

Becoming One. | Casting the Future.

Annual Report 2014-15





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Corporate Information

Board of Directors

Mr. S. Rai
Managing Director

Mrs. Pamela Rai

Mr. Junichi Suzuki

Mr. A. D. Harollikar

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

Mr. Vinay Panjabi

Mr. Ajay Nanavati

Auditors

M/s. Asit Mehta & Associates

Bankers

Bank of Maharashtra

Kotak Mahindra Bank

State Bank of India

Bank of India

Registered Office & Works

Registered Office

Gat No. 1426, Village - Shikrapur, Taluka - Shirur,
District Pune - 412 208, Maharashtra INDIA
T: +91 2137 677100 | F: +91 2137 677130
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Share Transfer Agent

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

Works

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

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

Message from the MD



With Aicon and the Casting Business of Atlas engaged in similar activities, merging these businesses will enable the merged entity of Aicon to bring in greater flexibility to pursue strategic objectives and achieve accelerated growth strategy.

Dear Shareholders,

This year was an important milestone for your Company. It marked the merger of the Casting Business segment of Atlas Castalloy Limited with Aicon Castalloy Limited. 'Becoming One' makes Aicon stronger and puts us in a good position to accelerate on our journey of 'Casting the Future'.

While economic revival was witnessed in 2014-15, recovery was gradual and failed to live up to the expectations of the industry. The Index of Industrial Production (IIP), which indicates the level of industrial activities in the Indian economy, remained subdued for the most part of 2014-15. Overcoming these difficult conditions required a focussed approach

from our team. Our "Challenge the Now" initiatives continue to bear fruit, driving significant improvements in our operational efficiencies. This enabled us to sustain our performance in a tough business environment. During the year, we recorded a turnover of ₹ 7,136 Million on consolidated basis, representing a growth of 34 per cent, over the previous year. Profit after Tax for the year stood at ₹ 198.4 Million as compared to ₹ 191.5 Million in 2013-14. Despite incurring high development costs for new products, prudent cost control, optimisation of processes and our strong product portfolio enabled us to retain our competitive advantage.

I would like to take this opportunity to expand on the recent merger, so that our shareholders can understand and appreciate what we have accomplished and where we are heading.

₹ 6,390 Million

Standalone Revenue representing a growth of 44.88 per cent over the previous year.

Atlas Castalloy Limited is an established aluminium foundry involved in the manufacturing of very complex aluminium castings for automotive and non-automotive customers, in the domestic and international markets. With Alicon and the Casting Business of Atlas engaged in similar activities, merging these businesses will enable the merged entity of Alicon to bring in greater flexibility to pursue strategic objectives and achieve accelerated growth. With access to the entire operations and business of Atlas, it will enable us to achieve economies of scale, optimal utilisation of resources, better administration and cost reduction. This will take Alicon closer to its vision of becoming the globally preferred supplier for Light Alloy Casting solutions. Going beyond just sales and profits, it provides Alicon with talented people, robust capabilities and technologies to support future growth. I am extremely enthusiastic about the value that this merger will bring to our shareholders in the coming years.

Our sustained performance stems from a culture of innovation. In this regard, our R&D capabilities enable us to deliver products and processes which are truly world-class. Anticipating the trend for weight saving through conversion of materials, Alicon had the foresight to invest in the technology for developing such products. The cost benefit which accrues due to weight saving has resulted in a number of conversion projects across various sectors. Today, Alicon with its robust offering, leads the Indian market with conversion components for diverse sectors such as defence, power and healthcare, apart from the automobile sector. Our capacity to handle prototyping for products used by these sectors also gives us a significant edge in this dynamic business.

We remain firmly focussed to continue our efforts towards creating globally relevant solutions in India. Our efforts in this direction have received a special impetus due to the incumbent government's 'Make in India' campaign. We have begun manufacturing Automatic Manual Transmission (AMT) base plates. These are very complex parts made in India for the first time. The market for AMT's is expected to extend to cover 40 per cent of passenger cars in the next three years. Additionally, India is a fast emerging market for high-end motorcycles. While currently critical components for these vehicles are being manufactured and supplied through our collaboration partners, Alicon is exploring the possibility of setting up a plant for these components in India.

In pursuit of our strategy to focus on high end and complex parts in our product development pipeline, we have made significant investments in engineering and R&D over the last few years. These efforts have been yielding the desired results. Our product portfolio is now comprised of critical parts that will define our future. Further, most of these products are for prestigious international OEMs, reinforcing our confidence in the growth potential of our Company.

At the heart of our success are our people. Their professionalism, talent and commitment has steered our growth and will continue to be an important asset in the long-term. In pursuit of delivering excellence,

Operationally, we continued to evolve our global network of customers, adding many reputed and respected customers to our already impressive list. Our European subsidiary Illichmann Castalloy and our collaboration with world leading technology partners provide us the capability to deliver local customer service with global impact. These international associations help us drive improvements in quality, delivery and new product launches. This gives us the strength to aggressively pursue our growth strategy.

your Company has recently embraced the 'North Star' philosophy. The philosophy embodies the spirit of having one common objective for the organisation and all employees are aligned to one vector of being the best in the industry and set a shining example, much like the 'North Star' which is ever constant and dependable in a constantly changing universe. To move closer towards this philosophy, we have aligned all our business processes to ensure that the best practices and policies are followed unequivocally by the entire organisation.

We firmly believe that exciting times await us. In the coming years, driven by economic growth, the automotive industry is set to scale new heights. Opportunities in other sectors such as power, healthcare, defence and aeronautics are also opening up with the Government's increased focus in these sectors. The improving business environment makes us optimistic about driving higher sales and increasing shareholder value. As a global enterprise, we are ready for the road ahead, as we lead Alicon into its next great chapter.

Before I conclude, I would like to thank our customers for their unstinted support. I would also like to convey my appreciation for the valuable advice provided by my colleagues on the Board and the management team; and for the steadfast dedication of all employees across various locations. Last but not the least, I would like to thank our business associates, bankers and all stakeholders for the trust that they have reposed in Alicon. We look forward to your continued support while we endeavour to deliver successes throughout 2015-16 and beyond.



Shailendrajit Rai
Managing Director

Becoming One.

Casting the Future.

What makes tomorrow happen is one's ability to visualise the future.

“
AT ALICON, WE ARE
STEERED BY THE VISION
OF BECOMING THE
GLOBALLY PREFERRED
SUPPLIER FOR LIGHT
ALLOY CASTING
SOLUTIONS
”

With our vision etched out, we have over the years made significant investments in our infrastructure, technology, processes and of course, in human capital to address the requirements of our esteemed customers.



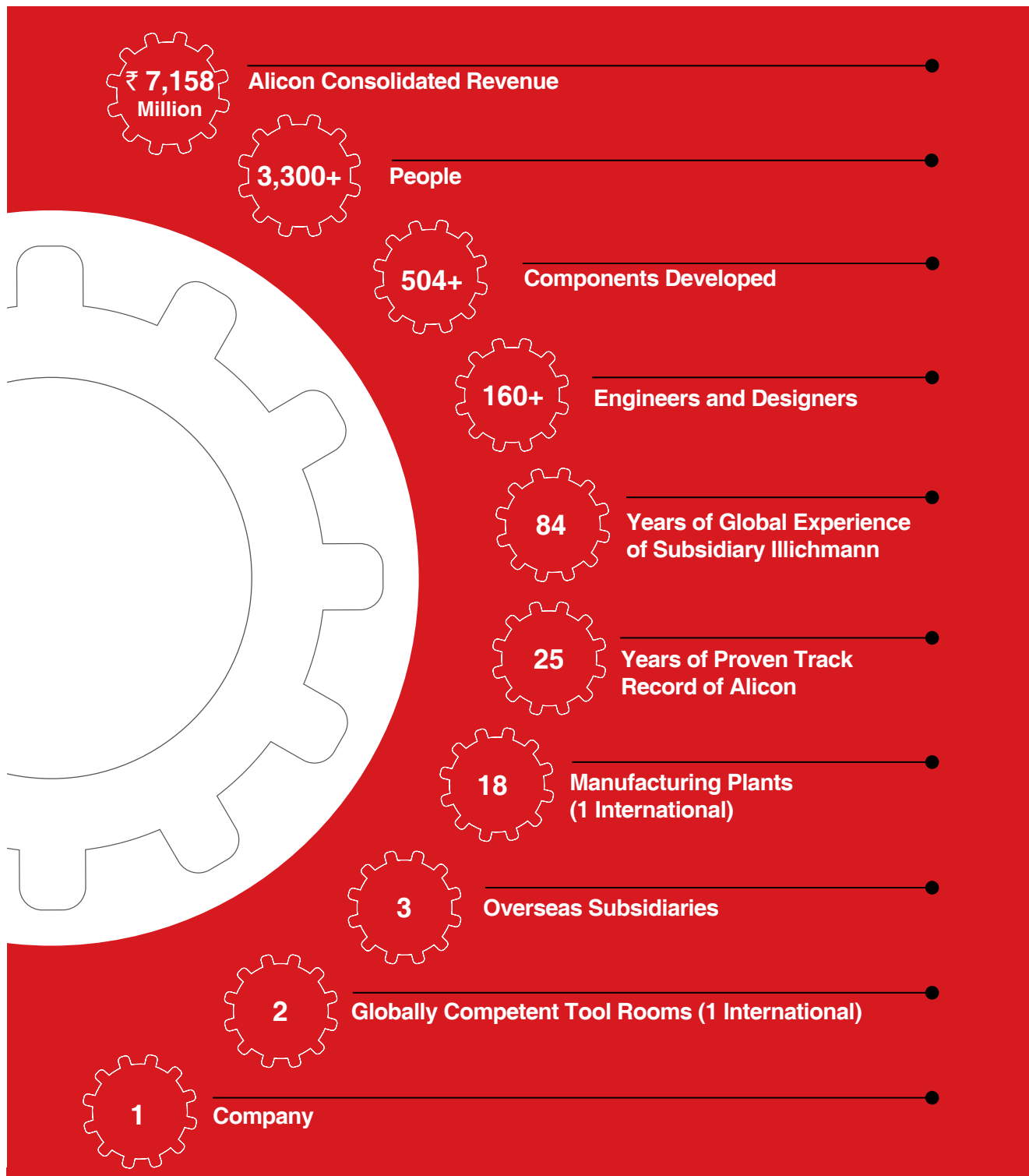
It marked the coming together of Alicon and the Casting Business of Atlas Castalloy Limited. With both companies serving different customers using same technology, their coming together provides a stronger foundation to achieve more, deliver more for each of our deeply valued stakeholders.

The whole is greater than the sum of its parts.

This phrase, first coined by famous Greek philosopher and scientist Aristotle, perfectly captures the line of thinking behind the major transformation at Alicon. With enhanced technology and production capacities, amalgamation of customer base, bringing in greater control over administration and costs, and facilitating economies of scale and efficiency through this merger, Alicon is here to cast its success not just for tomorrow, but for the future.



One Group. Many Achievements.



Alicon at a Glance

Who we are

Alicon is a global Company involved in Design, Engineering, Casting, Machining, Painting and Surface Treatment of Aluminium Components. Alicon Castalloy is one of India's largest integrated aluminium casting manufacturing units.

What we stand for

We have a clear vision and a deliverable strategy underpinned by our values.



Our Vision

Become the globally preferred supplier for Light Alloy Casting Solutions



Our Mission

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



Our Values

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



North Star
Our Ultimate Goal

Our Philosophy

**“WE ARE PROUD TO BE INDIAN,
WE WORK TO MAKE INDIA PROUD”**

One Group. Many Achievements.

What we do

We amalgamate the best of European engineering, Japanese quality and Indian ingenuity to produce exceptional and innovative aluminium casting products. Thus, allowing us to offer end-to-end solutions across the entire value chain to diverse industries.

We have been casting the future in Aluminium since 25 years and are India's pioneers in Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC). We are also the pioneer users of Pro-Cast and Magma in India, with capabilities of handling both low and high volumes. Our European subsidiary, Illichmann Castalloy, enjoys above 80 years of proven global track record in Aluminium Castings.

Our Domain Strengths

- Rapid Prototyping
- Designing (CAD/CAM/CAE/Simulation)
- In-house Tool Manufacturing
- Die Casting (Sand Casting/GDC/LPDC)
- Magma & Pro-cast Soft Casting Simulation
- Testing
- Machining, Assembly & Painting

How we do it

World-class infrastructure

At Alicon, we have a state-of-the-art, world-class infrastructure with modern facilities such as technology centres, globally competent tool rooms, quality testing labs and full-fledged machine shops.

Our infrastructure is designed to facilitate innovation and includes one-of-its-kind research and development laboratories, design centres, tool improvement labs and two facilities for pilot testing. These centres are well-equipped with modern international machinery and equipment for testing (with the latest engineering software) & simulation facilities.

People power

Our people are our true sustainable advantage. We recruit, develop and retain diverse talent because we see diversity as a power. Multiple problem - solving approaches are encouraged and the best method evaluated is taken forward. We have also invested in building a dedicated team of domain experts and experienced engineers for developing innovative solutions. For it is our never-ending quest for robust ideas and improved products which have fuelled our performance and success.

