

ALICON CASTALLOY LIMITED



In
step
with
tomorrow

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



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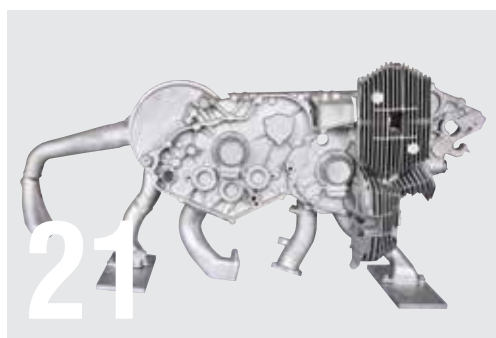
Follow the footsteps



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The background of the slide is a photograph of an industrial facility. On the left, a worker in a red shirt and a blue face mask is operating a large piece of machinery. The machinery has a sign that reads "CORE SECTION". In the foreground, there are various industrial components, including pipes, valves, and a large motor. The overall scene is a busy industrial environment.

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 Aicon has manoeuvred through these challenges and emerged stronger, with an improvised strategy for achieving our G5 2020-21 vision. Aicon 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, stator 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

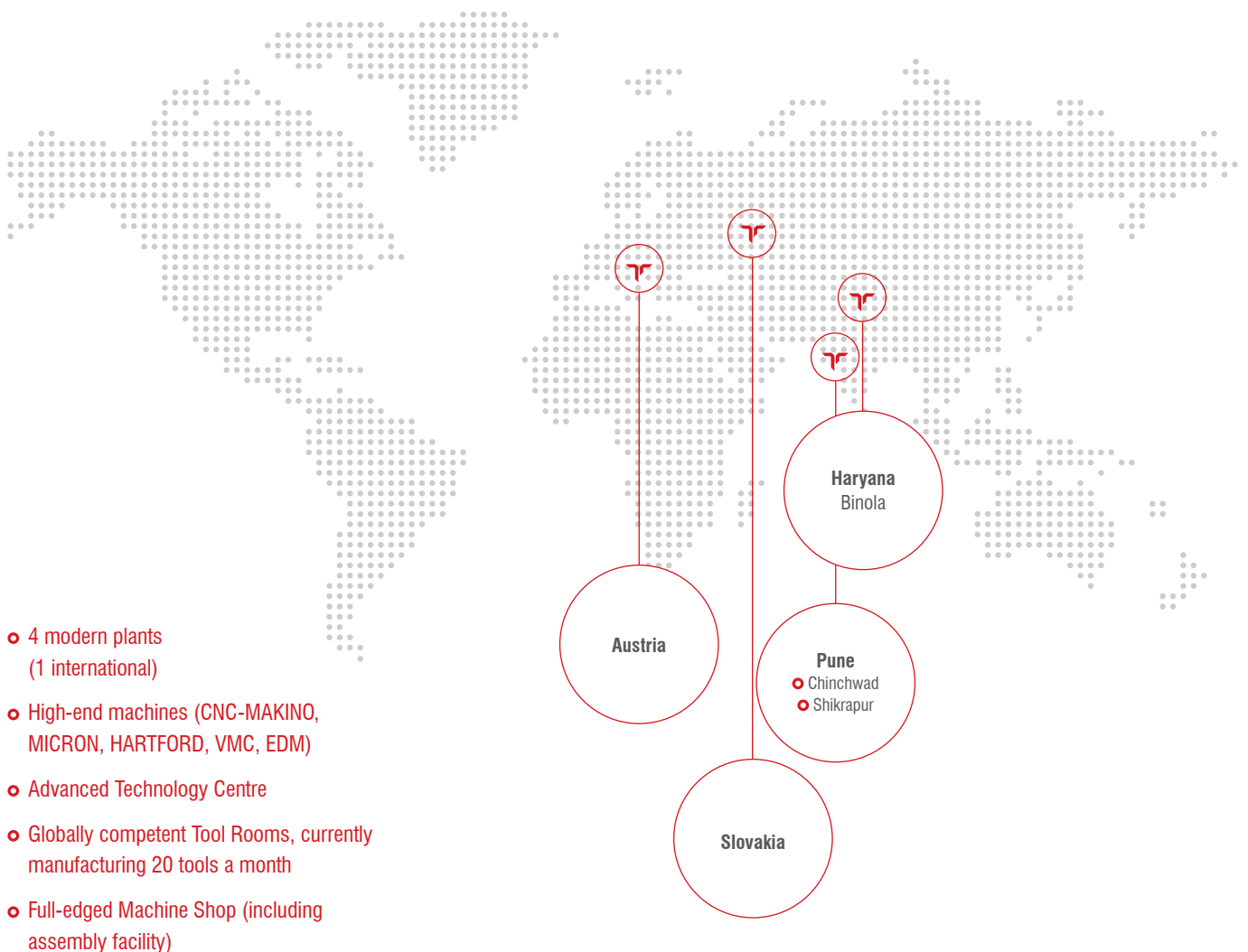
With a strong focus on building strengths designed to address the future needs of our customers around the world, we are continuously working on amplifying our core competences. Augmentation of infrastructure and enhancement of quality drive this focus and enable us to effectively harness the new opportunities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



Map not to scale. For illustrative purposes only.

Austria

* International Marketing Office

Slovakia

* Manufacturing Plant
* Tool Room
* Product Validation Lab

Chinchwad, Pune (Maharashtra)

* Manufacturing Plant
* Tool Room
* Product Validation Lab
* Machine Shop

Shikrapur, Pune (Maharashtra)

* Manufacturing Plant
* Technology Centre
* Product Validation Lab
* Machine Shop

Binola (Haryana)

* Manufacturing Plant
* Product Validation Lab