

A collage of industrial images including a factory floor with machinery, stacks of cast metal parts, parked motorcycles, a blurred car in motion, and a worker in a hard hat and safety glasses.

**Challenging the
NOW**

**Casting the
FUTURE**

ALICON CASTALLOY LIMITED

TS 16949 | ISO 9001 | ISO 14001 | OHSAS 18001 Certified

23rd Annual Report 2012-13

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FORWARD-LOOKING STATEMENT

Certain Statements made in this Annual Report & the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on, whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions and macroeconomic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the Company does not have any direct control.

Corporate Information

BOARD OF DIRECTORS

Mr. S. Rai
Managing Director

Mr. Junichi Suzuki

Mr. A. D. Harolikar

Mr. Maskatsu Uchiyama
(Alternate to Mr. J. Suzuki)

Mr. Vinay Panjabi

Mr. Asis Ray
(Up to 31st July, 2013)

AUDITORS

M/s. Asit Mehta & Associates

BANKERS

Bank of Maharashtra
IFB Branch, Pune.

ING Vysya Bank Ltd.
F. C. Road, Pune.

State Bank of India
IFB Branch, Pune.



REGISTERED OFFICE & WORKS

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

WORKS

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

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



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Everything that we have accomplished during the year was made possible by our team. A team that is committed to constantly challenge the status quo, innovate, and expand their horizons.

Message from MD



The financial year began with industry and national growth at its lowest ebb. Low levels of demand impacted the automobile sector and there was a perceptible slowdown in the operations of our clients. Given the fact that the majority of our sales come from the automobile sector, this was a worrying situation. We could not even contemplate any growth. In fact, sustainability of the business became a matter of serious concern.

These circumstances gave birth to our concept of “**Challenging the NOW**”.

What was required was a series of concerted efforts to counter the market conditions and unleash new growth actuators. We began by viewing the stagnancy in our sector as an opportunity rather than as an impediment. While getting increased sales was an issue, we renewed our efforts to increase our efficiencies, reduce our input costs, and increase our productivity.

We renewed our efforts to expand our markets and broaden our clientele. We leveraged technology inputs for rapid prototyping from our recent acquisition of Illichmann Castalloy, a world class facility in Europe. Rapid prototyping is a key requirement in developing new markets. We redoubled our efforts to produce prototypes which could lead to mass manufacturing in the future.

We adopted the Kaizen methodology to improve our processes and implemented a Break Even Point Management Plan that would extract more efficiency from our operations. These initiatives helped us overcome the bleak market conditions and tap hidden possibilities in our operations.



We clocked a turnover of ₹ 4,314 million during the year representing growth of 13% as compared to previous year.

Profit After Tax for the year ended 31st March, 2013 stood at ₹ 212.37 million as compared to ₹ 220.10 million in the previous year.

These numbers are a testimony of the faith we have in ourselves and in our ability to unleash the true potential within our organisation.

While the sentiment in the automobile industry still remains low and there are no major expectations of improvement for the coming year, the demand and the opportunities for die casting on the whole remains good. Estimates indicate that the Indian industry consumes 0.45 million tons of castings a year, of which 60% or 0.25 million tons is attributed to die casting. We will continue in our efforts to seek new opportunities and we will be targeting the non-auto sector with specific attention to industries like healthcare and energy.

Our ability to develop prototypes, and offer an end-to-end integrated service is a strength that will attract new customers. Our near obsessive concern for quality makes us a partner of choice. We have put in concerted efforts to improve our quality levels and every year we have managed to reduce the ratio of defective parts that we manufacture. This helps us reduce our costs, while providing a boost to the level of confidence our clients place on us.

We believe that R&D plays an important role in laying the foundations of a sustainable business. Over the years, we have invested heavily in creating a robust R&D capability. Our R&D centres include state-of-the-art testing laboratories, a design centre, tooling prototypes and facilities for pilot testing. We have the latest

simulation and engineering software. A dedicated team of domain experts and experienced engineers use these technological facilities to develop innovative solutions. We remain committed to sustaining and building on our R&D capabilities and using it as a tool to expand our markets and serve our customers better.

Everything that we have accomplished during the year was made possible by our team. A team that is committed to constantly challenge the status quo, innovate, and expand their horizons. I take this opportunity to thank our team for their efforts and to reaffirm my faith in their abilities.

Even in this tough market situation, your company has declared a record dividend of 40% compared to 27.50% last year. This is in line with our policy of steadily increasing the dividend payout ratio.

I would also like to thank members of our Board and our senior management team for their valuable contributions.

Last but not least, I would like to thank our customers, business associates, bankers and all stakeholders for the trust that they have reposed in the alicon Group.

With a promise to continue on our path of progress by Challenging the NOW, I seek your continued support in the future.

Thank you,



Shailendrajit Rai
Managing Director

Notice

NOTICE is hereby given that the 23rd Annual General Meeting of the members of Aicon Castalloy Limited will be held at 12.30 p.m. on 30th September, 2013 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 audited Balance Sheet and Statement of Profit & Loss for the year ended on 31st March, 2013.
2. To declare dividend.
3. To appoint a Director in place of Mr. Junichi Suzuki, who retires by rotation, but being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

ON BEHALF OF THE BOARD OF DIRECTORS

S. Rai

Managing Director

Place: Shikrapur

Date : 31st July, 2013

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 PROXY(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. The Share Transfer Register and Register of Members will be kept closed from 27th September, 2013 to 30th September, 2013 (both days inclusive).
3. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/ unpaid dividend over a period of 7 years have to be transferred by the Company to the Investors Education & Protection Fund constituted by the Central Government under Section 205(A) and 205(D) of the Companies Act, 1956.

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

Date of Declaration of Dividend	Dividend for the year	Due date of transfer to the Government
30th September, 2006	2005-2006	28th October, 2013
29th September, 2007	2006-2007	27th October, 2014
27th September, 2008	2007-2008	25th October, 2015
29th September, 2010	2009-2010	27th October, 2017
28th September, 2011	2010-2011	26th October, 2018
28th September, 2012	2011-2012	26th October, 2019

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of the above, 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.

4. As required under Clause 49 of the Listing Agreement, profile of Directors seeking re-appointments are mentioned in Corporate Governance Report.
5. 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.

ON BEHALF OF THE BOARD OF DIRECTORS

S. RAI

Managing Director

Place : Shikrapur, Pune

Date : 31st July, 2013

Registered Office :

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



Casting for Leadership

➤ **Alicon** Castalloy Ltd. is the flagship company of the alicon Group - a global consortium of casting companies with units in India, Austria, and Slovakia. The Group offers advanced engineering solutions to some of the largest automobile OEM's in its respective markets. Alicon Castalloy is one of the largest integrated aluminium casting manufacturing units in India offering end-to-end solutions across the entire value chain, and delivering best-in-class aluminium castings - Gravity, Low Pressure and Sand Casting. The Company is also a pioneer user of the unique Pi system for low pressure casting in India - this system enhances productivity with the minimum utilisation of machines, space and manpower.





Our services include designing, engineering, casting, machining, testing and sub assembly, painting and surface treatment of aluminium castings.

Our production facilities are located in Pune (Maharashtra), Gurgaon in North India and Slovakia (Europe). Alicon has the distinction of being a single source supplier of many critical engine parts including cylinder heads for some of India's largest OEM's of two and four wheelers. We also cater to the non auto sector specifically sectors like Agriculture, Aero & Marine, Locomotive, Infrastructure, Energy, Defence, and Medical/Healthcare industries.

Over the past three years, the Company has been growing at a rapid pace and turnover has more than doubled in both the domestic as well as international markets.

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Don't believe what your eyes are telling you.
All they show is limitation. Look with your understanding.
Find out what you already know and you will see the way to fly.

- Richard Bach, Jonathan Livingston Seagull

Challenging the NOW. Casting the FUTURE.



➤ **When** we look around us, what we see is merely the circumstance. When we are faced with tough market conditions, we only see difficulties - We miss seeing the potential of unlimited possibilities. Realising our potential requires us to look within ourselves and thereby seek insight into our circumstances. Once we understand this, we relook at our circumstances as something that can be changed by our actions. The possibilities of **NOW** emerge, liberating us from the circumstances and giving wing to our abilities.

