

KIRTANE & PANDIT LLP

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of
Alicon Castalloy Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Alicon Castalloy Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the year ended March 31, 2021, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of unaudited annual financial results of the subsidiaries certified by the Management's and Board of Director's, the aforesaid consolidated annual financial results:

i. Include the annual financial results of the following entities:

Sr. No.	Name of Entity	Relationship
1	Alicon Castalloy Ltd.	Holding Company
2	Alicon Holding GmbH	Subsidiary
3	Illichman Castalloy GmbH	Step-down Subsidiary
4	Illichman Castalloy SRO	Step-down Subsidiary

ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and

iii. gives a true and fair view in conformity with recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are



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relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of the unaudited annual financial results of the subsidiaries referred to our paragraph of the "Other Matters" below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These Consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of the Consolidated annual financial results that gives a true and fair view of the net profit/loss and other comprehensive income of the Group and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the Company's financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entity included in the consolidated annual financial results, which have been certified by the Management, such other Management and Board of Directors remain responsible for the direction, supervision and performance of the financial results carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

1. The consolidated audited annual financial results include unaudited annual financial results of one subsidiary and two step down subsidiaries, whose financial results/financial information reflect the total revenue of Rs. 11,702.11 lakhs, total net profit after tax of Rs. 553.64 lakhs and total other comprehensive income of Rs. 85.05 lakhs for the year ended March 31, 2021. The consolidated annual financial results also include total assets of Rs. 5,224.60 lakhs and net cash inflow of Rs. 390.88 lakhs as at March 31, 2021. These unaudited financial results/financial information has been approved and furnished to us by the Management and Board of Directors and our opinion on the consolidated annual financial results, in so as it relates to the affairs of one subsidiary and two step down subsidiaries, is based solely on such unaudited annual financial results/ unaudited financial information. According to the information and explanations given to us by the Management and Board of Directors, these unaudited annual financial results /financial information are not material to the Group.

Our Opinion on the consolidated annual financial results is not modified in respect of the above matters.

2. The consolidated annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No.105215W/W100057

**Parag Pansare**

Partner

Membership No.: 117309

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Pune, April 30, 2021