

Accelerated Growth, Steadfast Values.



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Corporate Information

BOARD OF DIRECTORS

Mr. S. Rai
Managing Director
(DIN: 00050950)

Mr. Junichi Suzuki
Director (DIN: 02628162)

Mr. A. D. Harollikar
Independent Director
(DIN: 00239460)

Mr. Vinay Panjabi
Independent Director
(DIN: 00053380)

Mrs. P Rai
Director (DIN: 00050999)

Mr. Ajay Nanavati
Independent Director
(DIN: 02370729)

Mrs. Veena Mankar
Independent Director
(DIN: 00004168)

STATUTORY AUDITORS

M/s. Kirtane & Pandit LLP

GROUP CEO

Mr. Rajeev Sikand

GROUP CFO

Mr. Vimal Gupta

BANKERS

State Bank of India
Bank of Maharashtra
Kotak Mahindra Bank
IDFC First Bank
Bajaj Finance Ltd
HDFC Bank
Citi Bank

REGISTERED OFFICE

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

Tel: +91 02137 677100

Email: veena.vaidya@alicongroup.co.in

Website: www.alicongroup.co.in

CORPORATE IDENTIFICATION NUMBER

L99999PN1990PLC059487

SHARE TRANSFER AGENT

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Gandhi Nagar, Vikhroli (West),
Mumbai - 400 083.
T: +91 (22) 4918 6178-79
F: +91 22 4918 6060
Email: gamare@unisec.in

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 Milestone, Delhi - Jaipur,
NH 8, Industrial Area, Village - Binola,
District - Gurugram, Haryana - 122 051

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



For more details,
please visit:
www.alicongroup.co.in

Accelerated Growth, Steadfast Values.

At Aicon, our commitment to Accelerated growth is intrinsically tied to our dedication to Steadfast values. We believe that true success is achieved not only through impressive financial performance but also by upholding the highest ethical standards and making a positive impact on society.

The past year stands as a testament to our purpose. Our strategic initiatives, set in motion prior to the challenges posed by the pandemic, have yielded remarkable results, propelling us to achieve record-breaking annual revenue and surpass industry growth. The addition of new customers and securing the largest-ever order in our history for an e-mobility platform have further fuelled our momentum.

As we look to the future, our focus remains steadfast on developing critical and complex products, strategically positioning us for sustained growth. With a robust order book and ongoing investments in

technology, talent and processes, our confidence in the road ahead continues to strengthen. Moreover, our expanding presence in export markets opens up new avenues for growth.

Our pursuit of growth is seamlessly intertwined with our core values. We are deeply committed to excellence, integrity and making a meaningful difference in the lives of all our stakeholders. Through our research and development capabilities, design excellence and value engineering, we forge stronger connections with our customers. By fostering a supportive

environment for the growth of our employees, embedding renewable energy solutions and empowering the communities in which we operate, we actively embody our role as a responsible corporate citizen.

Growth and values are interconnected facets that define our corporate identity. We invite you to join us on our remarkable journey of accelerated growth with steadfast values, as we shape a brighter future for Aicon and all those we touch through our operations.



Achievements for FY 2022-23

₹ 1,405 Crore

Clocked our highest-ever annual revenue, ↑30% on a year-on-year basis

₹ 157 Crore

Clocked highest-ever EBITDA, ↑36% on a year-on-year basis

₹ 1,700 Crore

New orders received during the year, taking total order book to ₹ 7,800 crore from new orders

₹ 83 Crore

Capital expenditure during the year

23

New parts added

3

New customers added



Long-term rating upgraded to A positive by CRISIL



Secured the largest-ever order (from a single customer for a single product) in our history



Fulfilled our supply commitments for an esteemed telecom project under Atmanirbhar Bharat



Commissioned a captive solar plant in India



Commenced installation of solar panels at Europe facility





Automatic GDC production line with robots for 4W Clyinder head

Chairman and Managing Director's Message



Our revenue was higher by 30% on a year-on-year basis, significantly surpassing the industry growth. Enhanced volumes and the addition of new parts and customers fuelled our revenue growth".

Dear Shareholders,

"Accelerated Growth, Steadfast Values"

"This is our commitment to creating opportunities by reinventing ourselves while staying true to our values and culture."

As I had mentioned in my last year's address to you that the country and we at Alicon had lost out on two years of growth. With the effects of the pandemic having waned, we benefited from a normalised full year performance this year. Our continued efforts over the last few years bore fruit and we were able to deliver a robust performance. This was despite multiple economic headwinds like inflationary trends across the globe, supply chain disruptions emanating from China and the continued Russia-Ukraine conflict which impacted commodity prices. Our strong performance this fiscal was made possible given our focus on diverse growth vectors, our agility and product suite diversification which helped in reinforce our position as the preferred partner for domestic and global customers. As we look towards an exciting road ahead, we remain dedicated to driving long-term, sustainable growth.

Despite persistent inflation, elevated interest rates and slowing private consumption, the Indian automobile industry displayed remarkable resilience and innovation. Supported by robust market demand, it achieved a significant volume growth of 13% in FY 2023 compared to the previous year. In contrast, the global auto industry reported a year-on-year volume growth of 6% in calendar year 2022. This was creditable given the European markets witnessed greater turmoil with elevated energy prices and subdued demand.

In the domestic market, the passenger vehicle segment achieved its highest-ever domestic sales, surpassing the previous peak in FY 2019. Commercial vehicles recorded its second-highest domestic sales, approaching the FY 2019 peak. However, the two-wheeler segment, despite a 17% year-on-year volume growth, still remains 25% below the FY 2019 peak. Tepid Rural demand and the introduction of Onboard Diagnostic (OBD) norms led to production schedule adjustments by OEMs, which impacted two-wheeler sales.

At Alicon, we demonstrated the effectiveness of our growth and transformation strategies by achieving our highest-ever annual revenue of ₹ 1,405 crore in FY 2023. Our revenue was

higher by 30% on a year-on-year basis, significantly surpassing the automobile industry growth. This revenue growth was fuelled by enhanced volumes and the addition of new parts and customers fuelled our revenue growth. The improved contribution from our international subsidiary, Illichmann despite the challenging economic environment in Europe also played a vital role.

Our endeavour to improve margin through rebalancing of the product mix is bearing fruit. We achieved our highest-ever EBITDA, posting a 36% year-on-year increase. The EBITDA margin for the year stood at 11.2%, surpassing the 10.7% of FY 2022. Profit after tax stood at ₹ 52 crore, a growth of 113% year-on-year. The adoption of Kaizen principle-based initiatives also enabled us to optimise various aspects of our business model, including inventory management, employee expenses and power costs, among others.

I am delighted to announce that the Board of Directors has approved an interim dividend of 50%, equivalent to ₹ 2.5 per share and final dividend of 75%, equivalent to ₹ 3.75 per share resulting in an annual dividend of 125% and ₹ 6.25 per share. Furthermore, our long-term rating by credit rating agency

CRISIL has been upgraded from A stable to A positive, reaffirming our improved cash flow management.

In terms of operational highlights, a significant milestone was securing the largest-ever order in Aicon's history from a global customer for their e-mobility platform. This multiyear order showcases our improved standing in the global industry, expertise in manufacturing critical components, and competitiveness on the global stage. Winning this order also paves the way for collaboration with other major global OEMs and new entrants in the e-mobility sector. In the Non-Auto business, we successfully fulfilled our supply commitments for an esteemed telecom project under Atmanirbhar Bharat for 5G rollout in India. We are hopeful that this order win will open the doors to further successes.

Significant steps were taken to increase our sustainability footprint, including the commissioning of a captive solar plant in India and the upcoming installation of solar panels at our facility in Europe. These initiatives will have a meaningful impact on our energy mix and also drive cost efficiencies.

Aligned with our strategy, we are prioritising higher value addition and increased sales content per machine. We are thus rebalancing our product mix within the automobile sector with a higher share from passenger and commercial segments while continuing to increase our penetration in EVs offering greater value and improved margins. Our focus is to continually strive for a richer product mix.

We are also expanding our product portfolio in carbon-neutral technologies, structural components, exports, and non-automotive segments. These areas offer significant opportunities for offering value-added products. In the domain of carbon-neutral technologies, we are on track to achieve our revenue scaling targets. Domestic customers are increasingly assessing suppliers based on their capacities and track record in electric vehicle (EV) offerings. Aicon has a strong advantage in this regard, boasting extensive experience and a proven track record with 94 parts

supplied to 17 customers thus far. Our European subsidiary, Illichmann, has been a valuable contributor to our growth in this space, having supplied EV components since 2017.

Furthermore, we are committed to expanding our technological footprint. Automation has played a pivotal role in enhancing operational efficiency, while significant investments have been made in advanced technologies, particularly in thermal cooling solutions for the EV segment. Our dedication to delivering innovative solutions for complex parts sets us apart in the global market. By focussing on technology-driven solutions, we continue to differentiate ourselves and meet the evolving needs of our customers.

Looking ahead, external headwinds are gradually improving with the expectation that most advanced economies will have a soft landing from the current inflationary trends. The availability of semiconductors, although still constrained, has significantly improved compared to previous years. Furthermore, input prices have likely peaked and are expected to decline, alleviating this challenge. In international markets, the easing energy costs provide some relief from inflationary pressures, potentially boosting consumer demand. In India, the automotive industry is poised for a promising trajectory with the economy standing at the cusp of an excellent growth decade. The transition towards electric vehicles will further solidify the nation's position as a global automotive powerhouse. Key drivers such as changing consumer preferences, increasing exports and government support are also shaping the industry's future.

In FY 2023, we successfully consolidated our operations after overcoming the challenges of the past years. This has laid a strong foundation for maintaining our momentum in an improving operating environment. Our confidence is bolstered by our strong order pipeline. In FY 2023, we secured new orders amounting to ₹ 1,700 crore, bringing our total order booking to ₹ 7,800 crore from new business. These orders are executable over a period of seven years from FY 2023 to FY 2029. To support our

expansion, we plan to invest ₹ 90 crore in capital expenditure during FY 2024.

Our confidence is also strengthened by our positive engagements with customers on new technologies and solutions. Our global teams actively collaborate with customers, including OEMs and Tier 1 suppliers, in product development and adjacent solutions. Leveraging our research and development, design excellence, and value engineering capabilities, we provide significant value as a reputable supplier, deepening client relationships. Our track record speaks for itself, highlighting the effectiveness of our processes and our reliability as a supplier.

Significant developments across the global economy coupled with India's improved position and perception as a manufacturer are throwing up new opportunities. The shifting landscape of the global automobile industry has opened the door for new challengers and is placed well thanks to its effort to elevate its offerings in recent years. We have a wider product suite, a larger customer base with several marquee customers, deeper capabilities, an increased automation and technology footprint across our manufacturing facilities, an experienced leadership team and a strong financial position. We are confident that we will be elevating the trajectory of our performance.

In conclusion, I would like to express my sincere appreciation to the Board members, Management team, and the entire Aicon team for their unwavering support and dedication. I am grateful to our customers, business associates, bankers, and all stakeholders for their trust in our business. With your ongoing support, we remain focussed on sustaining our growth momentum and delivering increased value to all our stakeholders.

Warm regards,

S. Rai

Chairman &
Managing Director
DIN : 00050950

A Closer Look at Our Company

Alicon Castalloy Limited (Alicon) is a leading integrated aluminium casting manufacturer in India. We serve a diversified marquee customer base across core sectors in India coupled with a growing international presence.

Our reputation for high-quality solutions and extensive industry expertise makes us a preferred choice for original equipment manufacturers in the automotive industry. As the automotive industry transitions to electric mobility, we have kept pace with evolving demands by developing and supplying components for electric vehicles.

With a robust product pipeline spanning 16 segments, we are known for our innovation and operational excellence. Our manufacturing footprint includes three facilities in India and one in Slovakia, Europe. The Company is headquartered in Pune, India.

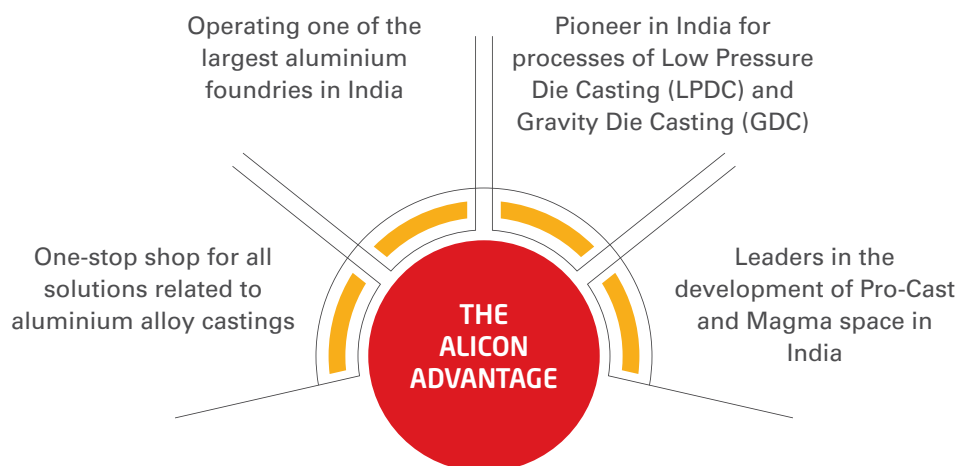


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ALICON GROUP: EMPOWERED BY 230+ YEARS OF COLLECTIVE EXPERIENCE

We are part of the Alicon Group, a global consortium of companies that combines European engineering, Japanese quality, and Indian innovation to deliver exceptional lightweight alloy solutions.

Enkei Corporation <ul style="list-style-type: none"> ▶ Leading Japanese motor cycle and passenger car wheel manufacturer ▶ 70+ years of experience 	Alicon Castalloy <ul style="list-style-type: none"> ▶ Operating the largest foundry in India and offering frugal engineering solutions ▶ 49 years of track record
Ilichmann Castalloy <ul style="list-style-type: none"> ▶ European subsidiary improving Alicon's presence in US and European markets ▶ 89+ years of proven global track record 	Atlas Castalloy <ul style="list-style-type: none"> ▶ Providing support in engineering, tool design and manufacturing ▶ 20+ years of experience



4

World-class
manufacturing facilities

49

Years of experience

93

Customers

18

Export countries

815

Live parts including 94
parts for electric mobility

133

Product innovations over
the past three years

887

employees including
researchers

Numbers are as of March 31, 2023, unless otherwise mentioned



Illichmann Castalloy plant, Slovakia, Europe

A Deeper Dive into our Value System



Our Vision

Become the globally preferred supplier for Light Alloy Casting Solutions



Our Values

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



Our Mission

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



Our Business Philosophy

Fewer, Bigger & Bolder

