods	**(42,395,597)**	**53,929,686**

24. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, Wages And Bonus	977,626,026	870,311,962
Contributions To Provident And Other Funds	69,203,611	67,433,745
Gratuity And Leave Encashment	22,268,601	13,839,580
Employee Stock Compensation Cost (Net)	42,726,986	-
Employee Welfare Expenses	61,849,176	52,180,171
Total	**1,173,674,400**	**1,003,765,458**

Notes forming part of the Consolidated Financial Statements

25. FINANCE COSTS

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense		
- Term Loan & Working Capital Loan	237,224,246	202,756,046
- Interest on Payments of Duties & Taxes	2,849,636	3,862,408
Other Borrowing Costs	25,132,293	16,863,427
Total	**265,206,175**	**223,481,881**

26. DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation on Tangible assets	271,875,047	263,622,048
Amortisation on Intangible assets	1,102,292	2,928,392
Total	**272,977,339**	**266,550,440**

27. OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Manufacturing Expenses		
Consumption Of Stores And Spares	415,264,436	447,885,658
Power And Fuel	547,940,900	459,129,559
Processing Charges	314,291,296	291,791,545
Repairs To Machinery	53,850,295	57,823,826
Other Manufacturing Expenses	62,546,633	58,669,961
	1,393,893,560	**1,315,300,549**
Administrative Expenses		
Legal And Professional Charges	39,185,126	45,463,543
Rent	49,932,588	43,159,704
Other Administrative Expenses	187,979,395	189,678,156
	277,097,109	**278,301,403**
Selling and Distribution Expenses		
Selling And Distribution Expenses	210,519,140	204,999,511
	210,519,140	**204,999,511**
Total	**1,881,509,809**	**1,798,601,463**

Notes forming part of the Consolidated Financial Statements

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.

Segment Revenue	7,160,101,131	605,174,881	7,765,276,012
Segment Assets	3,013,381,771	305,015,424	3,318,397,195
Segment Liabilities	3,841,346,013	431,972,093	4,273,318,106
Capital Expenditure	613,854,890	6,448,802	620,303,692

(Amount in ₹ Lacs)

a)	Estimated amount of contracts remaining to be executed on capital accounts	723.73	1,051.80
A)	Letters Of Credit Issued By The Banks Against Imports	126.03	692.12
B)	Performance And Financial Guarantees Issued By The Banks	377.98	404.78
C)	Customs And Related Duties For Non Fulfillment Of Export Obligation	1,272.09	1,290.13
D)	Assessment Dues of VAT & CST	1,302.52	1,122.59
E)	Pending Cases In Local Civil Court	353.63	353.63
F)	Income Tax Dues Including Interest	18.74	18.74

(Amount in ₹ Lacs)

a)	Trade payables	888.41	100.57
b)	Payables for fixed Assets	-	41.29
c)	Capital Advances	(33.44)	-
a)	Trade Receivables	3,142.33	1,592.40

(Amount in ₹ Lacs)

i)	Net Profit after Tax	2,617.30	2,220.00
ii)	Weighted average no. of Equity shares of ₹ 5/- each	12,256,222	11,357,937
iii)	Basic Earning per Share (₹)	21.35	20.38
iv)	Diluted Earning per Share (₹)	21.00	20.38

Alicon Holding GmbH,	Wholly Owned Subsidaries	Wholly Owned Subsidaries
Illichmann Castalloy s.r.o.,		
Illichmann Castalloy GmbH		

Notes forming part of the Consolidated Financial Statements

Shailendrajit Rai - Managing Director
Rajeev Sikand - Chief Executive Officer (CEO)
Vimal Gupta - Chief Financial Officer (CFO)
Preeti Gupta - Relative of CFO
P.S. Rao - Company Secretary

Key Managerial Personnal
Key Managerial Personnal
Relative of Key Managerial Personnal
Key Managerial Personnal
Relative of Key Managerial Personnal
Key Managerial Personnal

(Amount in ₹ Lacs)

Sales	1.54	0.06
Purchases	3,352.84	1966.38
Expenses charged to the Company	0.78	292.50
Expenses charged by the Company	5.74	3.54
Fixed assets purchased or sold	105.65	262.20
Share application money - (in Transit)	70.19	-
Amount Recoverable at the year end	541.74	228.34
Fixed assets purchased (net)	-	208.79
	2016-17	2016-17
	₹ (In Lacs)	₹ (In Lacs)
Salary, Allowances & Perquisites	22.23	21.11
Contribution to P.F., Gratuity and other funds	0.90	0.90
Commission	15.84	14.92
Salary, Allowances & Perquisites	96.27	63.57
Contribution to P.F., Gratuity and other funds	10.86	4.31
Commission	91.32	72.27
Salary,Allowances & Perquisites	68.73	48.13
Contribution to P.F., Gratuity and other funds	4.16	2.23
Salary,Allowances & Perquisites	1.20	0.84
Contribution to P.F., Gratuity and other funds	0.00	0.00
Rent	2.28	2.28

Notes forming part of the Consolidated Financial Statements

(Amount in ₹ Lacs)

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.

(Amount in ₹ Lacs)

Not later than one year	153.57	122.54
Later than one year but not later than five years	56.57	86.09
Later than five years	-	-

Details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016

(Amount in ₹ Lacs)

Closing cash in hand as on 8.11.2016	32.77	12.40	45.17
Permitted Receipts	-	8.06	8.06
Permitted Payments	-	14.77	14.77
Amount deposited in banks	32.77	-	32.77
Closing cash in hand as on 30.12.2016	-	5.69	5.69

As per our report attached
For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No.: 100374

Place: Pune
Dated: April 29, 2017

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

Summary of Significant Accounting Policies

forming part of the Consolidated Financial Statements for the year ended March 31, 2017

1. Corporate information

Alicon Castalloy Limited ("the Holding Company") is a public limited company domiciled in India and is listed on both- 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. The Company' s products also cover non-auto sector of the Industry. The Company also exports its products to the countries like U.S.A. and U.K.

2. Significant Accounting Policies:

2.1 Basis of accounting and preparation of financial statements

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

b) The consolidated 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, 2014duly amended by the Companies (Accounting Standards) Amendment Rules, 2016 except and to the extent otherwise stated hereinafter.

c) All assets and liabilities have been classified as current or non-current as per the Holding Company and its group'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 consolidated financial statements are consistent with those of the earlier years except and to the extent stated otherwise hereinafter.

2.2 Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles (GAAP) in India requires the Holding 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 Holding Company's management believes that the estimates used in preparation of the consolidated 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	Slovakia	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 2017, .i.e same date as that of the Parent Company.

Summary of Significant Accounting Policies

forming part of the Consolidated Financial Statements for the year ended March 31, 2017

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 dispatch of goods from the factory premises.

c) The Holding 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 completed and goods are dispatched to the customers. Income from development of such dies is accounted for in the year in which dies are completed and invoiced.

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

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

2.5 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.

2.6 Expenditure:

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

2.7 Property, Plant and Equipment

a) Property, Plant and Equipment except free hold 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 Property, Plant and Equipment 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 Property, Plant and Equipment 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. Advances paid for the acquisition of property, plant and equipment that remained outstanding at each balance sheet date is classified as 'capital advances' under "non-current assets".

2.8 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.

c) During the year, the Company has incurred expenditure on new and advanced ERP system, S.A.P. which includes cost of identified employees who were part of the activity of development of S.A.P. All these expenditure have been shown and classified under 'Intangible Assets under Development' in the Balance Sheet.

2.9 Depreciation and Amortisation

Holding Company :

a) Depreciation on Property, Plant and Equipment 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 Property, Plant and Equipment 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 Holding Company are different than specified under the Act.

Summary of Significant Accounting Policies

forming part of the Consolidated Financial Statements for the year ended March 31, 2017

b) The table below lists out the Property, Plant and Equipment where the useful lives estimated/followed by the Holding Company is different than specified under Part C of schedule III to the Act.

Property, Plant and Equipment	Useful live (original) specified under the Act	Useful live (original) estimated & followed by the Company	Difference –excess (lesser) than specified under the Act	Justifications provided by the Company's management
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	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 Holding Company's plant runs into three shifts. The useful lives of some of the Property, Plant and Equipment 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 Property, Plant and Equipment 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 Property, Plant and Equipment 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) The useful lives of the Property, Plant and Equipment have remained to be reviewed by the Company. The Company has also not determined useful lives of significant components of its Property, Plant and Equipment separately as required under amended Accounting Standard (AS) -10, 'Property, Plant and Equipment' notified and duly amended under the Companies (Accounting Standard), Amendment Rules, 2016,

f) In case of Holding Company, Intangible assets in the nature of computer & functional software are amortised over a period of five years on straight line method. In case of overseas subsidiaries, these are amortised over a period of 4 years on straight line method,

Property, Plant and Equipment	Estimated Useful life in years	Depreciation Method	Annual rate of depreciation in %
Structures	40	Straight line	2.5
Machinery & Equipment	6 to 12	Straight line, degressive	8.3 to 16.7
Vehicles	4 to 6	Straight line, degressive	16 to 25
Low-value assets	2 to 4	Straight line,	25 to 50

2.10 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.

Since the useful lives of the Property, Plant and Equipment estimated / followed by the Company are more on conservative basis, there is no indication of potential impairment loss as of the March 31, 2017, though all its assets have remained to be comprehensively tested for impairment in the manner required under Accounting Standard (AS) -28, "Impairment of Assets" read with amended Accounting Standard (AS) -10. "Property, Plant and Equipment', as referred above.

2.11 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.

2.12 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.

Summary of Significant Accounting Policies

forming part of the Consolidated Financial Statements for the year ended March 31, 2017

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 FIFO) 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.

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.

2.13 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.

2.14 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.

2.15 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 (or credit) 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 in respect of unabsorbed depreciation and carry forward of losses are recognised only when there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. At times, these are recognised 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.

e) Deferred tax assets in respect of others are recognised, only when there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

f) 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.

2.16 Employee Benefits

Employee benefits for employees of Holding Company include provident fund, pension fund, gratuity fund, compensated absences and medical benefits.

Defined contribution plans

The Holding 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.

Summary of Significant Accounting Policies

forming part of the Consolidated Financial Statements for the year ended March 31, 2017

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.

Employee benefits of for employees of overseas subsidiaries comprise of Salaries, wages, contributions to pension and insurance funds, paid annual leave and paid sick leave, bonuses and other benefits in kind (for e.g. health care) are recorded in the accounting period to which they correspond in terms of substance and time.

2.17 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.

2.18 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 Holding Company & its group assume 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.

2.19 Research and Development Costs

a) Research costs are expensed as and when incurred.

b) Development costs are expensed 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.

2.20 Provisions, Contingencies and Commitments

a) Provisions involving substantial degree of estimation in measurement are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

b) If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation.

c) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

d) Contingent Liabilities are not recognised but are disclosed 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
Date : April 29, 2017

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
Date : April 29, 2017

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Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

27TH ANNUAL GENERAL MEETING ON 26TH SEPTEMBER, 2017

ATTENDANCE SLIP

REG. FOLIO NO. .....

I CERTIFY THAT I AM REGISTERED SHAREHOLDER / PROXY FOR 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

(CIN: L99999PN1990PLC059487)

27TH ANNUAL GENERAL MEETING ON 26TH SEPTEMBER, 2017

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 : .....

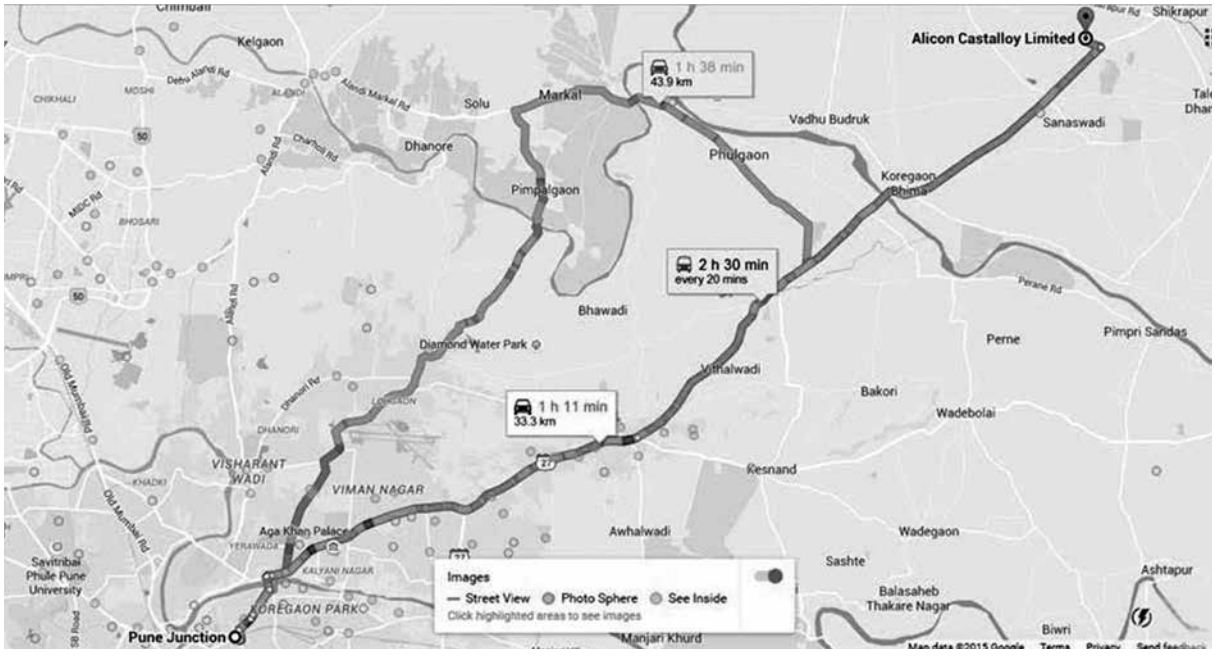
.....Signature.....or failing him

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 27th Annual General Meeting of the Company, to be held on the on Tuesday, 26th day of September, 2017 at 12:30 p.m. at the Registered Office 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 31st March, 2017.
2.	To declare dividend.
3.	To appoint a Director in place of Mrs. Pamela Rai, who retires by rotation, but being eligible offers herself for reappointment.
4.	To appoint Auditors and fix their remuneration.
	SPECIAL BUSINESS
5.	To approve reappointment of and remuneration payable to Managing Director
6.	To confirm ultimate beneficiary of 8,60,000 Equity Shares being issued on Preferential basis to Enkei Corporation, Japan
7.	To authorize the Board of Directors to determine fees under Section 20(2) of the Companies Act, 2013.

Signed this .....day of....., 2017.

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.

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Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

27TH ANNUAL GENERAL MEETING ON 26TH SEPTEMBER, 2017

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

Notes

Notes

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ALICON CASTALLOY LIMITED
CIN: L99999PN1990PLC059487

If undelivered
Registered Office:
Gat No.1426, Village - Shikrapur,
Taluka - Shirur, District Pune - 412 208

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)