

FORWARD
THE ONLY WAY WE THINK

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. S. Rai
Managing Director

Mrs. Pamela Rai

Mr. Junichi Suzuki

Mr. A. D. Harolikar

Mr. Vinay Panjabi

Mr. Ajay Nanavati

AUDITORS

M/s. Asit Mehta & Associates

BANKERS

Bank of Maharashtra

Kotak Mahindra Bank

State Bank of India

Bank of India

REGISTERED OFFICE

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

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

WORKS

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

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

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

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

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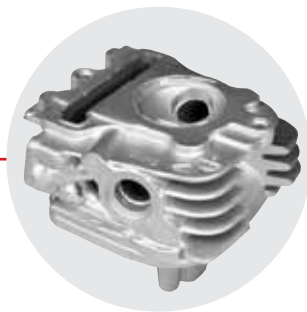


FORWARD

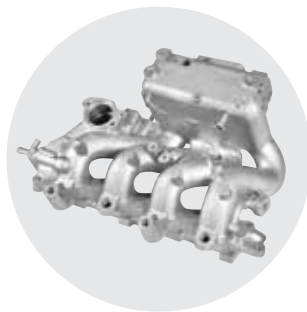
THE ONLY WAY WE THINK

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

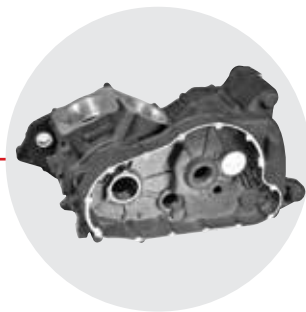
Our progressive products



Year 1990
2W Cylinder Head
Manufactured



Year 2000
4W Manifold
Manufactured

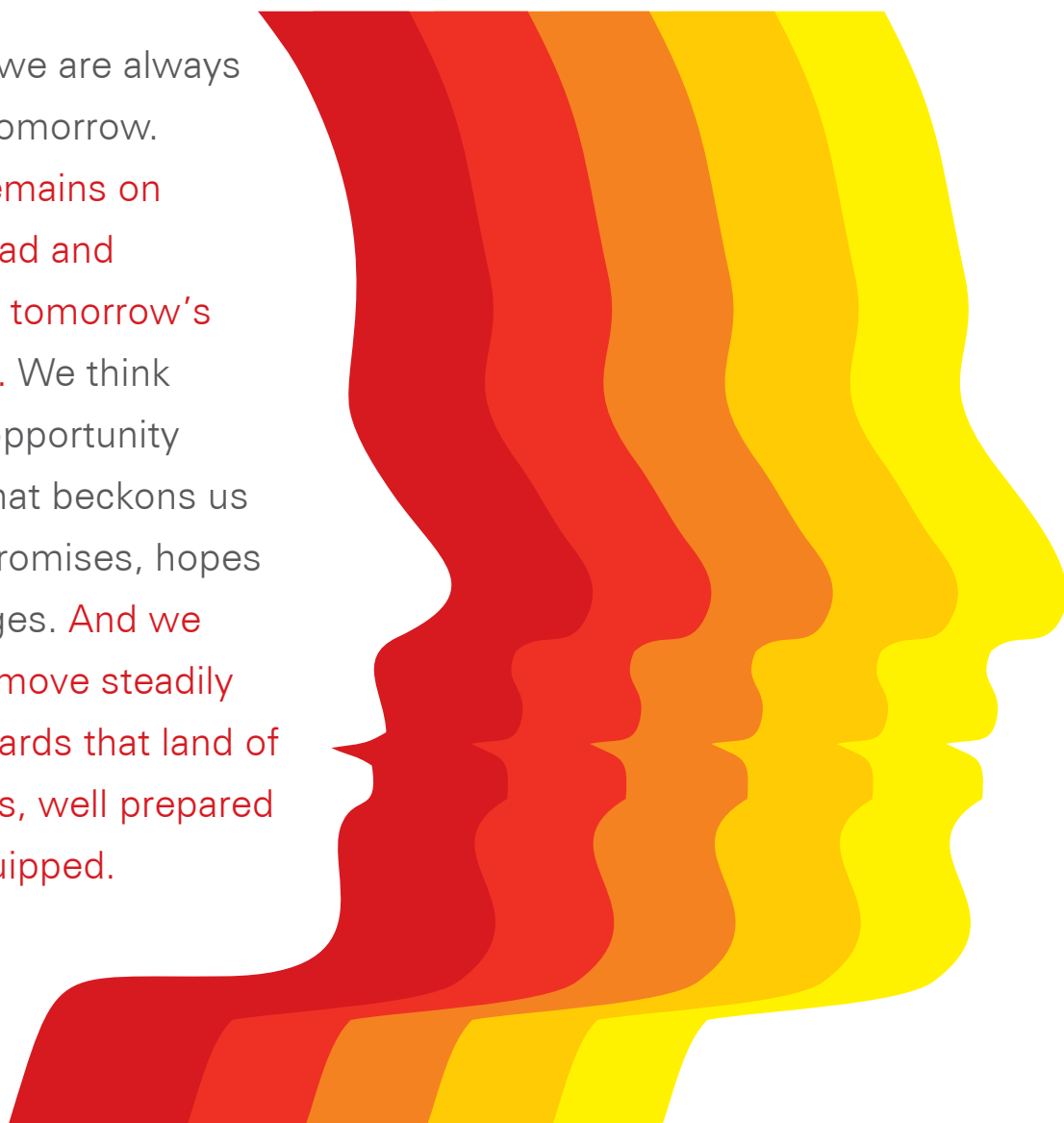


Year 2015
Crank Case
Manufactured



Year 2016
HCV Coolant Collector
Manufactured

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



MESSAGE

FROM THE MANAGING DIRECTOR



7%
growth
in turnover

Dear Shareholders,

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

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

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

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

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

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

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

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



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

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

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

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

the year. We see this trend getting strengthened going forward.

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

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

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

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

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

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

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

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



SHAILENDRAJIT RAI
Managing Director

DESIGNED TO CAST

FORWARD-LOOKING SOLUTIONS

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

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

A ROBUST BUSINESS MODEL

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

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

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

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



OUR CORE COMPETENCIES



RAPID
PROTOTYPING



IN-HOUSE TOOL
MANUFACTURING



TESTING



DESIGNING (CAD/CAM/
CAE/SIMULATION)



DIE CASTING (SAND
CASTING/GDC/LPDC)



MACHINING,
ASSEMBLY & PAINTING

OUR CORPORATE PLEDGE

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

OUR VISION

Become the globally preferred supplier for Light Alloy Casting Solutions

OUR MISSION

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

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

OUR VALUES

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

OUR PHILOSOPHY

“ WE ARE PROUD TO BE INDIAN; WE WORK TO MAKE INDIA PROUD ”



HARNESSING STRENGTHS TO MEET TOMORROW'S NEEDS

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

STATE-OF-THE-ART FOUNDRIES

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

- Full-fledged Machine Shop (including assembly facility)

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

MANUFACTURING PROCESS

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

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

STRATEGIC LOCATION

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



Driven by performance

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



Map not to scale

KEY PERFORMANCE INDICATORS

