

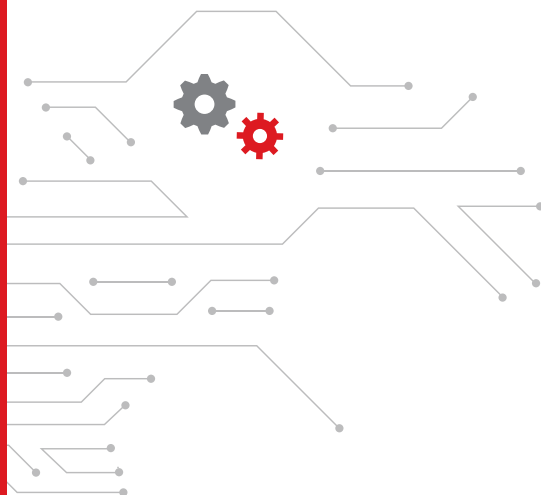
ALICON CASTALLOY LIMITED



DRIVING GROWTH

REIMAGINING THE FUTURE

ANNUAL REPORT 2017-18



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. Kirtane & Pandit LLP

Bankers

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

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

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 - Gurugram, Haryana - 122 051

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



Find this report online at www.alicongroup.co.in

Read inside...

CORPORATE OVERVIEW

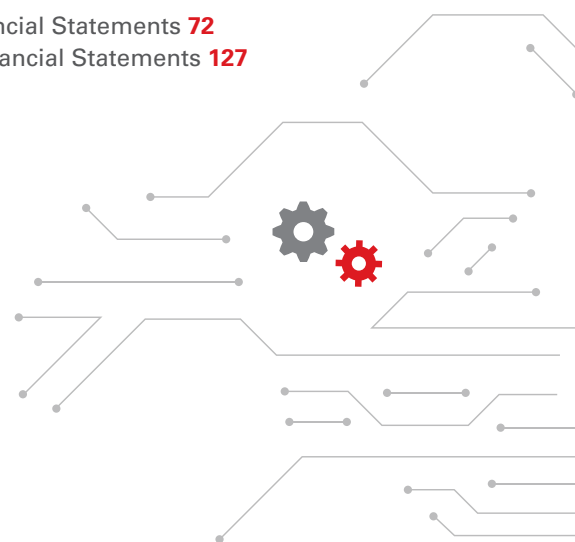
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Driving Growth. Reimagining the Future.

At Alicon, we believe that the power of reimagining the future lies in the ability to reinvent the present. Led by this conviction, we are continuously augmenting our capabilities today to drive future growth. We are perpetually strengthening our innovative and collaborative skills to enhance our leadership position as a one-stop solution provider in our niche business space.

With our eyes firmly on the future opportunities for the realisation of our G5 2021-22 vision, we are continually investing in our manufacturing capacities and product quality to equip ourselves to fully leverage it. Seeing their immense potential for scaling growth, we are expanding our presence into new segments and new product lines to serve the unique requirements of our existing and new customers.

It is our focussed endeavour to empower ourselves, through technological upgradation and automation, to meet tomorrow's casting needs of our growing clientele. Because we seek to build a future that is bigger than our past!





Location: Shikrapur Plant, Pune

From the MD's Desk



Dear Shareholders,

It gives me immense pleasure to share with you the overall performance of your Company in FY 2017-18.

The Indian economy showed signs of a sharp upturn in the economic activity in the last two quarters of FY 2017-18. The highlights of the provisional estimates of Annual National Income, FY 2017-18 and quarterly estimates of Gross Domestic Product (GDP), for the fourth quarter (Q4) of FY 2017-18, released by the Central Statistics Office (CSO) - Government of India on May 31, 2018, reflect that the Indian economy continued its growth momentum as real GDP growth soared to an eight-quarter high of 7.7% in Q4 FY 2017-18, up from 7.0% in Q3 FY 2017-18. This was after Q1 and Q2 of FY 2017-18, registered a muted growth of 5.6% and 6.3%, respectively. This suggests that the impact of demonetisation and GST-related implementation glitches are fading. The improvement in growth appears to be broad-based, with both consumption and investment showing improvement.

However, the external sector remains a drag on GDP with imports rising 12.4% and exports registering a muted growth of 5.6% in FY 2017-18. While the surge in oil prices has had a more than proportionate impact on this trend - India needs to retain its export competitiveness. I am pleased to share with you that your Company has continued to grow its overseas business. Our growth in overseas business during FY 2017-18, was 67.2% as against a growth of 14.1% in FY 2016-17. As a share of total income, our overseas business in FY 2017-18, stood at 18.5% as against 14.6% in FY 2016-17. This of course was over and above a robust performance delivered in the domestic markets.

In summary, your Company recorded a rise of 31.9% in its topline, which crossed the much-coveted landmark of ₹ 1,000 Crores. The topline for FY 2017-18 stood at ₹ 10,135 Million. Profitability too grew in a robust manner - EBITDA grew 32.4% at ₹ 1,176 Million and Profits after Tax grew by 56.6% to ₹ 387 Million in FY 2017-18.

I am also happy to share that our efforts of the last few years with the formulation of our G5 2021-22 vision coupled with other initiatives such as a holistic approach in unifying the underlying strengths of our European engineering skills, Japanese quality and inherent creativity have culminated in us reaching an inflection point where we are poised for rapid and sustained growth.

We will continue to retain our focus on R&D and new technologies like 3D printing, scanning and radiography, to sharpen our edge over others, enabling us to engage with our customers at a very early stage in component development.

Last year, I had shared that Alicon is proactively involved with domestic as well as global OEMs, right from the concept to design stage, in the development of parts for Electric Vehicles. I am pleased to inform you that your Company's initiatives have fructified into successful development of Motor Housing, Battery Housing and Gear Box Housing for customers in Europe to be used in Electric Vehicles.

The initiatives taken by us over the past few years encompass (i) adopting best-in-class human resource policies enabling us to attract talent, (ii) achieving higher levels of automation on the shop floor, (iii) the development of vendor skills by ongoing interaction in helping them with technical developments and resolving

"We will continue to retain our focus on R&D and new technologies like 3D printing, scanning and radiography, to sharpen our edge over others, enabling us to engage with our customers at a very early stage in component development."



their financial structuring, (iv) enhancing customer - centricity by integrating internal information systems to provide customers with a web-enabled bird's-eye view of their orders at each stage within your Company and lastly (v) adopting a robust review mechanism to monitor every performance metric on a monthly basis. These measures have helped us to transition from a "vendor to its customers" to becoming "a one-stop solutions provider" to our diverse customer base.

While we continue to innovate within our current business environment, we recognise that there are major technological disruptions that are continuously unfolding. In order to prepare our organisation for the opportunities and challenges that these disruptions may present, we have initiated some major activities. We have begun to send our key managers to participate at international forums, with the hope of exposing them to emerging trends in the following areas: (i) additive manufacturing; (ii) augmented and virtual realities; (iii) development of advanced materials – to develop alloys that aid in optimising weight and mechanical properties; and (iv) the use of machine learning and artificial intelligence in design capabilities. We have also begun to invest in technology development through a host of carefully selected projects. These initiatives will help inculcate an environment of creativity and a talent pool of innovators within our organisation, the ideal tools to help us succeed in a disruptive marketplace.

These endeavours are rooted in our North Star philosophy - "We are proud to be Indians, 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 plan to achieve a different level of growth trajectory from the inflection point that we find ourselves at. In order to achieve this, we have commenced the process of expansion of our production facilities by setting up a green field project at Khed, Pune. This factory will have state-of-the-art manufacturing facilities with a high level of automation, the latest technology, machines compliant to industry 4.0, Single piece flow and will be India Green Building Concept (IGBC) compliant.

The only disconcerting factor I perceive in an otherwise bright future is the spectre of the trade wars that threaten to disrupt globally integrated supply chains. I believe, that given the geographies we serve, our technological excellence and our management experience, we will be able to overcome the hurdles and challenges this may pose.


I remain excited at the opportunities that are on offer and I am confident that we shall evolve into a Company that will transform itself to achieve exponential levels of growth.

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 Aicon family for aligning themselves to our North Star philosophy 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

Alicon – A Futuristic Entity

We are a growth-led organisation catering to the aluminium casting needs of an expanding base of diverse clients, within and outside India, through our high-quality total engineering solutions. We deliver end-to-end solutions encompassing the complete spectrum of aluminium casting needs of our clients across industries, to reimagine the future as a more dynamic and progressive tomorrow for each of them.



The Alicon Group is 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. It is a single point contact for all engineering solutions related to aluminium alloy castings, and one of the biggest foundry infrastructures providing total solutions under one roof.

Blending European engineering expertise with Japanese quality and Indian ingenuity, we deliver innovative aluminium casting products and high-end solutions at the back of our core competencies across the complete value chain of aluminium casting.

Alicon has been casting the future of Aluminium in India for the past 49 years, and is the country's pioneer in Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC). We are also the frontrunners in the development of Pro-Cast and Magma in India, making us the preferred manufacturer for all the major local and many international OEMs.

We have also been serving clients in Europe and the US through our European subsidiary Illichman Castalloy, which has a proven global track record of 89 years.



As a future-ready organisation, we have strategically forayed into **the fast-growing electrical vehicle segment**, where we see massive potential for growth in the coming years.



60

No. of product innovations during FY 2017-18



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



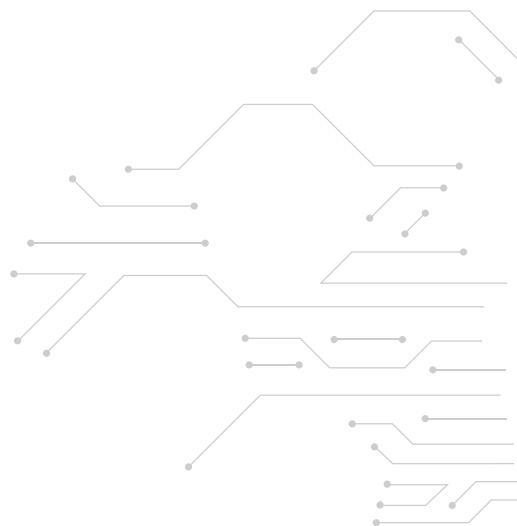
Our Business Philosophy

Fewer, Bigger & Bolder



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** DIS – 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



Nurturing Strengths to Drive Future Growth

With a strong focus on building strengths designed to address the future needs of customers around the world, we are continuously working on amplifying our core competencies. Augmentation of infrastructure and enhancement of quality is the framework in which we have cast our growth strategy, to enable us to effectively harness the new opportunities of tomorrow.

Strengths designed to drive growth

