July 01, 2019

To
The Manager,
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalai Street, Mumbai — 400 001

Scrip Code: 531147

To
The Manager,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai — 400 051

Scrip Symbol: ALICON

Sub: Annual Report for the Financial Year 2018-19 and Notice of 29th Annual General Meeting

Sir/Madam,

Pursuant to the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we enclosed herewith, a copy of the Annual Report for the Financial Year 2018 - 2019, which inter-alia comprises of:

a) Audited financial statement of accounts (Standalone) along with Auditors' Report;
b) Audited financial statement of accounts (Consolidated) along with Auditors' Report;
c) Cash flow statement
d) Directors' Report
e) Management Discussion and Analysis
f) Notice convening the 29th Annual General Meeting of the Members of the Company to be held at 12.30 p.m. on Friday, 26th July, 2019 at the Registered Office of the Company at Gat No.1426, village Shikrapur, Taluka Shirur, District Pune, Maharashtra.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For **Alicon Castalloy Ltd**

Swapnal Patane
Company Secretary

alicon

Where Talent Meets Technology

ALICON CASTALLOY LIMITED

2018-19
Annual Report

Corporate Information

BOARD OF DIRECTORS

Mr. S. Rai, *Managing Director*
Mrs. Pamela Rai, *Director*
Mr. Junichi Suzuki, *Director*
Mr. A. D. Harolikar, *Independent Director*
Mr. Vinay Panjabi, *Independent Director*
Mr. Ajay Nanavati, *Independent Director*

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 Bank

REGISTERED OFFICE

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

T: +91 2137 677100 | F: +91 2137 677130
Email: swapnal.patane@alicongroup.co.in
Website: www.alicongroup.co.in

CORPORATE IDENTIFICATION NUMBER

L99999PN1990PLC059487

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

T: +91 2820 7203 I F: +91 2820 7207
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

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

Read On...

02-24

CORPORATE OVERVIEW

02 Where Talent Meets Technology

04 From the MD's Desk

06 Alicon – An Evolving Core of Talent & Technology

12 Powering Progress by Harnessing Talent

14 Leveraging Technology to Drive Innovation

17 Going High-Tech with Manufacturing

18 Financial Highlights

20 Empowering Changemakers Today... Creates Exponential Changes Tomorrow

24 Awards & Recognitions

25-67

STATUTORY REPORTS

25 Management Discussion and Analysis

33 Directors' Report

39 Annexures to Directors' Report

68-173

FINANCIAL STATEMENTS

68 Standalone Financial Statements

121 Consolidated Financial Statements

174 **Notice of Annual General Meeting**

Where Talent Meets Technology

The blend of two powerful forces can unleash the power to transform businesses and industries. At Alicon Castalloy Limited (Alicon), we have identified these two forces as Talent and Technology. Partnering each other, they harness their collective strengths to catalyse a new wave of progress, across sectors and geographies. We truly believe that the meeting of talent with technology triggers sustainable and all-encompassing growth.

Led by this belief, we have chartered our strategic course to bring our People and Technological prowess synergistically together, to leverage their strengths for the realisation of our long-term vision. We are continuously investing in the empowerment of our Talent and augmentation of our Technological edge to steer impactful innovation and manufacturing excellence. We remain consistently focussed on engineering breakthrough products and solutions, designed to boost efficiencies and enable progress for our clients, and all our stakeholders.

We, at Alicon, believe that the growth trajectory on which we have embarked will lead us to a new phase of futuristic growth. The combination of our Talent and Technology prowess will help catalyse greater expansion and increased value delivery.

Chinchwad Factory

From the
MD's Desk

> "Our high level of performance in the face of a challenging year for the economy is a testament to the Company's mission to continuously diversify its customer and product base"

Dear Members,

It gives me immense pleasure to share with you the overall performance of your Company in FY 2018-19.

FY 2018-19 began with an expectation of higher growth as the economy moved past the teething troubles of the Goods and Services Tax (GST) roll-out. The second advanced estimates of national income for FY 2018-19, released by the Central Statistics Office (CSO) on February 28, 2019, indicate that the economy could not continue the expected growth momentum with 6.6% GDP growth in the third quarter of FY 2018-19, down from 8.0% and 7.0% growth in the first and second quarter of FY 2018-19 respectively. The CSO estimates overall GDP growth in FY 2018-19 at 7.0%, as compared to 7.2% in FY 2017-18.

This drop in GDP growth for FY 2018-19 was on account of multiple factors such as a rising Current Account Deficit (CAD), fluctuating systemic liquidity with a consequential impact on interest rates, sticky NPAs and a slowdown in the financing sector. The stress in liquidity was compounded on account of a debt default by a systemically important NBFC. The default resulted in money markets virtually drying up, impeding access to funds for borrowers such as NBFCs and Housing Finance Companies (HFCs) in the third quarter of FY 2018-19. This had an adverse impact on sales in the automobile sector, which was already grappling with rising fuel prices and a steep increase in the price of new vehicles as a result of new insurance regulations.

Since August 2018, CPI-based inflation has remained below the Reserve Bank of India's (RBI's) medium-term target of 4%, reaching a 19-month low of 1.9% in January 2019. This prompted the RBI to reduce interest rates in February and April 2019. Coupled with interventions by the RBI to increase liquidity, this has resulted in restoring credit flow and should have a positive impact this year.

Despite these challenges, your Company recorded a topline growth of 17% as compared to the automobile industry growth for FY 2018-19 estimated at 9%. This was coupled with a healthy growth of 27% EBITDA, which grew to 13% of sales. This high level of performance in the face of a challenging year for the economy is a testament to your Company's mission to continuously diversify its customer and product base. This is a result of our G5 2020-21 vision which emphasised adopting a holistic approach in unifying the underlying strengths of our European engineering skills, Japanese quality and inherent creativity, backed by a focus on R&D and new technologies like 3D printing and scanning. This sharpened our edge over others, enabling us to engage with our customers at a very early stage in component development.

We believe that FY 2019-20 will be a challenging year, given (i) recent increases in international crude prices, (ii) that some high frequency indicators such as growth in manufacturing and capital goods, IIP and auto sales point to significant moderation in activity, amid a slowing global economy, (iii) that the possibility of El Niño and its impact on the monsoon poses a risk to food prices, (iv) that the budgetary and political announcements (income support for the poor), if implemented properly, would add an upside to inflation, and (v) the challenges likely to be faced by the Indian automobile industry as it transitions to the new emission norms BS-VI effective April 1, 2020.

On the International front, we note that the International Monetary Fund (IMF) has cut its global growth forecast to the lowest level since the financial crisis, warning of significant downside risks to the world economy, including trade tensions, pockets of political instability, mounting debt levels and increasing inequality.

In the previous year, we had shared with you our desire to augment our capacities through expansion of our production facilities with a new greenfield project at Khed, Pune. Even though your Company has taken significant steps in the face of a challenging FY 2018-19 (including "Shrink Balance") to control operational costs and ensure the optimal utilisation of resources, given the uncertain environment we foresee in FY 2019-20, we have decided to postpone this investment for the time being.

We, at Alicon, managed to outperform the industry in FY 2018-19 despite difficult market conditions. We are cognisant of the hurdles we are likely to face in FY 2019-20, including changes in regulatory norms, but are confident that our efforts in building capacities and capabilities over the past few years will help us overcome these challenges.

We will continue to deepen our capabilities by (i) adopting best-in-class human resource policies, enabling us to attract talent, (ii) achieving higher levels of automation on the shop floor, (iii) aiding the development of vendor skills by helping with technical developments and resolving their financial structuring, (iv) enhancing our customer-centric off-road 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.

Last year, we had shared with you our goal to remain ahead of the emerging disruptive technologies by exposing our key managers to 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. Our key employees' engagement at international forums in these areas over the past year continues to keep us "future-ready" and sharply focussed on emerging technologies.

The current sombre environment does not dampen our spirits. It only furthers our resolve 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 Alicon family for aligning themselves to our North Star philosophy and working with dedication to translate our vision into a reality. In conclusion, I would also like to thank our business associates, bankers, members and all stakeholders for their constant support and cooperation.

Shailendrajit Rai
Managing Director

Alicon – An Evolving Core of Talent & Technology

A futuristic organisation with its strategic focus on thinking ahead to pre-empt tomorrow's needs, Alicon offers total engineering solutions to address the aluminium casting needs of customers worldwide. One of the largest Aluminium foundries in India with presence in Austria and Slovakia, Alicon is a continuously evolving core of intrinsic strengths, led by its Talent and Technology advantage.

With its Talented team to steer its vision, and Technology powering the realisation of its vision, the Company continues to evolve and grow into a powerful entity designed to deliver to the future.

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-window engineering solutions provider for aluminium alloy castings, providing total solutions under one roof.

The Company, which has been casting the future of Aluminium in India for the past several decades, brings together European engineering expertise with Japanese quality and Indian ingenuity to deliver innovative products and solutions across the aluminium casting value chain. Led by a strong nucleus of competencies and capabilities, Alicon is credited with being a pioneer in India in Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC). As the forerunner in the development of Pro-Cast and Magma in India, Alicon stands tall as the preferred manufacturer for all the major local and many international OEMs. It also serves clients in Europe and the US through its European subsidiary Illichmann Castalloy.

Alicon's end-to-end, quality solutions are designed to meet the complete spectrum of aluminium casting needs of clients across industries, through its strategic focus on leveraging its Talent and Technology strengths to cater to the diverse and evolving requirements of its domestic and global customers.

Quality inspection

Strong DNA rooted in Vision and Values

The strategic charter of Alicon is led by a strong visionary focus, coupled with a holistic vision encompassing all stakeholders. Our business philosophy is rooted in our values and DNA, which enables us to deliver inclusive growth, in every step of our progressive journey.

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 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

Alicon – An Evolving Core of

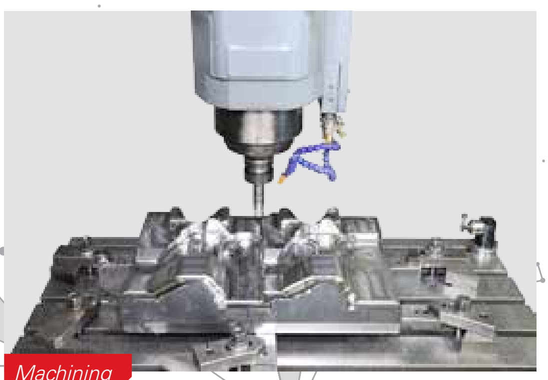
Talent & Technology

Our Power Drivers

The engine of Alicon's growth journey is our experienced Management team, backed by our people and technological edge, our unwavering focus on innovation, our unequivocal quality thrust and our manufacturing prowess. Robust and streamlined systems and processes further strengthen our value proposition.

Strong Quality Credentials

At Alicon, we have committed ourselves to building a strong quality edge into all our products and solutions, which are benchmarked to the highest global standards. Our products find minimal rejection as the entire manufacturing process is designed to ensure high level of excellence, with our experienced engineers equipped with the expertise to deliver distinctive quality. Our Quality & Testing Laboratories have the most advanced Quality Assurance machinery (CMM, FARO ARM) and a Bench Flow Testing Machine to maintain continuous checks on the intake and exhaust ports of Cylinder Heads.


Machining


Quality Check in process

Our Quality Principles & Practices

Best Kaizen practices imbibed in our people and followed organisation-wide.

PQCDDMSE Principle
• Productivity • Quality
• Cost • Delivery
• Development
• Management • Safety
• Environment

Our Quality Certifications

- TS 16949:2009
- ISO 9001:2008
- ISO 14001:2004
- BS OHSAS 18001:2007

Diversified Portfolio, Diverse Sectors

With our strategic interventions to boost growth, we remain at the forefront of the global Aluminium Casting solutions business network. Further propelling our leadership is our multi-pronged focus backed by our diversified product bouquet and expansive reach across diverse sectors and markets.

Partnering with the world's leading technical service providers, we are continuously thinking ahead, and thinking out of the box, to catalyse long-term growth in the Automotive and Non-Automotive segments, besides the E-mobility segment, into which we have recently forayed.

Automotive segment portfolio caters to

- Two-Wheelers
- Three-Wheelers
- Passenger Cars
- Multi-Utility Vehicles
- Multi Purpose Vehicles
- Small Commercial Vehicles
- Light Commercial Vehicles
- Medium & Heavy Commercial Vehicles

Non-Automotive segment portfolio caters to

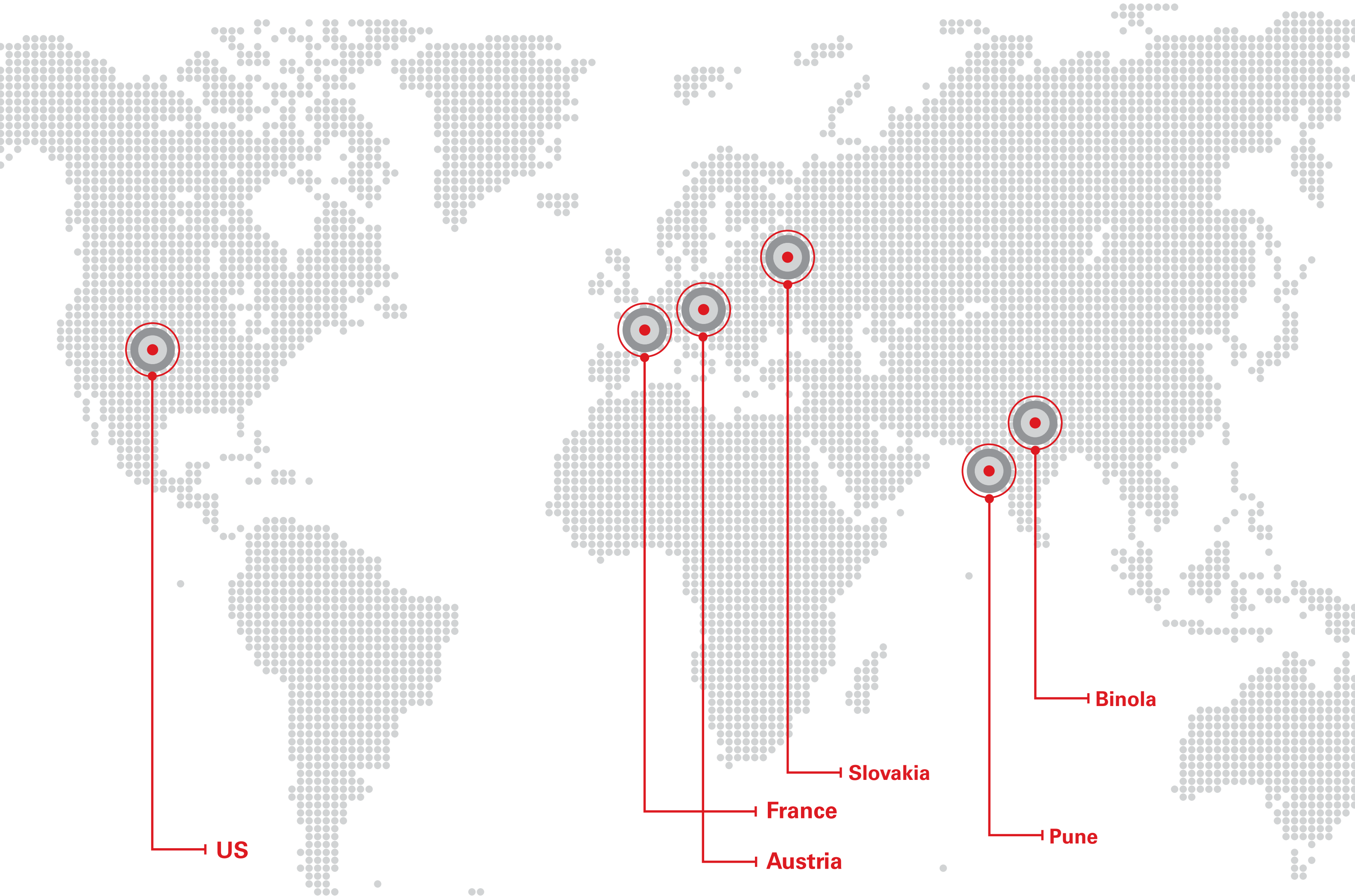
- Agriculture
- Energy
- Medical & Health
- Defence
- Infrastructure
- Locomotive
- Aero & Marine

E-mobility segment portfolio caters to

- Two-Wheelers
- Passenger Cars
- Medium and Heavy Commercial Vehicles

Pushing boundaries to scale growth

Our large geographic footprint is strategically spread out across locations, enabling us to continually augment our speed to market. At the same time, it leads to enhanced cost and operational efficiencies for our customers. Our foundries in India are located in close proximity to our key markets, while our global presence is aligned to the needs of our international clients, whom we are successfully servicing on an ongoing basis. Our European subsidiary Illichmann Castalloy helps us reach out to customers in Europe and US.



Austria
- International Marketing Office

Slovakia
- Manufacturing Plant
- Tool Room
- Product Validation Lab

US
- Marketing Franchise

France
- Marketing Franchise

Chinchwad, Pune
(Maharashtra, India)
- Manufacturing Plant
- Tool Room
- Product Validation Lab
- Machine Shop

Shikrapur, Pune
(Maharashtra, India)
- Manufacturing Plant
- Technology Centre
- Product Validation Lab
- Machine Shop

Binola
(Haryana, India)
- Manufacturing Plant
- Product Validation Lab

Chinchwad Plant

Employees elated after J. Suzuki Audit completion at Shikrapur Office

Powering Progress by
Harnessing Talent

At Alicon, we have always believed in creating businesses that outperform continuously. We have undertaken several initiatives over the years to create a culture of outperformance that enables us to build the 'Company of Tomorrow'.

This culture encompasses the pillars of 'Agile, Passionate, Innovative'...

OUR HR STRATEGY

Enabling Business to Outperform

Cultural pillars at Alicon

AGILE

PASSIONATE

INNOVATIVE

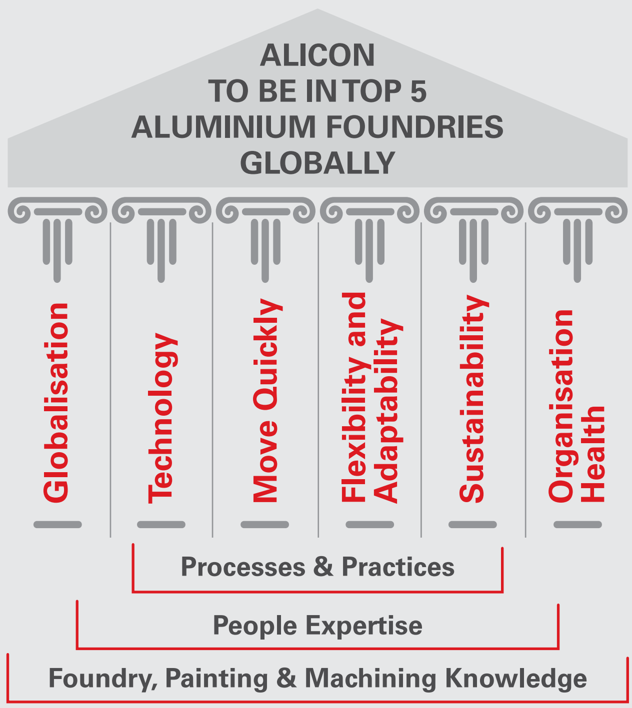
CULTURAL PILLARS

AGILE	PASSIONATE	INNOVATIVE
Speed of Execution	Pride and Focus on Excellence	Breakthrough Ideas

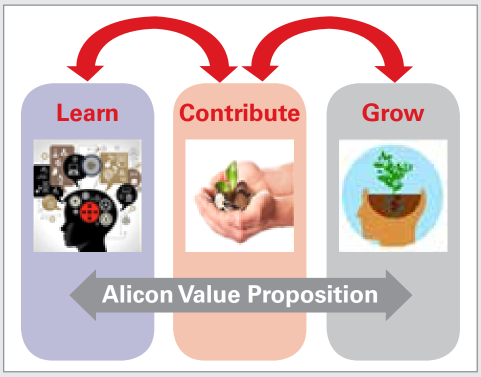
We realise the importance of training and skill development to empower our employees to 'Challenge the Now' – the key mantra of our HR philosophy. At the same time, we remain engaged in equipping them with the capabilities needed to support the needs and goals of the future.

Attracting and retaining the best talent is central to our Business Philosophy. This Business Philosophy is aligned to our cultural pillars, which encompasses our roles in the Family, the Organisation and the Society.

Strategic Goal G5-2020



Employer Value Proposition (EVP)



1. Global exposure, cross functional knowledge-sharing, 3E Education Experience Exposure programme are some of the avenues through which our employees "**Learn**".
2. Cross functional projects and activities, participation in bottom-up activities and Kaizen are some of the significant ways by which our employees "**Contribute**".
3. Succession planning through internal talent development and individual development to plan career paths are offered to our employees as part of **"Grow"**.

Building Talent Pipeline for Creating Tomorrow's Company

We have created an ecosystem of Councils at Processes / Functions, Locations and Apex levels to identify Critical Roles and Critical Talent. These Councils constantly review, monitor and develop talent so that adequate bench strength is maintained to power the growth of the Group.

A robust talent assessment and development scheme has been implemented to identify talent for succession planning and further developing the leaders of tomorrow. Individual Development plans have been implemented, which shall harness the talent resting within the Company and power its progress and growth.

Leadership Competencies at Alicon

We have evolved six leadership compentencies with twelve elements to empower the leaders so as to realise the mission and the vision of the Company. Our business leaders along with HR are tasked to train and imbibe the Leadership competencies in the Group level.

People Development
a. Teamwork
b. Goes Beyond Boundaries

Strategic Business Orientation
a. Strategic Foresight
b. Global Mindsight

Breakthrough Mindset
a. Create Disruption
b. Unlock Technology Potential

Customer Focus
a. Customer Sensitivity
b. Delight Customer

Drive for Results
a. Passion for Results
b. Demonstrate Resilience

Innovation-Led Transformation
a. Responsible Risk Taking
b. Lead Change

Leadership Competencies

By continuously developing capability and levaraging the potential of our talents, we strive to create a Company in which leaders aspire to work and contribute.

Leveraging Technology to Drive Innovation

Our leadership position in the competitive global industry landscape is built on our technological edge, which we are continually sharpening to augment our innovation thrust and power our futuristic growth strategy.

We have in place a robust Research & Development (R&D) framework, with a well-equipped Research & Development (R&D) facility, manned by best-in-class talent. Our R&D facility is approved and certified by the Department of Scientific and Industrial Research (DSIR), Government of India. To further scale-up our technological prowess, we have also forged strategic alliances and technological collaborations with global partners to scale our R&D, which is one of the four pillars of our Supplier Capacity Building (SCB) 2.0 programme.

Our robust technology platform is consistently and continuously enabling development of structural and safety parts across our business segments. We remain steadfastly focussed on leveraging this platform to add value to our customers' safety proposition, thereby propelling their growth. We have an ever-expanding bouquet of breakthrough products and solutions that are crafted to the evolving needs of our customers, within and outside India.

Core Shop, Shikrapur

Alicon Castalloy
Largest Foundry in India offering frugal engineering solution

Atlas Castalloy
Support in engineering, tool design and manufacturing

Illichmann Castalloy
European subsidiary - improving Alicon's presence in the US and European markets

Quality Lab

Collaboration in innovation, co-creation and sustainable business in Light Alloy Casting are the key elements of our R&D vision, which we are continuously expanding to embrace new technologies and new business demands triggered by our foray into new segments of growth.

Auto'mating' Technology

The core segment of our business, the Auto sector is witnessing revolutionary changes at the back of technological advancements, globally. Keeping pace with these transformations, we are making significant investments in creating advanced and innovative products to help our customers boost efficiencies and performances across two-wheeler, four-wheeler and CV categories.

Robotics Operations

Technological automations and interventions are a priority agenda to enable us to retain and strengthen our competitive edge in the Auto sector. Alicon's innovative Subframes, Knuckles and Swing Arm are ground-breaking premium products customised to the safety needs of some of the Auto giants.

Disrupting the market with disruptive technology

In line with our futuristic business philosophy, we continue to identify future growth opportunities and are fully geared to address the needs of the Indian automobile market, which is moving fast towards the implementation of BS-VI norms.

As OEMs commence manufacturing for the new regime, we expect a significant shift in volumes from BS-IV to BS-VI vehicles by the end of FY 2020.

With our experience in having already operated and supplied BS-VI compliant parts in developed markets, we believe our learnings and application of new components will enable us to support a smoother transition for our customers in the domestic market.

We already have designs of several BS-VI components in place, and are actively reaching out to potential customers with our strong technological value proposition.

The Cylinder Heads, with internal cooling system, that we had developed to address the needs of our overseas customers is one example of products that we already have in our pipeline to cater to the emerging needs of domestic customers.

The strong leverage we have in BS-VI capabilities, as compared to our peers, places us in an excellent position to make the most of this high-margin segment of growth. With the Indian market moving towards the implementation of BS-VI norms, the growth potential we can harness is quite significant. We have already introduced advanced and innovative products to help our customers boost efficiencies and performance across two-wheeler, four-wheeler and CV categories. The government thrust on further powering this transition will further enable us to build more scale in this business, leading to increased margins, going forward.

Leveraging Technology to Drive Innovation

Making E-strides with technology

Our e-mobility venture resonates the depth of our technological prowess, which we continued to strengthen during FY 2018-19. Led by our customer insights, which we are deepening through sustained research efforts, we made significant advancements during the year in identifying and connecting with probable customers who are already engaged in e-mobility endeavours.

We are proactively involved with domestic as well as global OEMs, right from design and the concept side to the development of the components for the electric vehicles. We are working to integrate our innovation thrust with the unique and specific needs of these customers through stronger technological disruption. We believe this will help us scale the outcome for the e-mobility segment as a higher percentage of our turnover in the coming years.

Quality Lab at Shikrapur

Some innovations in e-mobility

Motor Housing, Battery Housing, Gear-box Housing for 3 large manufacturers in Europe

Catered for a scooter application in India, to enable significant increase in content per vehicle

These components are on a mass production basis and we are supplying it from our European as well as our Indian facility.

We strongly believe that the e-mobility business, whose potential we identified back in FY 2014-15, will continue to be a major market disruptor for the industry. We thus remain focussed on equipping ourselves to cater to this growing segment. While the international e-mobility market has already started maturing quite significantly, we are seeing steady pickup in consumption in the Indian market too. At present, several auto components of commercial engines are manufactured in cast iron or steel fabrication or similar composite materials. We see these components getting converted into aluminium or low-density material like aluminium magnesium alloys in the electric vehicles. This will open up huge vistas of high-potential domestic opportunity and we have equipped ourselves to tap the same.

It will be our endeavour, going forward, to sustainably outperform the industry growth by leveraging our comprehensive product portfolio, diverse customer base and strong innovation and R&D imprint. We are well positioned to harness the growth potential in this and other segments of our presence.

Design Centre at Chinchwad

The steady pick-up in e-mobility consumption in the Indian market has encouraged us to equip ourselves to cater to the high-potential untapped domestic opportunity, with technological know-how acquired proactively by Alicon a long ago.

Going High-Tech with Manufacturing

The Alicon innovation thrust, powered by our talented team, translates into ground-breaking products through our high-end manufacturing systems and processes. Our state-of-the-art manufacturing facilities deploy the latest technologies to deliver high-quality products across the segments of our presence.

Automation is the key to scaling the quality proposition at our 13 production facilities across the four strategic locations of Shikrapur, Chinchwad and Binola in India, and Slovakia (Europe), near key customer clusters.

We use advanced globally-sourced equipment and machinery, such as CNC-MAKINO, MICRON, HARTFORD, VMC and EDM, to give concrete shape to our innovative designs at our manufacturing facilities that are equipped to cast small to large-sized components, and also to service both low and high volume production.

Augmenting the manufacturing strength

Besides investing in capacity enhancements, we are consistently injecting our plants with exponential technological disruptions, including digitalisation, IR, Virtual Reality, Internet of Things, etc., to create robust systems and processes. We are inducting into our people the new technological skill set needed to make components to the specifications required by OEMs, not just in the new segments of our business such as e-mobility and defence but also those preparing for the BS-VI transition.

Using internet intelligence for real-time data generation and data capturing, we are successfully reducing rejections at the plant, while boosting productivity. We are also in the advanced stages of development of a new aluminium alloy, in collaboration with IIS Bangalore, to upgrade all our long-term projects. We are further scaling up the 3D printing and scanning initiatives that we had launched earlier at the plants to lend them a world-class quality edge.

Our efforts to drive increased efficiencies in manufacturing processes, coupled with enhancement of the design and technology imprint in our products, have helped us drive a robust 19% growth in EBIDTA.

Strengthening processes through competencies

We have developed a strong core of competencies to drive processes at our facilities.

Casting for E-mobility, Automotive, Aerospace, Defence, Locomotive, Medical, Energy and Agricultural segments

Prototyping/Soft Tooling

In-house tool manufacturing

Testing

Designing (CAD/CAM/CAE/ Simulation)

Die-casting (Sand Casting/GDC/LPDC)

Machining, Assembly & Painting

Factory premises at Shikrapur

Financial
Highlights

Revenue from Operations (Net)

(₹ in Million)

2014-15	7,136
2015-16	7,489
2016-17	7,716
2017-18	10,135
2018-19	**11,816**

Revenue from Global Business

(₹ in Million)

2014-15	1,006
2015-16	993
2016-17	1,132
2017-18	1,884
2018-19	**2,371**

Profit Before Tax (PBT)

(₹ in Million)

2014-15	290
2015-16	320
2016-17	355
2017-18	556
2018-19	**762**

Profit After Tax (PAT)

(₹ in Million)

2014-15	198
2015-16	222
2016-17	247
2017-18	387
2018-19	**530**

Earnings Per Share (EPS)

(in ₹)

2014-15	18.04
2015-16	19.55
2016-17	21.35
2017-18	29.52
2018-19	**39.31**

Net Worth

(₹ in Million)

2014-15	1,280
2015-16	1,440
2016-17	1,745
2017-18	2,524
2018-19	**3,083**

Dividend Percentage

(in %)

2014-15	60
2015-16	75
2016-17	85
2017-18	125
2018-19	**140**

Debt-Equity Ratio

2014-15	1.12
2015-16	1.16
2016-17	1.38
2017-18	0.96
2018-19	**0.92**

Empowering Changemakers Today...

Creates Exponential Changes Tomorrow

RURAL DEVELOPMENT

Insight Walk Education: Aspires to nurture a generation of children who discover their own inner excellence and channel it deeply and freely. The target group is 6-14-year olds, from an environment unsupportive of education, with deep caste and gender biases, issues of child labour and early marriages, financial instability and often lacking even the most basic facilities. Through the Innovation and Passion labs in each village, a pool of opportunities are created for children to develop critical thinking, teamwork, be curious and creative, finding solutions to local challenges and making learning relevant to their lives and improving literacy.

Insight Walk Fellowship: Endeavours to train and empower local women to be leaders and community changemakers. The focus is to inculcate life skills in children, foster parent child relationships and invest the larger community towards the education of their children.

Currently, impacting 250 children, trained 12 women leaders have been trained in 8 villages of Dist. Kolhapur MH and targeted to reach 50 villages in Maharashtra by FY 2021.

Rural Upliftment Based On Technology Foundation (RUBOT): A model village assignment at Pukharpur of Dist. Gurgaon HR, focussed on Waste Management, Livelihood and Education. Currently, positive behavioural change has been created in the village with school children becoming the torch bearers to create awareness on segregation and management of waste for a Swacch village.

Empowering Changemakers Today...

Creates Exponential Changes Tomorrow

People's Empowering Movement (PEM): The fourth year of engagement with our on-ground partner PEM, an initiative focussed on subsistence farming and irrigation projects in rural India. Till date over 140 acres of farmland have been irrigated. Supplementing rural farming livelihoods are women's initiatives – animal husbandry, vermicomposting unit and a unit creating artistic paper products. We continue to fund initiatives, providing clean drinking water at the doorstep and promoting annual village festivals to support the health, culture and well-being of communities. An impact assessment by a third-party has revealed financial stability in the areas of our intervention. Women are now contributing to decision-making in their families and communities, better nutrition levels, heightened aspiration, and optimism is evident. Impacting over 150 families across 7 villages of Dist. Ratnagiri MH.

Sanshil Foundation for Welfare: A skill development programme for rural women, teaching basic and advanced sewing and tailoring, block printing, crochet, tie and dye. While creating income generation opportunities, there is an emphasis on excellence and commitment. The programme has impacted over 75 women at Pukharpur and Shanker Ki Dhaani in the Pataudi block, Dist. Gurgaon HR in the vicinity of Alicon's Binola facility.

EDUCATION

Aseema: The fifth year of engagement with a pre-primary education school for first generation learners of the tribal region around villages in Dist. Igatpuri MH. The initiative ensures that all children in these tribal villages have opportunities and a stimulating environment to complete their education and be successfully trained in a set of varied vocational courses.

Pi Jam Foundation: A unique initiative that teaches design thinking, algorithm building, practical applications and creative solutions of existing knowledge, using affordable and open source technology at under resourced government and private schools in Pune. Impacted 250 students and creating a gender fluidity amongst the students. 91% of the girls who participated in the digital literacy programme (Pi Labs) showed inclination to pursue a career in technology. 94%of students were able to articulate the link between their experiments and academic concepts.

Chhatrapati Madhyamik & Uccha Madhyamik Vidyalaya: Infrastructure support to construct classrooms at a rural school in village Vadgaon Rasai MH.

Samanvay Pratishthan: Provision of a school bus for the Shri Vasantrao Davkhare Memorial School, Pimpale Jagtap MH to facilitate transport of students from far flung villages to this rural school.

ALICON EMPLOYEE INITIATIVE

Jnana Prabodhini: Project Disha Darshan, an in-depth career awareness initiative and study skills development programme at village Pimpale Jagtap MH impacted over 100 students from grade 8th to 10th. (initiated by Deepak Sondekar-ACL Plant 4)

Awards & Recognitions

Award for new part development.

Certificate of Appreciation received from 'Maruti Suzuki' in recognition of Superior performance in the field of 2-wheeler engine cost down.

Management Discussion and Analysis

Chinchwad Factory

ECONOMIC OVERVIEW

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year. Global growth is now projected to slow from 3.6% in FY 2017-18 to 3.3% in FY 2018-19. The threat of trade wars has not entirely receded and casts a pall of gloom over global economic activity.

At the start of FY 2018-19, the Indian economy was expected to achieve higher growth as the economy had overcome the teething troubles of the nationwide rollout of the Goods and Services Tax (GST).

The second advance estimates of national income for FY 2018-19 released by the Central Statistics Office (CSO) on February 28, 2019 show that the economy could not continue the expected growth momentum with GDP growth in the third quarter of FY 2018-19 reducing to 6.6% after clocking 8.0% and 7.0% growth in the first and second quarter of FY 2018-19 respectively. The CSO estimates GDP growth in FY 2018-19 at 7.0% as compared to 7.2% in FY 2017-18. The projected slowdown in growth at 7.0% for FY 2018-19 was on account of multiple factors.

Automobile sales were impacted in the second half of FY 2018-19. The major reasons were rising fuel prices and a steep increase in the price of new vehicles as a result of new insurance regulations which were further accentuated by tight liquidity conditions witnessed in the markets in the third quarter of FY 2018-19. The Reserve Bank of India (RBI) intervened to restore flow of credit and aided by benign inflation trends also reduced policy rates. Despite the lower policy rates and attempts to infuse liquidity to Non-Banking Finance Companies (NBFCs), the sector continues to face a liquidity crunch. Having witnessed the uncertain economic conditions, the Company decided to curtail its capacity expansion plans.

We anticipate a challenging FY 2019-20 given a tepid consumer demand amidst a tight liquidity scenario. However, given our strategy of product and customer diversification, we are hopeful of repeating our FY 2018-19 performance of outgrowing the automobile industry growth.

OVERVIEW OF THE INDUSTRY

Global Scenario

The global die casting market is projected to touch USD 80 billion by 2021-22. The market is poised to grow at a CAGR of over 6.60% during the forecast period from 2017 to 2022. Automobiles and auto components are two of the significant sectors that the die casting industry caters to.

(Source: Report Modor Intelligence)

In 2017, India overtook the United States to emerge as the second-largest producer of casting, behind China as compared to 2016. India's production stood at 11 million tonnes, valued at USD 19 billion in 2017, behind China, which produced 40 million tonnes. The ongoing trade and tariff war between the US and China has come as a boon to the Indian foundry sector and India is expected to have an edge on the export front with close to 40-45% of total exports to the US.

(Source: Indian Institute of Foundrymen Report)

Indian Foundry Industry and Future Outlook

India is the second-largest producer of castings, globally. The automobile sector is a major consumer of castings

Quality Inspection

R&D Lab

produced in the country. Currently, there are around 5,000 foundry units in the small, medium and large-scale sector. Out of these, 1,500 units have international quality accreditation. Coimbatore is the largest foundry cluster in India having 300 to 400 foundries focussing on technology and value-addition. The Indian foundry industry manufacturers' metal cast components for applications in Auto, Tractor, Railways, Machine Tools, Sanitary, Pipe Fittings, Defence, Aerospace, Earth Moving, Textile, Cement, Electrical, Power Machinery, Pumps / Valves, Wind Turbine Generators etc. Aluminium casting accounts for 15% of the casting produced due to the shift in demand from iron to lighter metals for manufacturing automobiles and electronic vehicles.

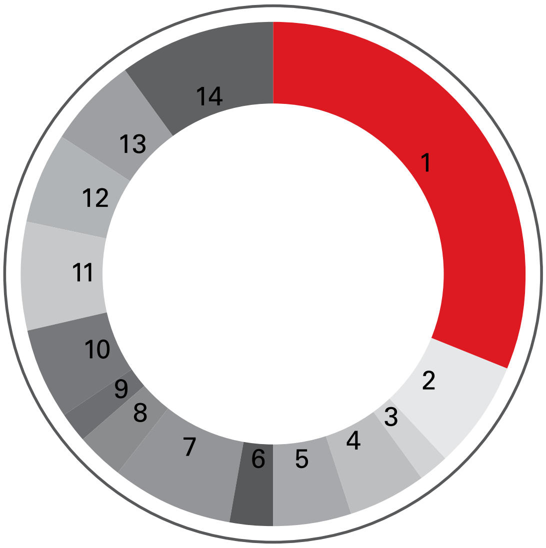
The foundry industry employs around 5 lakh people directly and 2 lakh people indirectly and is expected to generate additional employment for 3 lakh families in the next five years. Foundries across India have upgraded their facilities and technologies to improve productivity and increase capacity. A majority of the foundries in India are SME foundries which are very small and very valuable. They are in maximum need of Government assistance in terms of technology, automation, rejection, reduction and efficiency improvement.

The Institute of Indian Foundrymen (IIF) has set up common facilities in clusters for the benefit of the foundries such as common training facilities, testing labs, common interactive portal, ERP package for members, modern toolrooms, green and clean work environment, and sand reclamation.

The Indian foundry industry is expected to double its growth rate in the next five years due to opening up of defence, railways and aerospace areas for the private sector. The foundry sector in the country is expected to witness an annual growth of 13-14% from the present 5-7%. This would see production of castings increase from 11.5 million tonnes to 14-15 million tonnes by 2021 and was set to reach 20 million tonnes by 2025. The opportunities coming from the defence, railways and the automobile sectors would boost the demand.

(Source: Foundry Informatics Centre, IIF)

Sector-wise Major Consumers of Castings



1 Auto **32%**
2 Agricultural M/c **7%**
3 Earthmoving **2%**
4 Pumps & Compressors **5%**
5 Wires **5%**
6 Diesel Engines **3%**
7 Sanitary **8%**
8 Electrical Equip **3%**
9 Machine Tools **2%**
10 Industrial M/c **6%**
11 Pipes & Fittings **7%**
12 Railways **6%**
13 Power **6%**
14 Others **8%**

Source: Foundry Informatics Centre

SWOT Analysis

STRENGTHS
- High quality castings
- Good availability of alloys
- Strong industrial base
- Regular supply of electricity
- Increasing demand

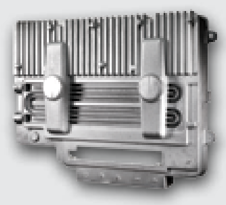
WEAKNESS
- Low degree of mechanisation
- Use of inefficient mfg. practices
- High energy consumption
- Labour shortages
- Slowdown in market

OPPORTUNITIES
- Robotic use and simulation technologies
- Easier availability of bank loan
- Various quality improvement tools

THREATS
- Technological obsolescence for smaller foundries
- Global rise in price of raw material
- Direct competition with China

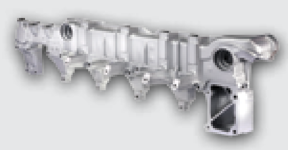

Cylinder Head


Motor Housing


Controller Housing


Motor Housing


FA2 Housing


Coolant Collector

Product Range

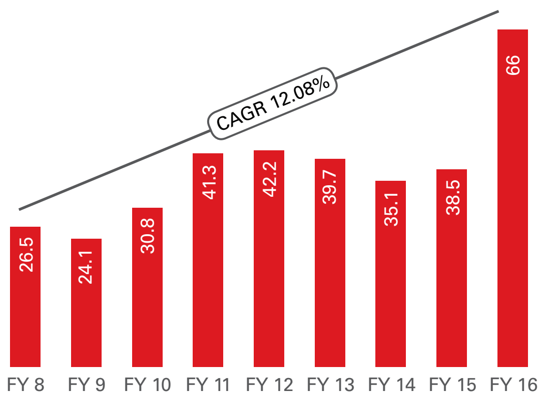
Opportunities and Challenges:

The Government of India has introduced 100% Foreign Direct Investments (FDI) into the Auto and Auto Component Sector. Due to this, many global companies have started establishing facilities in the country for manufacturing vehicles for the local and global markets. In the electric vehicle segment too, many players have shown interest to invest in the Indian market and here is a need for the die casting industry to upgrade its technologies and processes in order to ride high on the growth wave. The Government's policy has also benefited the industry as now there is an influx of proprietary sub-assembly suppliers to OEMs such as transmission majors, fuel injection systems, filteration systems and braking systems, thus bringing in more opportunity to the die casting industry.

Despite the opportunities, the industry is faced with several challenges. The main challenge bogging the industry down is lack of resources for technology upgradation, access to quality manpower, an abnormal increase of raw material costs and pending GST refunds. Cost of fuel and power in India is almost double that in China, Germany and Turkey, requiring the Government to address this problem to make India internationally competitive. Some foundries are gearing up to get energy-saving modern technology and material resource saving techniques to help in mass productivity and improvement of working environment.

Future of Die Casting in India

Aggregate Turnover* (USD Billion)



Source: ACMA TechSci Research
Notes: CAGR - Compound Annual Growth Rate
* Turnover data covers supplies to OEMs, aftermarket sales and exports.
E - Estimates

- The Auto Components sector has recorded robust growth over the years
- Exports will account for as much as 26% of the market by 2021
- The auto-component industry accounts for almost 7% of India's GDP and employs as many as 19 million people
- Global companies are now looking at India for Components & Part Designing
- Almost all major Auto Companies have made India as their Design and back-end Engineering works

- The automobile and electrical industry in India consumes 70% of die cast Aluminium parts
- The recent past has seen the birth of many alternate sources of power to propel vehicles
- Most of these involve disruptive technologies and are in a nascent stage
- The future will demand lighter materials as compared to Steel & Cast Iron to compensate for the additional weight of lithium ion batteries
- Thus increasing the percentage of use of Aluminium and other composite materials
- The future is still unclear on the way forward, if it is electric or hybrid and this will significantly change the dynamics of the Aluminium High pressure Die Casting Industry

THE COMPANY

The Alicon Group is a global consortium of companies involved in Design, Engineering, Casting, Machining and Assembly, Painting and Surface Treatment of Aluminium Components. As one of the largest aluminium foundries in India, the Company amalgamates the best of European Engineering, Japanese Quality and Indian Ingenuity to produce exceptional and innovative aluminium casting products. Alicon caters to the capital component input needs of various sectors such as automobiles, agriculture, aero and marine, locomotive, infrastructure, energy, defense, medical and health among others.

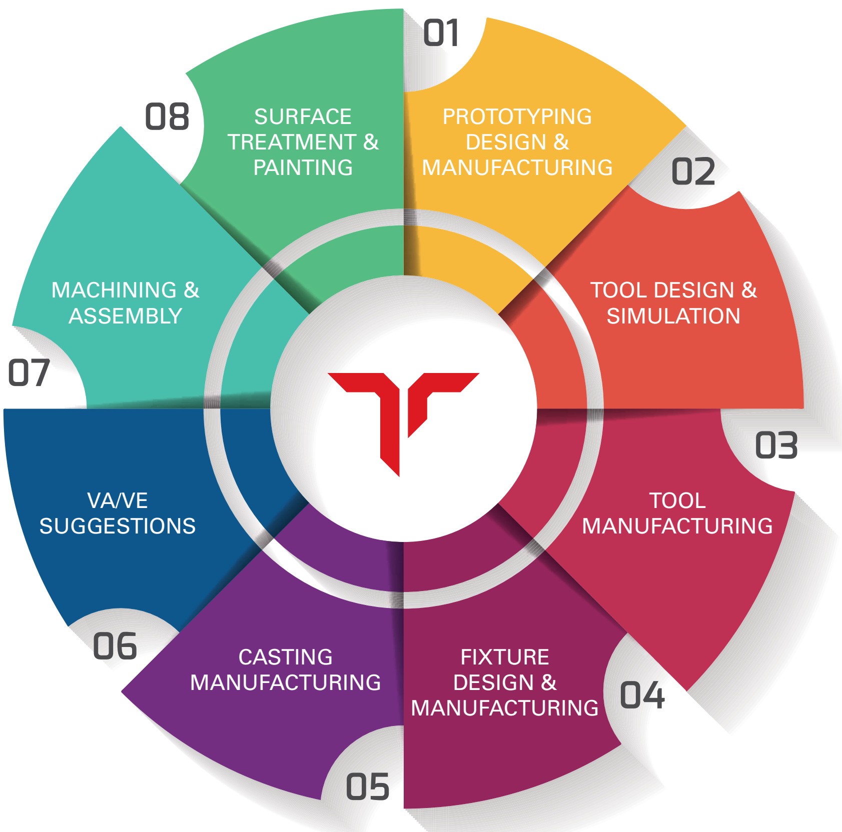
Today, the Alicon Group is a union of Alicon Castalloy Ltd., Atlas Castalloy Ltd., Silicon Meadows Engineering Services Ltd., Illichmann Castalloy GmbH & Illichmann Castalloy s.r.o., all grouped under one umbrella.

We have operations spread across India at Shikrapur and Chinchwad in Pune, Maharashtra and Binola in Gurugram, Haryana along with international presence in Slovakia, a technology centre, globally competent tool rooms, quality and testing laboratories and a full-fledged machine shop (including a sub-assembly facility).

We have developed foundries at strategic locations to key markets, enabling increased speed-to-market and better cost efficiencies. We enjoy long-standing relationships with major, local and international OEMs, including leading two-wheeler OEMs, four-wheeler OEMs, as well as several tier-I and other non-auto brands. With our key customers, we have created a strong and differentiated position as an integrated solution provider.

Quality Inspection

At Alicon, our focus is to offer design and manufacturing enhancements with every component in order to optimise its performance. To achieve this goal, we've devised and perfected our signature Eight-Step Process which ensures twin benefits for our customers – a dramatic drop in rejection rates and guaranteed on-time delivery.



Our track record of decreasing both weight and cost without compromising on safety and quality allows major OEMs to trust us with component development right from the prototype stage.

BUSINESS OVERVIEW

Our ongoing strategy of continually expanding our product suite to align our product offerings in line with changing technologies and emerging trends helped us to achieve robust business growth despite challenging demand conditions and a downtrend in the domestic auto industry. The Company achieved a 17% top-line growth in FY 2018-19 as compared to the automobile industry growth estimated at 9%. It is worth highlighting that our global business grew by 26% and the Company added products intended for electric vehicles with a potential for volume growth in future. This business growth was achieved with improved performance metrics.

We continue to remain focussed on our strategy to take advantage of the emerging trends in the automobile industry where all players strive to reduce the weight of vehicles. This trend is both in the traditional vehicles which must transition to the BS-VI norms on April 1, 2020 as well as electric vehicles. Our product range of aluminium castings helps us to take advantage of these trends. We also remained focussed on the use of advanced materials and alloys which would enable us to develop lighter products and give us a competitive edge.

During FY 2018-19, the Company engaged with all domestic customers to support them in their endeavours to transition to BS-VI norms and the value-added solutions provided, placed the Company in an advantageous position to improve business prospects with such customers and hopefully enhanced margins.

As far as our global business is concerned, the Company has made considerable headway with multiple customers in developing parts for their traditional and electric vehicles which are under development. These developments are a 'work in progress' at this stage and we are in the process of converting these to being part of our regular business.

On the whole, we believe our technological prowess, design capabilities and the focus on transformative solutions over the last few years have enabled us to emerge as a one-stop solution for design, economics, raw material composition to manufacture and delivery of components, in both domestic and international markets. We are further continually expanding our product suite to align our offerings with changing technologies and emerging trends. As demand conditions improve, our endeavour is to substantially outperform the industry growth rate through our product portfolio, diverse customer base and focus on innovation and R&D.

Risks, Concerns & Mitigation

Having dwelt on our strengths and opportunities, we enumerate some of the risks and threats to our business operations. Global tension in terms of trade wars may disrupt globally integrated supply chains posing an indirect threat to our operations. Our geographical diversity and strong technical prowess enable us to minimise such challenges. Other challenges that we closely monitor include:

Demand slowdown risk: Macro economic slowdown may impact performance of certain sectors and pose risk of business growth.

Mitigation: We strive to diversify revenue stream, reduce dependence on one sector, strong focus on product innovation and increase contribution from international geographies including exports to mitigate this risk.

Raw material cost fluctuations: Volatility in prices of key raw materials may have a bearing on the profitability of the Company.

Mitigation: We follow standardisation of alloys policy wherein we endeavour to reduce the number of alloy variants in use to be able to consolidate raw materials purchased with a minimal number of alloys. We also link our sale price to benchmarked raw material costs to minimise impact of any unforeseen fluctuation in raw material price.

Competitive pressure: We are exposed to heightened competitive intensity given the lucrative growth prospects for the industry.

Mitigation: Our strong in-house R&D, superior service and a history of timely deliveries which ensures long-lasting relationship with most clients based on trust enables us to keep the competition at bay. The Government's thrust on Make in India and other similar policies, keeps international competition at minimum risk.

High dependence on a single sector: It is imperative for us to diversify revenue streams and reduce dependence on one sector to avoid risk to revenue growth in case of slowdown in the particular sector.

Mitigation: We are constantly working to increase the revenue share from the non-automotive sector and international businesses.

Casting

Shikrapur Factory

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE (CONSOLIDATED)

(₹ In Lakhs, unless otherwise stated)

Particulars	2018-19	2017-18	% ↑ /↓
Total Income (Net of taxes)	**119,205**	**102,296**	↑ **17**
Raw Material Costs	59,950	49,953	↑ 20
Manpower Costs	16,504	15,410	↑ 7
Other Expenses	27,790	25,169	↑ 10
Earnings before Interest, Depreciation, Tax and Amortisation (EBITDA)	**14,961**	**11,764**	↑ **27**
Depreciation and Amortisation Expense	3,809	3,221	↑ 18
Finance Costs	3,534	2,987	↑ 18
Profit Before Tax (PBT)	**7,619**	**5,557**	↑ **37**
Profit After Tax (PAT)	**5,295**	**3,868**	↑ **37**
Earnings Per Share (Basic) (In ₹)	**39.3**	**29.5**	↑ **33**

Performance Highlights: (Consolidated)

- Total Income (Net of Duties) : ₹ 119,205 Lakhs, grew by 17%
- EBITDA recording a robust growth of 27% touching amount of ₹ 14,961 Lakhs
- Profit Before Tax (PBT) : ₹ 7,619 Lakhs up by 37%
- Profit After Tax (PAT) : ₹ 5,295 Lakhs up by 37%
- The Company declared a final dividend of 100%. This coupled with the interim dividend of 40% amounted to a total dividend of 140% for FY 2018-19 against 125% in FY 2017-18

HUMAN RESOURCE MANAGEMENT

Intellectual capital is one of our key resources to ensure business sustainability and growth. Being our greatest strength, most policies revolve around betterment of human resources. We ensure that we provide ample employee growth opportunities both at personal and professional levels and at the same time we work to align their goals with ours to create a win-win situation.

Holistic employee engagement is the manifestation of our 'One Path, One Goal' approach. In our efforts to create a unified culture throughout the organisation, we successfully initiated a number of policies as enumerated below.

The number of Permanent Employees on roll of the Company as on March 31, 2019 was 1039.

Challenge the Now

Employees are constantly motivated to work in team and imbibe a deep sense of belongingness to work towards the growth of self and the organisation. We encourage employees to move out of their comfort zone, raise benchmarks and deliver improved designs, processes and products. We promote the cause of waste-reduction at the work processes based on Kaizen. The success of numerous KPIs is a good indicator of the internalisation of our mission to 'Challenge the Now'.

'North Star' Philosophy

"We are proud to be Indians, we work to make India proud".

Alicon endeavours to promote Indian self-reliance in the present domains. Our North Star philosophy aligns the corporate pledge, vision, mission, values, DNA and future growth strategy. Our philosophy is aimed to achieve higher growth in each department, drawing inspiration from the North Star, the brightest star in the night sky. Our employees are inspired to set shining examples similar to this Star which provides direction and inspiration.

We are proud that our employees are highly committed both towards the organisation and the nation at large. We have been the biggest advocators of 'Make in India' even prior to the Government's mega campaign. Our strong position in various domains on the international front is well reflective of our priority towards Indian self-reliance. Effectively, our philosophy has been truly internalised and resulted in a workplace resonating with peace, belief and loyalty.

Other Initiatives

Training and employee motivation is an integral part of the Company. We constantly endeavour to boost production efficiencies through recognition, motivation and appreciation. Several initiatives are underway to boost employee morale:

- **Creating leaders:** We prioritise homegrown leaders over outside recruitment, as our unique culture and philosophy is already firmly embedded in their working styles. Thus, employees are groomed in managerial and leadership roles at appropriate times.
- **Student engagement:** We hire several interns from the various technical and non-technical institutes which are closely associated with Management and Engineering students from various prestigious institutes are also given internship opportunities as deemed fit.
- **Training:** Our employees are regularly provided with training and development programmes to enhance their skills and focus on career progression through capability-building exercises across all levels and departments.
- **Safety first:** We are committed to a safe, conducive and productive work environment at all times. Safety monitoring systems are mandatory at all shop levels. Enhanced safety is ensured at the workplace through various mechanisms to monitor strict adherence to the safe practices laid down. As on March 31, 2019, our permanent employee strength was 1,039.

INTERNAL CONTROL SYSTEMS

We have a proper and adequate system of internal controls to ensure that all assets are verified to ensure their veracity, safeguarding and protection against unauthorised use. We are committed to good corporate governance practices and have well-defined systems and processes.

Our internal control framework centres on strong governance, precise systems and processes, vigilant finance function and independent internal reviews. The Audit Committee approves the audit plans which are independently scrutinised by the internal audit function for critical audit areas. Risk evaluation exercise prioritises risks facing the business, basis which strategies are formulated.

Audit Committee periodically reviews and takes suitable actions for any deviation, observation or recommendation suggested by the internal auditors. The Audit Committee of the Board oversees the Audit function through regular reviews of audit findings and monitoring corrective actions taken on the same. As deemed fit, we reassess our internal control systems and take appropriate corrective action.

Casting

CAUTIONARY STATEMENTS

Statements in the Management Discussion and Analysis Report describing the Company's projections, estimates and expectations may be interpreted as "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to its operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets in which it operates, changes in Government regulations, tax laws and other statutes. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report on business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2019.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(₹ in lakhs)

	Standalone		Consolidated	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Revenue from operations (Net)	107,370	92,864	118,160	101,349
Other Income	982	857	1,045	947
Total Income	**108,352**	**93,721**	**119,205**	**102,296**
Earnings before interest, tax, depreciation and amortization (EBITDA)	14,188	11,160	14,961	11,765
Less: Depreciation and amortization expense	3,528	2,990	3,808	3,221
Earnings before interest and tax (EBIT)	10,660	8,170	11,153	8,544
Less: Finance costs	3,376	2,880	3,534	2,987
Profit/ (loss) before tax (PBT)	7,284	5,289	7,619	5,557
Less: Tax expense	2,265	1,672	2,324	1,689
Profit/ (loss) after tax (PAT)	**5,019**	**3,617**	**5,295**	**3,868**
Other comprehensive income/ (loss), Net of Tax	(60)	50	(10)	54
Total comprehensive income/(loss), Net of Tax	**4,959**	**3,667**	**5,285**	**3,922**
Earnings per share(In ₹)				
Basic	37.26	27.61	39.31	29.52
Diluted	36.08	26.64	38.06	28.49

COMPANY PERFORMANCE

Your directors are glad to report that your Company delivered a record performance for the financial year 2018 - 2019, despite a challenging environment for the Automobile Industry.

On standalone basis, the Company registered a growth of 16% in revenue whereas pre-tax profit improved by 38% compared to previous year. The total revenue from operations including other income was ₹ 108,352 lakhs for the financial year ended 31st March, 2019 as against ₹ 93,721 lakhs in the financial year 2017-2018. Profit before Tax (PBT) for the financial year under review stood at ₹ 7,284 lakhs as against ₹ 5,289 lakhs a year ago.

On consolidated basis also both revenue and pre-tax profit showed a remarkable improvement. Total revenue including other income for the year under review was ₹ 119,205 lakhs as against ₹ 102,296 lakhs in the previous financial year, a growth of 17% on a year-on-year basis. Profit before Tax (PBT) was ₹ 7,619 lakhs as against ₹ 5,557 lakhs a year ago, a jump of 37%.

GLOBAL BUSINESS

Company's revenue from Global Business delivered a robust growth of 26% to ₹ 23,710 lakhs in the financial year 2018 -2019 as compared to ₹ 18,766 lakhs in 2017-2018. Global business constitutes 20% of the total revenue, which is in line with the Company's stated objective.

DIVIDEND

The Board of Directors in its meeting held on February 06, 2019 had declared an interim dividend of ₹ 2/- per Equity Share of ₹ 5/- each. Considering the improved financial results, your Directors are pleased to recommend a final dividend of ₹ 5/- per Equity Share of ₹ 5/- each, which is subject to the approval of the Members at the ensuing Annual General Meeting. Thus, the total dividend for the financial year under review will be ₹ 7/- per shares i.e. 140 % as against 125% (₹ 6.25/- per share) paid in the previous year.

During the year under review the total cash outflow on account of dividend will be ₹ 1,013.72 lakhs including dividend distribution tax.

SHARE CAPITAL

On November 11, 2018, 270,000 and on December 21, 2018, 4,611 equity shares of ₹ 5/- each were allotted to the employees of the Company on their exercise of Options granted to them under Employee Stock Options Scheme. Consequently, the issued and paid-up share capital of the Company as on March 31 2019 stood at ₹ 68,200,605 divided into 13,640,121 equity shares of ₹ 5/- each.

The Company has not issued any Equity shares with differential voting rights. Hence, no information as required under Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished. The Company has only one class of Equity Shares with face value of ₹ 5/- each ranking pari-passu.

CONSOLIDATED FINANCIAL STATEMENTS AND SUBSIDIARIES

Consolidated Financial Statements are prepared in accordance with the Indian Accounting Standard (IND AS) based on the financial statements of the subsidiary companies. The said consolidated accounts form part of this report and accounts.

SUBSIDIARY COMPANIES

Your Company has three foreign subsidiaries viz. Alicon Holding GmbH, Illichmann Castalloy S.R.O. and Illichmann Castalloy GmbH. Alicon Holding GmbH is a 100% subsidiary of your Company, who in turn holds 100% capital of Illichmann Castalloy S.R.O. Illichmann Castalloy GmbH is a 100% subsidiary of Illichmann Castalloy S.R.O. Pursuant to the provisions of Section 136 of the Act, the Consolidated Financial Statements along with relevant documents and separate audited financial statements in respect of Subsidiaries are available on the website of the Company.

A statement containing the performance and financial position of each of the subsidiaries in Form AOC-1 is annexed as **Annexure I** and forms part of this report.

STATE OF THE COMPANY'S AFFAIRS

Alicon is one of the largest integrated manufacturers of Aluminum castings. The Company is a pioneer in low-pressure die-casting technology and gravity die-casting technology in the domestic markets.

Your Company provides end-to-end casting solutions to a diversified base of clients within and outside India, catering to various sectors such as automobile, infrastructure, aerospace, energy, agriculture, defense.

Our robust and innovative product pipeline is delivered from our state-of-the-art manufacturing facilities located in Shikrapur and Chinchwad in Pune, Maharashtra and Binola, Haryana, in India. In addition, through our Subsidiary, Illichmann Castalloy we are present in Europe.

We have developed foundries at strategic locations close to key markets, enabling increased speed-to-market and better cost efficiencies. We enjoy long-standing relationships with major local and international OEMs including leading two wheeler OEMs, four-wheeler OEMs, as well as several tier-I and other non-auto brands. With our key customers, we have created a strong and differentiated position as an integrated solution provider.

Your Company Offers Design, Engineering, Casting, Machining and Assembly, Painting and Surface Treatment of Aluminum Components. We are proud to operate one of the largest Aluminum foundries in India. We are leaders in the development of Pro-Cast and Magma space in India.

NEW EXPANSION AND FUTURE OUTLOOK

Management of your Company continue to focus on new product lines to address the ever-evolving needs of customers. In the medium-term to longer-term, your Company continue to implement our business strategy across our operational models, augmenting solid gains in the business. Your Company is fully geared up its position to capitalize on the enormous growth potential across the customer industries.

In the financial year 2018-2019, the Company has added two new Export Customers TitanX and UQM. First container was supplied to TitanX by end of December, 2018 and a few more business opportunities are expected with this customer. UQM is from e-mobility. Now, the Company is exclusively working on this sector because that could be the next future for our industry.

During the year under review, the Company spent ₹ 8,162.02 lakhs towards Capex.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed report on the Management Discussion & Analysis is provided as a separate section in the Annual Report which forms part of this Directors' Report.

MATERIAL CHANGES AND COMMITMENT

No material change and commitment, which could affect your Company's financial position, has occurred between the end of the financial year 2018-19 and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year ended March 31, 2019.

INTERNAL FINANCIAL CONTROLS AND ADEQUACY

The Company has a comprehensive internal control system to provide reasonable assurance about the achievement of its objective, reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively. The monitoring and reporting of financial transactions is supported by a web-based system SAP, which helps in obtaining accurate and complete accounting records and timely preparation of reliable financial disclosures at all levels of the organization.

Risk Management Policy: The Company has adopted an Enterprise Risk Management policy and established a risk management framework with an objective of timely identification, mitigation and control of the risks, which may threaten the existence of the Company.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standard of Corporate Governance and adhere to Corporate Governance guidelines, as laid out in the SEBI Listing Regulations. All the Directors and the Senior Management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct as adopted by the Company.

The annual report of the Company contains a certificate by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from the Directors and the Senior Management personnel.

A separate report on Corporate Governance is annexed to this Report as **Annexure II**.

The Statutory Auditors of the Company have examined the requirements of Corporate Governance and have certified the compliance, as required under SEBI Listing Regulations. The Certificate in this regard is annexed to this Report.

The Chief Executive Officer and Chief Financial Officer certification as required under the SEBI Listing Regulations is annexed to this Report.

RELATED PARTY TRANSACTION AND POLICY:

All contracts/arrangements/transactions entered into the Company with Related Parties were in ordinary course of business and on arm's length basis. All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated by the Company.

The details of the Related Party Transactions as per IND AS - 24 are set out in Notes to the Financial Statements of the Company. Since all the transactions with related parties entered into by the Company were in ordinary course of business and on arm's-length basis, Form AOC-2 is not applicable to the Company.

The Company has formulated a policy on Related Party Transactions, which is available on the Company's website at www.alicongroup.co.in. There was no materially significant Related Party Transaction entered into by the Company with Promoters, Directors or Key Managerial Personnel, which may have a potential conflict in the interest of the Company, at large.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Your Company is committed to conduct its business in accordance with the highest standard of business ethics, openness, probity, accountability and seriously takes any unethical or unlawful conduct by any of its Stakeholders. To that end, any concern related to malpractice or impropriety is treated by the Alicon with utmost seriousness. The Whistle-blower Policy enables Stakeholders associated with your Company to voice their genuine concerns in a responsible and effective manner.

The Company has adopted a Whistle Blower Policy to deal with instances of fraud and misconduct. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company www.alicongroup.co.in.

SECRETARIAL STANDARDS

The Board of Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board in its meeting held on February 06, 2019, had recommended to re-appoint Mr. A.D. Harolikar (DIN: 00239460) and Mr. Vinay Panjabi (DIN: 00053380) as Independent Directors of the Company for the further period of five (5) years w.e.f. April 01, 2019. The Company is seeking approval of Members by way of Special Resolutions through Postal Ballot in this regard.

Mr. J. Suzuki (DIN:02628162) shall retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment. Information and brief profile of Mr. J. Suzuki is provided in the

Corporate Governance Report, which forms part of this Annual Report. Further, the business item relating to the Re-appointment of the above Director has been included in the Notice of the AGM.

Mrs. Swapnal Patane joined the Company as Company Secretary with effect from March 11, 2019. She is Associate Member of the Institute of Company Secretaries of India and holds Bachelor Degree of Commerce. She has 8 years of experience in Legal field, Corporate Laws and Secretarial practices.

During the year under review, none of the non-executive directors had any pecuniary relationship or transactions with the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and SEBI Listing Regulations Mr. S. Rai is the Managing Director, Mr. Rajeev Sikand is Chief Executive Officer, Mr. Vimal Gupta is the Chief Finance Officer and Mrs. Swapnal Patane is the Company Secretary of the Company.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

In compliance with the provisions of Section 149 (6) of the Companies Act, 2013 requisite declarations have been received from the Independent Directors regarding meeting the criteria of Independence.

NUMBER OF BOARD MEETINGS AND COMMITTEES OF BOARD

The Board of Directors met five (5) times during the Financial Year. The details on attendance of Directors in each Board Meetings and other Committee Meetings of Board of Directors are provided in Corporate Governance Report, which forms part of the Directors' Report.

AUDIT COMMITTEE & COMPOSITION

The composition of the Audit Committee is in terms of requirements of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details pertaining to the audit committee are included in the Corporate Governance Report, which forms part of this report.

THE NOMINATION AND REMUNERATION POLICY

The Board has adopted a policy on Nomination, Remuneration and Board Diversity which sets out the criteria for determining qualifications, positive attributes and independence of a Director.

The Company's Policy relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters is annexed to this Report as **Annexure III**.

PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

In accordance with applicable provisions of the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the evaluation of the Board as a whole, Committees and all the Directors was conducted, as per the internally designed evaluation process approved by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge, confirms that –

a) in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure;

b) appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES

Information on Particulars of Employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this Report and the same is annexed to this report as **Annexure IV**.

The information required pursuant to section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the Members at the registered Office of the Company during business hours on working days up to the date of ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

Disclosure as required under Section 62(1)(b) of the Companies Act,2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules and Regulations 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is given in **Annexure V** to this report. The certificate from the statutory auditors of the Company stating that Alicon Castalloy Ltd. - Employees Stock Option Scheme, 2015 and Alicon Castalloy Ltd. – Employees Stock Option Scheme, 2017 have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 are also appended thereto.

RECEIPT OF REMUNERATION BY MANAGING DIRECTOR FROM SUBSIDIARY COMPANIES

Mr. S. Rai, Managing Director of the Company, has not received any remuneration from any of its subsidiary companies.

STATUTORY AUDITOR

M/s. Kirtane & Pandit LLP, Chartered Accountants (ICAI Registration No. 105215W/W100057), were appointed as the Statutory Auditors of the company to hold the office for a term of five (5) years from the conclusion of the 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company to be held in the year 2022.

Pursuant to the notification issued by the Ministry of Corporate Affairs on 7th May, 2018, the mandatory requirement of ratification of appointment of the Statutory Auditors in every Annual General Meeting has been omitted. Hence, ratification of appointment of M/s. Kirtane & Pandit LLP, Chartered Accountant, in ensuing AGM is not proposed.

According to Board of Directors, there is no adverse remark made by Statutory Auditors in their report. Notes to the accounts are self-explanatory to comments/observation made by the auditors in their report. Hence, no separate explanation is given.

SECRETARIAL AUDIT REPORT

During the year, Secretarial Audit was carried out by Mr. Upendra C. Shukla, Practicing Company Secretary, Mumbai for the financial year 2018-19. The report on the Secretarial Audit is appended as **Annexure VI** to this report. According to the Board of Directors the report does not have any adverse remark calling for an explanation.

COST RECORDS

As per the Board of Directors of the Company, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not maintained.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

There was no frauds which was reported by Auditors for the year under review.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 in pursuance to the provisions of Section 92(3) of the Companies Act, 2013 is placed on the Website of the Company www.alicongroup.co.in.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND INITIATIVES

At Alicon, we believe that sustainability is our collective responsibility.This is why we are closely engaged in various endeavors to serve our communities, our country and the environment.It is this inherent quality that prompted us to initiate our CSR and Rural Outreach programmes in 2007, seven years before it was made mandatory by law in India.

We sincerely believe that a holistic approach to sustainability, paired with positive action, has the power to transform the individual, the country and the world. The Bansuri Foundation, through which we conduct a majority of our corporate social responsibility (CSR) activities, works closely with other trusts and NGOs to create new stories of change. We also work independently with other NGOs like Social Venture Partners to fulfill our societal goals.

Alicon's CSR programme focuses on rural development, education, health & sanitation. We also encourage our employees to initiate projects within their own communities.

Brief outline on the Corporate Social Responsibility (CSR) Policy of the Company and the initiative undertaken by the Company on CSR activities during the year are set out in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and is annexed as **Annexure VII** to this report. The CSR Policy is hosted on the Company's websitewww.alicongroup.co.in.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any Deposit under Section 73 of the Companies

Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments covered under the provisions of section 186 of Companies Act, 2013 are given in the Notes to financial statements.

ENVIRONMENT HEALTH & SAFETY

To ensure long-term environmental sustainability, Alicon has pioneered several green initiatives. Across all our facilities, we have implemented a range of activities to control our carbon footprint and continuously seek new ways to work towards our mission of sustainability. Here are a few highlights from our Environmental Program:

- Modifying LPDC machines and switching to LED lights to help save thousands of kilowatts of energy each day
- Installing rooftop solar technology to power plants
- Ensuring a year-on-year reduction in Greenhouse gas emissions
- Sourcing locally and eliminating packaging waste

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosure of information regarding Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earning and Outgo etc. under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed separately as an **Annexure VIII**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant and material order is passed by the Regulators / Courts / Tribunals, which would impact the going concern status of the Company and its future operations.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted the "Prevention of Sexual Harassment at Workplace Policy" and constituted an Internal Complaints Committee (ICC) for prohibition, prevention and redressal of sexual harassment of women at workplace and matters connected therewith or incidental thereto covering all the related aspects.

The Committee meets as and when required. However minimum one meeting is ensured during the Financial Year to discuss strengthening safety of employees at workplace and also to resolve/address related issues, if any reported during the year.

INDUSTRIAL RELATIONS

Industrial relations across all the manufacturing locations of your Company were cordial and very positive through the year under review.

In order to develop skills and foster togetherness at the work place, your Company rolled out multiple training and engagement programs covering a wide range of topics such as stress managements, attitude, creativity, team spirit, quality, skill building, safety and environment, customer focus, etc.

ACKNOWLEDGEMENT

Your Directors wish to thank Enkei Corporation, Japan, our technical collaborator, for their valued support and guidance for development of new parts. Your Directors also take this opportunity to thank all the customers, vendors, bankers and other business associates for their continued support. Your Directors also thank all the employees for their commitment, hard work and contribution to the Company's excellent performance. Your Directors are thankful to all the Shareholders of the Company for their unstinted support and confidence reposed in the Management of the Company.

On behalf of the Board of Directors,

S. Rai	**A.D. Harolikar**
Managing Director	Director
DIN: 00050950	DIN: 00239460

Place: Shikrapur, Pune
Date: April 19, 2019

Annexure - I

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries:

(Information in respect of each subsidiary to be presented with amounts in ₹ in lakhs)

Sl. No.	1	2	3
Name of the Subsidiary	**Alicon Holding GmbH**	**Illichmann Castalloy GmbH**	**Illichmann Castalloy S.R.O**
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April to March	April to March	April to March
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 Euro = INR77.70	1 Euro = INR77.70	1 Euro = INR77.70
Share Capital	1,061.19	20.82	2.97
Reserves & Surplus	(65.43)	184.28	(161.55)
Total Assets	1,075.32	2,663.56	5,392.61
Total Liabilities	1,075.32	2,663.56	5,392.61
Investments	1,044.07	-	446.13
Turnover	-	8,497.05	9,415.85
Profit before Taxation	1.42	107.65	226.19
Provision for taxation	1.42	19.35	42.37
Profit after Taxation	-	88.30	183.82
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100	100	100

No Subsidiary has been liquidated or sold during the year.

Company doesn't have any associate or joint venture company.

On behalf of the Board of Directors,

Place: Shikrapur, Pune
Date: April 19, 2019

S. Rai
Managing Director
DIN : 00050950

A.D. Harolikar
Director
DIN : 00239460

Annexure - II

CORPORATE GOVERNANCE REPORT

[Pursuant to Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

1. COMPANY'S PHYLOSOPHY ON CODE OF GOVERNANCE

The Company believes that good corporate governance is essential to achieve long term corporate goals and to enhance shareholders' value. In this pursuit the Company is committed to conducting its business in accordance with the highest legal and ethical standards, superior product quality and services to its customers. The Company has adhered to such superior product policies to fulfill its corporate responsibilities and achieve its financial objectives.

2. BOARD OF DIRECTORS

The Board is entrusted and empowered to oversee the management, direction and performance of the Company with a view to protect interest of the stakeholders and enhance value for shareholders. The Board monitors the strategic direction of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the Shareholders are being served. The Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

a. Composition and category of Directors

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the Listing Regulations. The Board of Directors consisted of Six (6) Directors. Out of these one (1) is Managing Director; two(2) Directors are Non- Executive Directors including Woman Director and three (3) are Non-Executive Independent Director(s). The Managing Director is assisted by Senior Managerial Personnel in overseeing the functional matters of the Company.

The said information as on March 31, 2019 is presented as below:

Sr. No.	Name of Director	Category
1	Mr. S. Rai	Managing Director
2	Mrs. Pamela Rai	Non-Executive Director
3	Mr. J. Suzuki	Non-Executive Director
4	Mr. A.D. Harolikar	None Executive Independent Director
5	Mr. Vinay Panjabi	None Executive Independent Director
6	Mr. Ajay Nanavati	None Executive Independent Director

b. Number of Board Meetings held and Attendance each Directors at Board Meetings last Annual General Meeting (AGM)

The Board of Directors met five (5) times during the Financial Year ended March 31, 2019. The intervening period between two Board Meetings was well within the maximum time gap of 120 days, as prescribed under Listing Regulations. The Attendance Record of Directors in Board Meeting and AGM for the Financial Year 2018-19 are tabulated below:

Sr. No.	Name of Directors	Attendance of Board Meetings					AGM 2017-18
		30.04.2018	23.07.2018	02.11.2018	28.11.2018	06.02.2019	22.09.2018
1	Mr. S. Rai	√	√	√	√	√	√
2	Mrs. Pamela Rai	√	√	√	√	√	√
3	Mr. J. Suzuki	•	•	•	√	•	•
4	Mr. A.D. Harolikar	√	•	√	√	√	√
5	Mr. Vinay Panjabi	√	√	√	•	√	•
6	Mr. Ajay Nanavati	√	√	√	•	√	•

√ Present, • Absent

c. **Board Procedure**

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is fixed in consultation with the Directors well in advance.

The Board business generally includes consideration of important corporate actions and events including:-

- Quarterly and annual result announcements;
- Oversight of the performance of the business;
- Declaration of dividends;
- Development and approval of overall business strategy;
- Review of the functioning of the Committees and
- Other strategic, transactional and governance matters as required under the Companies Act, 2013, Listing Regulations and other applicable legislations.

The notice of Board / Committee meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Pune. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Managing Director, CEO and CFO of the Company. The Agenda is circulated at least week prior to the date of the meeting. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

d. **Number of other Directorships and Chairmanships/ Memberships of Committees of each Director in various Companies as on March 31, 2019.**

Sr. No.	Name of Directors	No. of Directorships in other Public Companies[1]	Relationship Interse
1	Mr. S. Rai [3]	3	Related as Husband of Mrs. Pamela Rai
2	Mrs. Pamela Rai	2	Related as wife of Mr. S.Rai
3	Mr. J. Suzuki [4]	1	Not related to any Director
4	Mr. A.D. Harolikar	1	Not related to any Director
5	Mr. Vinay Panjabi	NIL	Not related to any Director
6	Mr. Ajay Nanavati [5]	NIL	Not related to any Director

Notes:

1. Excludes Directorship in Foreign Companies and Companies Registered under Section 8 of the Companies Act, 2013 and includes directorship of subsidiaries of Public Limited Companies.
2. None of the Directors held any Committee positions in other Public Companies.
3. Mr. S. Rai is Director in one listed entity i.e Enkei Wheels (India) Ltd.
4. Mr. J. Suzuki is Director in one listed entity i.e Enkei Wheels (India) Ltd.
5. Mr. Ajay Nanavati is the Chairman of Syndicate Bank and is also Member/ Chairman of it's various Committees.

e. **Number of Shares and Convertible instruments held by Non-Executive Directors as on Financial Year ended March 31, 2019.**

Sr. No.	Name of Directors	No. of Shares
1	Mrs. Pamela Rai	0
2	Mr. J. Suzuki	0
3	Mr. A.D. Harolikar	200
4	Mr. Vinay Panjabi	0
5	Mr. Ajay Nanavati	0

f. **Separate meeting of Independent Directors**

As stipulated by the code of Independent Directors under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 a separate meeting of Independent Directors of the Company was held on March 13, 2019 to review the performance of non-independent directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its committees, which is necessary to effectively and reasonably perform and discharge their duties.

g. **Directors' Induction, Familiarization & Training of Board Members**

As and when a new Director is appointed, the Company takes steps to familiarize the Director with the Company, his/her roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The Directors are regularly offered visits to the Company's plant, where plant head makes them aware of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality, CSR, sustainability etc.

At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, Company policies, changes in regulatory requirement applicable to the corporate sector and to the industry in which it operates with areas of improvement and other relevant issues.

Quarterly presentations on operations made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, regulatory scenario, etc.

The details of such Familiarization Programme for Independent Director are uploaded on the website of the Company and the web link of the same is provided here under https://www.alicongroup.co.in/wp-content/uploads/2019/03/Familiarisation-Program.pdf

h. Core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) :

Following Core competencies are defined by the Board of Directors to enhance the functioning of Management Team. By adopting these Competencies Management Team can achieve it's targets in more effective manner:

1. Strategic Business Orientation
2. Customer Focus
3. Innovation Lead Information
4. Drive for Result
5. Breakthrough Mindset
6. People Development

i. Board Independence

Definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. Based on the confirmation / disclosures received from all Independent Directors, they have met with criteria of their independence as mentioned in Regulation 16(1)(b) of the SEBI Regulations.

j. Code of Conduct

The Company has adopted a 'Code of Conduct' for its employees at all levels including Senior Management and Directors. The Code has also been posted on the Company's website. The Code serves as a guide to the employees of the Company to make informed and prudent decisions. As required under the Listing Regulations, the affirmation of compliance with the Code from Directors and Senior Management personnel has been obtained for Financial Year 2018-19. The Annual Report contains a declaration to this effect signed by the Managing Director of the Company.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

a. AUDIT COMMITTEE

i. Brief Description and terms of reference :

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in the Listing Regulations. The Audit Committee of the Company, inter-alia, provides assurance to the Board on the existence and adequacy of an effective Internal Control systems that ensures.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible Recommendation for appointment, remuneration and terms of appointment of auditors of the Company,
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval;

- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control system;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- Review the functioning of the vigil mechanism;
- Subsidiary company oversight.

ii. **Composition, Name of Members & Chairperson:**

The Audit Committee comprises of two (2) Non-Executive Independent Directors and Managing Director. The Composition of the Audit Committee during the Financial Year April 01, 2018 to March 31, 2019 was as follows:

Sr. No.	Name of Directors	Status	Category of Membership
1	Mr. A.D. Harolikar	Chairman	Non –Executive Independent Director
2	Mr. Vinay Panjabi	Member	Non –Executive Independent Director
3	Mr. S. Rai	Member	Managing Director

iii. **Meetings and attendance :**

During the Financial Year 2018-19, five (5) Audit Committee Meetings were held on the following dates:

Sr. No.	Name of Directors	Attendance of Meetings				
		27.04.2018	23.07.2018	02.11.2018	20.11.2018	05.02.2019
1	Mr. A.D. Harolikar	√	•	√	√	√
2	Mr. Vinay Panjabi	√	√	√	√	√
3	Mr. S. Rai	√	√	√	√	√

√ Present, • Absent

The Statutory Auditors, Internal Auditors and Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

b. NOMINATION AND REMUNERATION COMMITTEE

i. **Brief description of terms of reference**

The Nomination and Remuneration Committee has been constituted in accordance with the requirements of Statutes and their term of reference is in compliance with the governing provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The role of Nomination and Remuneration Committee, inter alia, includes:-

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension, Commission etc.;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.

ii. **Composition**

As on March 31, 2019 the Nomination and Remuneration Committee comprises of three (3) Directors as its members. All the members of the Committee are Non-Executive Director and have sound knowledge of management practices. The Chairman of the Committee is a Non-Executive Independent Director. The composition of the Nomination and Remuneration Committee during the Financial Year 2018 – 2019 is as under:

Name of Directors	Status	Category of Membership
Mr. A.D. Harolikar	Chairman	Non –Executive Independent Director
Mr. Vinay Panjabi	Member	Non –Executive Independent Director
Mr. J. Suzuki	Member	Non –Executive Director

iii. **Meetings and Attendance**

During the Financial Year 2018-19, one (1) Meeting was held on the following dates:

Sr. No.	Name of Directors	Attendance
		05.02.2019
1	Mr. A.D. Harolikar	√
2	Mr. Vinay Panjabi	√
3	Mr. J. Suzuki	•

√ Present, • Absent

iv. **Performance Evaluation Criteria for Independent Directors**

The Board is responsible for undertaking a Formal Annual Evaluation of its own performance, its Committees and individual Directors as per the provisions of Companies Act, 2013 and Listing Regulations, with a view to ensure that individual directors and the Board as a whole work efficiently and effectively in achieving Company's objectives.

During the year, the Board with the assistance of Nomination and Remuneration Committee has completed the evaluation exercise as per the internally designed evaluation process approved by the Board. The Independent Directors were evaluated on various performance indicators including aspects relating to:

- Contribution to achievement of corporate objectives
- Understanding, strategic plan, and key issues
- Constructive contribution to resolution of issues at meetings
- Communicating expectations & concern clearly
- Promotion of company's interest externally
- Interpersonal relationships with other directors and management
- Attendance, confidentiality and preparation for meetings

C. Share Transfer/Stakeholders Relationship Committee

In line with provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, the Company has constituted a Share Transfer/ Stakeholder Relationship Committee to oversee Investors grievances and redressal mechanism and recommends measures to improve the level of Investors' services and to look into and decide matters pertaining to share transfers, duplicate share certificates and related matters.

Composition: The Committee comprises of Executive Director and Non-Executive Independent Directors. Mr. A.D. Harolikar, Independent Director acting as Chairman of the Share Transfer/ Stakeholders Relationship Committee. The composition of this Committee during the year April 01, 2018 to March 31, 2019 is as under:

Sr. No.	Name of Directors	Status	Category of Membership
1	Mr. A.D. Harolikar	Chairman	Non –Executive Independent Director
2	Mr. Vinay Panjabi	Member	Non –Executive Independent Director
3	Mr. S. Rai	Member	Managing Director

The functioning and terms of reference of the Committee are as prescribed under the Listing Regulations with particular reference to transfer, dematerialization and complaints of Shareholders etc. The board has delegated the authority for approving transfers, transmission etc. once in a fortnight to the Managing Director of the Company. A summary of transfer, transmission of shares of the Company so approved by the Managing Director is placed at every Share Transfer/ Stakeholder Relationship Committee Meeting.

ii. **Name and Designation of Compliance Officer:** Mrs. Swapnal Patane, Company Secretary and Compliance officer acts as Secretary to the said Committee.

iv. **Status of Investor Complaints received, pending and resolved During the Financial Year 2018 – 2019 :**

Sr. No.	Particulars	Status
1	No. of Complaints Received	3
2	No. of Complaints Resolved	3
3	No. Of Complaints Pending	NIL

v. **Meetings and attendance :**

During the Financial Year 2018-19, four (4) Committee Meetings were held on the following dates:

Sr. No.	Name of Directors	Attendance of Meetings			
		30.04.2018	23.07.2018	02.11.2018	06.02.2019
1	Mr. A.D. Harolikar	√	•	√	√
2	Mr. Vinay Panjabi	√	√	√	√
3	Mr. S. Rai	√	√	√	√

√ Present, • Absent

D. Corporate Social Responsibility Committee (CSR)

The Company has set up a Corporate Social Responsibility (CSR) Committee to oversee discharging of obligations as a part of its Corporate Social Responsibility as mandated under Section 135 of the Companies Act, 2013 along with relevant rules. The Committee consists of three (3) Directors including One (1) Independent Director.

Roles and Objectives: The Roles and Objectives of the Committee as defined by the Board of Directors of the Company are as under:

- Formulation of CSR Policy and recommending the same to the Board;
- Identification of activities to be undertaken by the Company;
- Recommendation of amount of expenditure to be incurred on CSR activities;
- Monitoring the CSR policy from time to time.

i. **Composition :** The composition of this Committee during the year April 01, 2018 to March 31, 2019 is as under:

Sr. No.	Name of Directors	Status	Category of Membership
1	Mr. S. Rai	Chairman	Managing Director
2	Mrs. Pamela Rai	Member	Non –Executive Director
3	Mr. Vinay Panjabi	Member	Non –Executive Independent Director

ii. **Meetings and Attendance:** During the Financial Year 2018-19, four (4) Corporate Social Responsibility Committee Meetings were held and the attendances of the Meetings are as under:

Sr. No.	Name of Directors	Attendance of Meetings			
		29.04.2018	23.07.2018	14.12.2018	30.03.2019
1	Mr. S. Rai	•	•	•	√
2	Mrs. Pamela Rai	√	√	√	√
3	Mr. Vinay Panjabi	√	√	√	√

√ Present, • Absent

4. REMUNERATION OF DIRECTORS:

The Nomination & Remuneration Committee determines and recommends to the Board of Directors, the remuneration payable to Manging Director and Non-Executive Directors of the Company.

i. **Remuneration paid to Managing Director for the Financial Year 2018-19:**

(₹ In lakhs)

Sr. No.	Name of Director	Designation	Salary	Perquisite and allowances	Comm-ission	Total
1	Mr. S. Rai	Managing Director	47.12	0.90	26.54	74.56

ii. **Remuneration paid to Non- Executive Director for the Financial Year 2018-19 :**

(₹ In lakhs)

Sr. No.	Name of Director	Designation	Sitting Fees
1	Mrs. Pamela Rai	Non-Executive Director	1.70
2	Mr. J. Suzuki	Non-Executive Director	NIL
3	Mr. A. D. Harolikar	None Executive Independent Director	2.60
4	Mr. Vinay Panjabi	None Executive Independent Director	2.45
5	Mr. Ajay Nanavati	None Executive Independent Director	1.30

iii. **Criteria of making payments to Non-Executive Directors:**

Apart from sitting fees referred above, no payment by way of Commission, bonus, pension, incentives etc. is paid to any of the Non - Executive Directors.

iv. **Employee Stock Option Schemes:**

The Company granted 274,611 options during the financial year to the eligible employees other than Directors. Each Option entitles the holder thereof to apply for and be allotted 274,611 Ordinary Shares of the Company of ₹ 5/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from the date of such vesting.

v. **Service Contracts, Notice Periods, Severance Fees**

The appointment of the Managing Director is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. Letters of appointment have been issued by the Company to the Independent Directors, incorporating their roles, duties, responsibilities etc., which have been accepted by them.

vi. **There are no Security/Instruments of the Company pending for conversion into Equity Shares.**

5. GENERAL BODY MEETINGS

a. **The details of Annual General Meetings (AGMs) held in the last three years are as follows:**

Financial Year	Date	Time	Venue
2017-18	22.09.2018	12.30 p. m.	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208, Maharashtra
2016-17	26.09.2017	12.30 p. m.	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208, Maharashtra
2015-16	29.09.2016	12.30 p. m.	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208, Maharashtra

b. **Details of Special Resolutions passed in previous three Annual General Meetings (AGM):**

i. AGM held on September 22, 2018 :

a. Approval for Amendment in Alicon Castalloy ESOS 2017

ii. AGM held on September 26, 2017 :

a. Approval of Re-appointment of and remuneration payable to Managing Director

b. Confirmation on Ultimate beneficiary of 860,000 Equity Shares being issued on preferential basis to Enkei Corporation, Japan.

iii. AGM held on September 29, 2016 : NIL

c. **Special Resolution passed last year through Postal Ballot:**

There was no Special Resolutions which were passed by way of Postal Ballot during the Financial Year 2018-19.

d. **Special Resolutions proposed through Postal Ballot:**

The Board in its Meeting held on February 06, 2019 had approved conducting of business by way of Postal Ballot for re-appointment of Mr. Anil D. Harolikar and Mr. Vinay Panjabi as Independent Directors for their second term of consecutive five years. The voting period began on April 03, 2019 (9.00 a.m. IST) and shall end on on May 02, 2019 (5.00 p.m. IST). The proposed resolutions shall be deemed to have been passed in the financial year 2019-20.

6. MEANS OF COMMUNICATION

a. **Quarterly Results**

The Quarterly/ Half Yearly / Yearly Financial Results of the Company are published in leading and widely circulated English dailies viz. The Economic Times (English), The Free Press Journal (English), Business Standard (English) and Nav Shakti, a Marathi Daily.

The Company's financial results are displayed on the Company's website at www.alicongroup.co.in and the websites of BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

b. **Investor Presentations / Press Releases**

The presentations made to investors and Press releases of Company are displayed on the Company's website at www.alicongroup.co.in and are disseminated on the Stock exchanges where Company's equity is listed.

c. **Occasional News Releases/ Conference Calls**

The Directors and Senior Management hold quarterly briefs with analysts and major stakeholders, where Company performance is discussed. The official press releases, the presentation made to the investor and the transcripts of the call with analysts for Quarterly/ Half Yearly /Annual Financial Results are available on the Company's website under 'Investors' section.

d. **Website**

The Company's website provides a comprehensive reference on its management, vision, mission, policies, corporate governance, updates and news. The section on 'investors' gives complete financial details, annual reports, shareholding patterns, presentation made to investors, details of Registrar and Share Transfer Agents, etc.

The section also includes material events or information as detailed in Regulation 30 of the SEBI (LODR) Regulations, 2015 as disclosed to the Stock Exchanges. The Company has also uploaded the details of the unclaimed dividend by the Members on its website. Information about unclaimed/ unpaid dividends and unclaimed shares to be transferred to IEPF is provided in the notes to the Notice of AGM.

e. **Designated exclusive email-ids: The Company has designated the following email-ids exclusively for investor servicing:**

(i) For Investor Grievances and Queries: swapnal.patane@alicongroup.co.in

(ii) For queries related to financial statement: tarun.vyas@alicongroup.co.in

7. GENERAL SHAREHOLDER INFORMATION

a. **Annual General Meeting:** The 29th Annual General Meeting is scheduled as under:

Date	:	July 26, 2019
Day	:	Friday
Time	:	12.30 P.M.
Venue	:	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208, Maharashtra.

b. **Date of Book Closure :** Monday July 22, 2019 to Friday July 26, 2019 (Both days inclusive)

c. **Registered Office :** Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208, Maharashtra.

d. **Financial Year :** April 01 to March 31

e. **Dividend & Dividend Payment Date :**

The Board of Directors in its meeting held on February 06, 2019 had declared an interim dividend of ₹ 2/- per Equity Share of ₹ 5/- each (40%) The Board has now recommended a final dividend of ₹ 5/- per share (100%), which may be declared by the Members of the Company in their ensuing Annual General Meeting. The total divided for the financial year 2018-2019 comes to ₹ 7/- per share i.e. 140%.

For the Shareholders, holding shares in demat and in physical from and have opted for NECS/ ECS, dividend amount of ₹ 5/- per share will be credited directly to their respective bank accounts through NECS/ ECS wherever such facilities are available on or before August 10, 2019 for others, Dividend Warrants/Demand Drafts will be posted on or before August 20, 2019.

f. **Name and Address of Stock Exchange, where Company's Equity is listed:**

Stock Exchange	Scrip Code
BSE Limited PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	531147
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	ALICON

Listing Fee for the year 2019-20 has been paid to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) within applicable time-frame.

ISIN No: INE062D01024

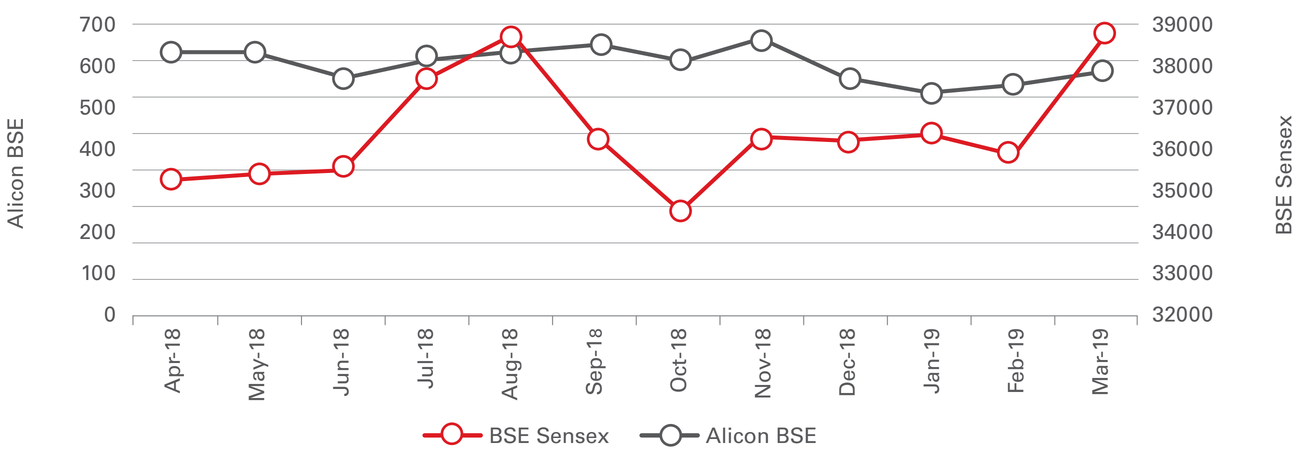
g. **Stock Market Data during the Financial Year 2018-19 :**

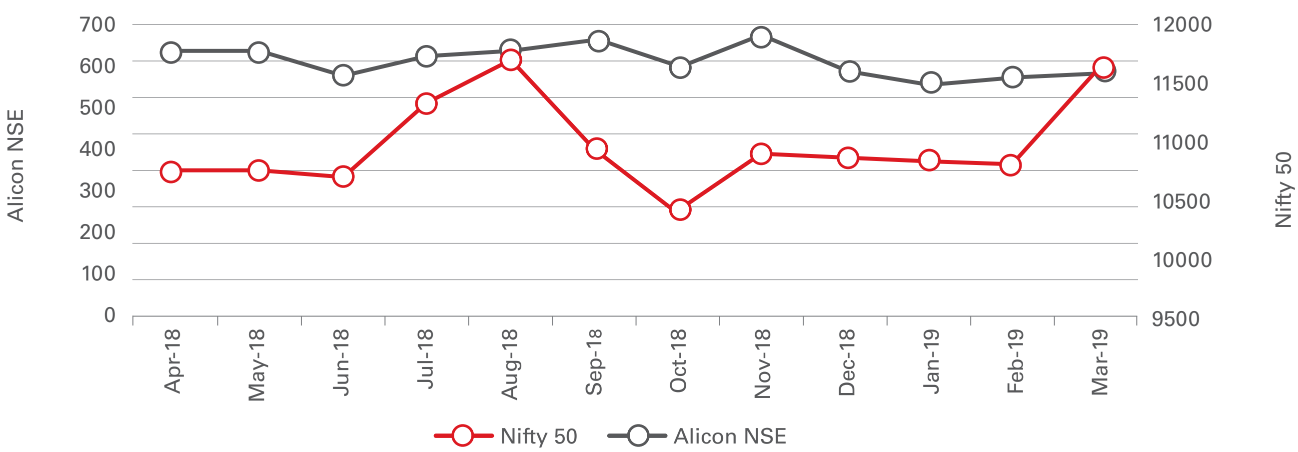
The monthly High and Low Prices of the Shares of the Company listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

(Amount In ₹)

Month	BSE		NSE	
	Share Price		Share Price	
	High	Low	High	Low
Apr-18	654.80	569.10	650.00	578.00
May-18	679.30	591.20	675.00	596.65
Jun-18	644.85	547.20	664.95	550.00
Jul-18	640.05	562.30	645.00	568.00
Aug-18	644.00	582.10	646.00	569.30
Sep-18	749.90	611.00	750.00	605.25
Oct-18	660.00	565.00	660.00	570.80
Nov-18	675.00	580.00	679.85	580.00
Dec-18	660.00	561.80	662.45	555.00
Jan-19	612.00	531.00	614.95	533.05
Feb-19	575.00	510.00	577.00	510.00
Mar-19	610.00	548.15	609.95	545.00

h. **The details of the Stock Performance vis – a – vis S&P CNX Nifty in graphical manner and monthly closing share price on NSE & BSE from April, 2018 to March, 2019 is given below :**





i. **In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:**

The trading in the equity shares of the Company was never suspended.

j. **Registrars and Share Transfer Agent (For Physical as well as for Demat Segment)**

Name & Address	:	Universal Capital Securities Private Limited 21 ShakilNiwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai-400 093
Tel	:	022- 28307203
Email	:	gamare@unisec.in

k. **Share Transfer System**

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Share Transfer Agent. The Company has appointed M/s Universal Capital Securities Private Limited as the Registrar & Share Transfer Agent. The Share transfers in physical form are approved by the Managing Director on fortnightly basis and the same are approved and ratified by the Share Transfer/ Stakeholder Relationship Committee.

l. **Distribution of Share Holding**

No. of Equity Shares	No. of Folios	%	No. of Shares	% of Shareholding
01-500	4750	87.14	506926	3.71
501-1000	308	5.65	240445	1.76
1001-2000	179	3.28	273018	2.00
2001-3000	74	1.35	184526	1.35
3001-4000	32	0.58	115365	0.84
4001-5000	29	0.53	135472	0.99
5001-10000	43	0.79	334336	2.45
10001 and above	36	0.66	11850033	86.88
TOTAL	**5451**	**100**	**13640121**	**100**

m. **Shareholding Pattern of the Company as on March 31, 2019 :**

Category	No. of Shares	% of Shareholding
Indian Promoters	8701413	63.79
Foreign Collaborators	1960000	14.37
Bodies Corporate	81969	0.60
Indian Public	2511727	18.41
Directors & Relatives (other than Promoter Directors)	200	0.00
N.R.Is. / OCB's	134849	0.99
Clearing Members	36812	0.27
Others	213151	1.56
Total	**13640121**	**100.00**

n. **Dematerialization of Shares :**

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized form. In order to enable the Shareholders to hold their shares in electronic form and to facilitate scrip less trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are liquid and are actively traded on Stock Exchanges.

o. **Status of Dematerialization and Liquidity as on March 31, 2019 :**

Dematerialization :

Category	No. of Shares
Shares in Demat mode with NSDL	10506337
Shares in Demat mode with CDSL	3072362
Shares in Physical mode	61422

Liquidity: The Numbers of Shares of the Company traded in the Stock Exchanges for the financial year 2018-2019 is given below:

Particulars	BSE	NSE	Total
No of shares Traded	169416	795386	964802
Percent of total Equity	1.24	5.83	7.07

p. **Outstanding GDRs/ADRs/Warrants or any convertible Instrument, Conversion Date and Likely impact on Equity**

The Company has not issued GDR/ADR/warrants or any convertible security.

q. **Certificate from a Company Secretary in Practice:**

The Company has obtained a Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/ Ministry of Corporate Affairs or any such statutory authorities.

r. **Commodity price risk or foreign exchange risk and hedging activities:**

The Company is exposed to the risk of price fluctuations of raw material, which are proactively managed by forward booking of materials, inventory management and vendor development practices. In case of foreign exchange risk, there is natural hedging of risk as our import and export generally remains at the same level.

s. **Plant Locations :**

a) Gat No. 1426, Village Shikrapur,Taluka Shirur, Dist. Pune 412208, Maharashtra

b) Plot no. 58/59, Block- D II, MIDC, Chinchwad, Pune- 411019, Maharashtra

c) 57-58 Km Mile Stone, Delhi –Jaipur,NH-8, Industrial Area, Village - Binola, Gurgaon – 122051, Haryana

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

t. **Address for correspondence**

For transfer/dematerialization of shares, change of address of members and other queries relating to the shares of the Company:

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

u. **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year**

The Company has CRISIL A/Negative/CRISIL A1 rating.

8. OTHER DISCLOSURE :

a. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large :**

All transaction entered into by the Company with Related Parties during the Financial Year 2018-19 are in ordinary course of business and on arm's length basis.

The Company had not entered any materially significant Related Party Transactions i.e. transaction of the Company of material nature with its Promoters/ Director/Senior Employees or relatives etc., which could have a potential conflict with the interest of Company at large.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company.

The policy on Related Party Transactions has been placed and can be accessed on the Company's website https://www.alicongroup.co.in/wpcontent/uploads/2018/10/Related_Party_Transactions_Policy.pdf

b. **Disclosure of pending cases/instances of non-compliance:**

There was no non-compliance by the Company and no instances of penalties and strictures imposed on the Company by the stock exchanges or SEBI or any other statutory authority on any matters related to the capital market during the last three years.

c. **Mandatory Requirements**

The Company is in compliance with all mandatory requirements of Listing Regulations.

d. **Details of utilization of funds raised through preferential allotment**

The Company has not raised any funds through preferential allotment during the FY 2018 -19.

e. **Total fees for all services paid by the listed entity and its subsidiaries to Statutory Auditor on Consolidated basisfor the FY 2018 - 19:**

Sr. No	Particulars	Amount (₹ in lakhs)
1	Statutory Audit fees	16.50
2	Limited Review	4.00
3	Consolidation Audit	5.00
4	Certifications	1.00
5	Out of Pocket Expenses	0.38

9. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46:

Company has disclosed about the compliance of regulations in respect of corporate governance under the listing regulations on its website www.alicongroup.co.in. Compliance certificate for Corporate Governance from the Auditors of the Company is given as annexure to this report.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 17(5) OF SEBI (LODR) REGULATIONS, 2015

To,
Alicon Castalloy Limited
Gat No. 1426, Village Shikrapur,
Taluka Shirur, Dist. Pune,
Maharashtra

In accordance with Clause 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I, Shailendrajit Rai, Managing Director of Alicon Castalloy Limited, hereby confirm that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2019.

S. Rai
Managing Director

Place: Shikrapur, Pune
Date: April 19, 2019

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Alicon Castalloy Limited,

Independent Auditors' Certificate on Compliance of conditions of Corporate Governance.

We have examined the compliance of conditions of corporate governance by Alicon Castalloy Limited ('the Company') for the year ended March 31, 2019 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI.

Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration number: 105215W/W100057

Parag Pansare
Partner
Membership No.117309
UDIN No. 19117309AAAAGA2361

Place: Pune
Date: June 10, 2019

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We certify that –

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

- significant changes in internal control over financial reporting during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rajeev Sikand
CEO

Vimal Gupta
CEO

Place: Shikrapur, Pune
Date: April 19, 2019

Annexure - III

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with relevant rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Key Objectives of the Committee are:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board
- To recommend the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management
- To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial personnel and create competitive advantage
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan

2. DEFINITIONS

a) Act means the Companies Act, 2013 as amended from time to time and the Rules made thereunder

b) Board means Board of Directors of the Company

c) Directors mean Directors of the Company

d) Key Managerial Personnel means – (i) Chief Executive Officer or the Managing Director or Whole-time Director; (ii) Chief Financial Officer; (iii) Company Secretary; and (iv) such other officer as may be prescribed

e) Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors but including Functional Heads

3. ROLE OF COMMITTEE

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee –

3.1.1 Formulate the criteria for determining qualifications, positive attributes and independence of a Director.

3.1.2 Identify persons who are qualified to become Director and persons, who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

3.1.3 Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2 Policy for appointment and removal of Director, KMP and Senior Management –

3.2.1 Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director, who has attained the age of seventy years; Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2 Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director and designate them for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

3.2.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel, subject to the provisions and compliance of the said Act and rules made thereunder.

3.2.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1 General

a) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission payable to Managing Director, Whole-time Director and Director shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Managing Director, Whole-time Director and Directors shall be in accordance with the conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments/revision to the existing remuneration/compensation payable to Managing Director, Whole-time Director and Directors may be recommended by the Committee to the Board, which should be within the limits approved by the Shareholders.

d) Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2 Remuneration to Whole-time, Managing Director, Directors, KMP and Senior Management Personnel:

a) Fixed Pay:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board / the Person authorised by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for Excess Remuneration:

If Managing Director and/or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3 Remuneration to Non-Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof; Provided that the amount of such fees shall not exceed ₹1,00,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

4. MEMBERSHIP

4.1 The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.

4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. DUTIES OF COMMITTEE

A) The duties of the Committee in relation to nomination matters shall include:

8.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

8.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment;

8.3 Identifying and recommending Directors, who are to be put forward for retirement by rotation;

8.4 Determining the appropriate size, diversity and composition of the Board;

8.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

8.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

8.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

8.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

8.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

8.10 Recommend any necessary changes to the Board; and

8.11 Considering any other matters, as may be requested by the Board.

B) The duties of the Committee in relation to remuneration matters shall include:

8.12 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;

8.13 To approve the remuneration of the Senior Management including key managerial personnel of the Company, maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company;

8.14 To delegate any of its powers to one or more member(s) of the Committee.

9. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Annexure - IV

STATEMENT OF DISCLOSURE OF REMUNERATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Ratio of the Remuneration of Managing Director to the Median Remuneration of the Employees of the Company for the Financial Year 2018-19 :

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all employees
1	Mr. S. Rai	Managing Director	13.10

B. The percentage increase in Remuneration of Managing Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2018-19.

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	% increase in Remuneration during the Financial Year 2018-19
1	Mr. S. Rai	Managing Director	(-)1.86
2	Mr. Rajeev Sikand	Chief Executive Officer	79.88
3	Mr. Vimal Gupta	Chief Financial Officer	(-)13.01
4	Mrs. Swapnal Patane*	Company Secretary	NA

Note : * Not Applicable as appointment is w.e.f. March 11, 2019.

C. The percentage increase in the median remuneration of Employees for the Financial Year 2018-18 was **5.96%.**

D. The number of Permanent Employees on the rolls of the Company as on March 31, 2019 was **1039**.

E. The Average Percentage increase in the salaries of the employees other than the Key Managerial Personnel for the Financial Year was **7.99%** whereas the increase in the Managerial remuneration was **39.51%**. The remuneration components in case of Managing Director include Commission paid which is linked with the profitability of the Company.

F. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company.

Annexure - V

DISCLOSURE AS REQUIRED UNDER SECTION 62(1)(B) OF THE COMPANIES ACT, 2013 READ WITH RULE 12 (9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES, 2014 AND REGULATIONS 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

DETAILS RELATED TO ALICON CASTALLOY LTD - EMPLOYEES STOCK OPTION SCHEME, 2015

		Alicon Employees Stock Option Scheme – 2015 (ESOS-2015)
1	Date of Shareholders' approval	December 30, 2015
2	Total number of options approved under ESOS	612,800
3	Vesting Requirements	ESOS Scheme
4	Exercise price or pricing formula	-------
5	Maximum terms of options granted	5 Years
6	Source of shares	Primary
7	Variation in terms of option	No variation in the terms of option
8	Method of Option Valuation	Fair Value Method
9	Option Movement during the year	
	Number of Options outstanding at the beginning of the period	321,201
	Number of Options granted during the year	-
	Number of Options forfeited/lapsed during the year	60,000
	Number of Options vested during the year	-
	Number of Options exercised during the year	4,611
	Number of shares arising as a result of exercise of options	Not Applicable
	Money realized by exercise of Options (Amount in ₹)	₹ 571,764/-
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of Options outstanding at the end of the year	261,201
	Number of Options exercisable at the end of the year	57,800
10	Employee-wise details of Options granted :	

i. Senior Managerial Personnel:

Name	Designation	Options Granted duringthe year	Exercise Price per Share
None			

ii. Any other employee, who received a grant in any one year of option amounting to 5% or more of option granted during the year:

Name	Designation	Options Granted duringthe year	Exercise Price per Share
None			

iii. Identified employees, who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant:

Name	Designation	Options Granted duringthe year	Exercise Price per Share
None			

Note: Other details as required under Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular bearing No: CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 forms part to the Notes to the Accounts of the Financial Statement in the Annual Report.

Further, the aforesaid details are also available on the Company's website at the link: www.alicongroup.co.in.

DETAILS RELATED TO ALICON CASTALLOY LTD - EMPLOYEES STOCK OPTION SCHEME, 2017

		Alicon Employees Stock Option Scheme – 2017 (ESOS-2017)
1	Date of Shareholders' approval	June 08, 2017
2	Total number of options approved under ESOS	675,000
3	Vesting Requirements	ESOS Scheme
4	Exercise price or pricing formula	Face Value
5	Maximum terms of options granted	4 Years
6	Source of shares	Primary
7	Variation in terms of option	No variation in the terms of option
8	Method of Option Valuation	Fair Value Method
9	Option Movement during the year	
	Number of Options outstanding at the beginning of the period	675,000
	Number of Options granted during the year	-
	Number of Options forfeited/lapsed during the year	-
	Number of Options vested during the year	-
	Number of Options exercised during the year	270,000
	Number of shares arising as a result of exercise of options	-
	Money realized by exercise of Options (Amount in ₹)	₹ 1,350,000
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of Options outstanding at the end of the year	405,000
	Number of Options exercisable at the end of the year	-
10	Employee-wise details of Options granted :	

iv. Senior Managerial Personnel:

Name	Designation	Options Granted during the year	Exercise Price per Share
None			

v. Any other employee, who received a grant in any one year of option amounting to 5% or more of option granted during the year:

Name	Designation	Options Granted duringthe year	Exercise Price per Share
None			

vi. Identified employees, who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant:

Name	Designation	Options Granted duringthe year	Exercise Price per Share
None			

Note: Other details as required under Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular bearing No: CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 forms part to the Notes to the Accounts of the Financial Statement in the Annual Report.

Further, the aforesaid details are also available on the Company's website at the link: www.alicongroup.co.in

INDEPENDENT AUDITORS' CERTIFICATE IN CONNECTION WITH THE ALICON CASTALLOY LTD.

EMPLOYEES STOCK OPTION SCHEME – 2015 AND ALICON CASTALLOY LTD. – EMPLOYEES STOCK OPTION SCHEME – 2017

1. This certificate is issued in accordance with the terms of our engagement letter.

2. We were informed by Alicon Castalloy Ltd. ('the Company') that the Company requires a certificate from its Statutory Auditors for the year ended March 31, 2019 confirming that Alicon Castalloy Ltd. – Employees Stock Option Scheme – 2015 and Alicon Castalloy Ltd. – Employees Stock Option Scheme – 2017 ('the Schemes') were implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the circular CIR/ CFD/ POLICY CELL/2/2105 dated June 16, 2015 and in accordance with the resolutions of the Company passed in the general meeting approving the Schemes.

MANAGEMENT'S RESPONSIBILITY

3. The Company's management is responsible for maintaining the information and documents, which are required to be maintained under the above regulations. Implementing the Schemes in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed in the general meeting is the responsibility of the Company.

4. The Company's management is also responsible for compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the circular CIR/ CFD/POLICY CELL/2/2105 dated June 16, 2015 with respect to the Schemes.

AUDITORS' RESPONSIBILITY

5. Pursuant to requirements of above-mentioned guidelines, our responsibility is to provide a reasonable assurance, based on our examination of records, documents and information and explanation given to us by the management, whether the Schemes are in compliance with the above-mentioned SEBI (Share Based Employee Benefits) Regulations, 2014 read with the circular CIR/CFD/POLICY CELL/2/2105 dated June 16, 2015 and are in accordance with the resolutions passed in the general meetings of the Company.

6. We conducted our examination with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

7. In connection with the above, we have performed the following procedures:

   a) Read the Schemes provided to us by the Company;

   b) Read the resolutions passed at the meeting of the Board of Directors;

   c) Read the shareholders' resolutions passed at the general meetings; and

   d) Obtained required explanation and representation from the management.

8. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audit and Reviews of Historical Financial Information and other Assurance and Related Services Engagements.

OPINION

9. In our opinion and to the best of our information and according to information and explanation given to us and the representation provided by the Management, we certify that the Company has implemented the Schemes in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the circular CIR/CFD/POLICY CELL/2/2105 dated June 16, 2015 and in accordance with the resolutions of the Company passed at the general meetings.

RESTRICTION ON USE

10. This certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of SEBI (Share Based Employee Benefits) Regulations, 2014 and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is show or into whose hands it may come without our prior consent in writing.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration number: 105215W/W100057

Parag Pansare
Partner
Membership No.117309
UDIN No. 19117309AAAAFY9480

Place: Pune
Date: June 10, 2019

Annexure - VI

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Alicon Castalloy Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Alicon Castalloy Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Alicon Castalloy Limited for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing – the Company does not have any External Commercial Borrowing;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Share-Based Employee Benefits) Regulations, 2014.

I report that during the year under review, there was no action/event in pursuance of –

a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

b) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;

c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;

d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

e) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.

(vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above, *except delay of one day in intimating date of Board of Meeting for declaration of interim dividend under Regulation 29(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.*

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exits for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- *A delay of one day was incurred in intimating the date of the Board Meeting for declaration of interim dividend under Regulation 29(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.*

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports, taken on record by the Board of Directors of the Company, in my opinion adequate systems and processes and control mechanism exists commensurate with the size and operation of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period, except allotment of aggregate 2,74,611 Equity Shares in number of occasion under ESOP, there was no other specific event/action in pursuance of the laws, rules, regulations, guidelines, etc. referred to above, having major bearing on the Company's affairs.

(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Place: Mumbai
Date: April 19, 2019

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Alicon Castalloy Limited

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Corporation. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.

4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation.

(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654

Place: Mumbai
Date: April 19, 2019

Annexure - VII

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014] :

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy:**

   Alicon Castalloy Ltd (ACL) has engaged in CSR activities since 2010. However from 2014, the CSR policy of ACL follows the guidelines of the Govt. of India's Companies Act 2013 which has been given under the Section 135 that makes CSR mandatory. Since the Companies Act, 2013 specifies that the Company has an option to implement its CSR activities through an independently registered non-profit organization, that has a record of at least three years in similar such related activities, ACL has made the choice to continue social initiatives through its implementing partner, Bansuri Foundation (BF).

   At ACL, our social initiatives are inspired by Rabindranath Tagore's vision for India.

   Where the mind is without fear and the head is held high…….into that freedom let my country awake!

   We are working towards creating a modern India, a nation where every child has the opportunity to develop to their full potential, a nation where they can prosper without fear or discrimination, a nation where they will lead us into an enduring future.

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is https://www.alicongroup.co.in/wp-content/uploads/2019/04/CSR-Policy.pdf.

   The contents of the CSR policy of the Company are as below:

   - CSR vision statement
   - CSR core areas
   - CSR guiding values
   - CSR culture
   - CSR governance
   - ACL CSR spends
   - Implementing Agency/ Partners Strategy

   Our Company has focused its CSR resources on the following verticals:

   a) Education

   b) Rural Development

   c) Swachh

   d) Employee Initiative

2. **The Composition of the CSR Committee :**

Sr. No.	Name	Category	Designation
1	Mr. Shailendrajit Rai	Managing Director	Chairman
2	Mrs. Pamela Rai	Director	Member
3	Mr. Vinay Panjabi	Independent Director	Member

3. **Average Net Profit of the Company for last three financial years : ₹ 3989.34 lakhs**

4. **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) : ₹ 79.79 lakhs**

5. **Details of CSR spent during the Financial Year 2018 - 19 :**

(a) Total amount to be spent for the Financial Year : ₹**79.79 lakhs**

(b) Amount unspent, if any : **NIL**

(c) Manner in which the amount spent during the Financial Year is detailed below :

Sr No.	CSR Project or Activities Identified	Sector in which the project is covered	Project Area (Local area and the State and District where the project was undertaken)	Project Outlay (Budget) of Project or Activities	Cumulative expenditure up to the FY 2018 -19	Amount spent directly or through implementing Agency
A.	**Expenditure on Projects / Activities Identified :**					
1	Pre-Primary Education of tribal children (Aseema Charitable Trust)	Education	Awalkheda, Dist. Nashik, Maharashtra	600000	600174	Implementing Agency
2	Digital Education Program at low income schools (Pi-Jam Foundation)	Education	Dist. Pune & Dist. Ratnagiri, Maharashtra	600000	533544	Implementing Agency
3	Disha Darshan Program (Jyanaprabodhini)	Education	Pimpale Jagtap, Dist. Pune, Maharashtra	50000	45500	Implementing Agency
4	Bus for Rural School (Samanvay Pratishthan)	Education	Pimpale Jagtap, Dist. Pune, Maharashtra	1500000	1500000	Implementing Agency
5	Infrastructure of Rural School (Shri Swami Vivekananda Shikshan Sanstha, Kolhapur)	Education	Vadgaon Rasai, Dist. Pune Maharashtra	500000	500000	Implementing Agency
7	Development of Rural Community (Insight Walk Education)	Rural Development	Dist. Kolhapur, Maharashtra	1056500	778315	Implementing Agency
8	Dairy Project (Peoples' Empowering Movement)	Rural Development	Dhamani, Dist. Ratnagiri, Maharashtra	170000	170000	Implementing Agency
9	Dam Construction Project (Peoples' Empowering Movement)	Rural Development	Golawali, Dist. Ratnagiri, Maharashtra	600000	500000	Implementing Agency
10	Drinking Water Project (Peoples' Empowering Movement)	Rural Development	Brahmanwadi, Dist. Ratnagiri, Maharashtra	250000	247000	Implementing Agency
11	Promoting Women Entrepreneurs (Peoples' Empowering Movement)	Rural Development	Rajwadi, Dist. Ratnagiri, Maharashtra	75000	83500	Implementing Agency
12	Irrigation Project (Peoples' Empowering Movement)	Rural Development	Masrang, Dist. Ratnagiri, Maharashtra	600000	300000	Implementing Agency

Sr No.	CSR Project or Activities Identified	Sector in which the project is covered	Project Area (Local area and the State and District where the project was undertaken)	Project Outlay (Budget) of Project or Activities	Cumulative expenditure up to the FY 2018 -19	Amount spent directly or through implementing Agency
13	Support for cultural festival (Peoples' Empowering Movement)	Rural Development	Rajwadi, Dist. Ratnagiri, Maharashtra	50000	27000	Implementing Agency
14	Women livelihood program (Sanshil Foundation)	Rural Development	Pukharpur, Dist. Gurgaon, Haryana	500000	470439	Implementing Agency
15	Community Development Initiative (RUBOT Foundation)	Rural Development	Pukharpur, Gurgaon, Haryana	250000	200000	Implementing Agency
16	Rural Sports Facility (Phase 1) (S K Techno Projects)	Rural Development	Shikrapur, Dist. Pune, Maharashtra	1000000	836643	Implementing Agency
17	Construction of Toilet block at low income school (Samata Mandir School)	Swachh	PMC, Dist. Pune Maharashtra	250000	169909	Implementing Agency
18	Social Venture Partners (SVP)	Livelihood	Pune, Maharashtra	250000	250000	Direct
B.	**Overheads**					
1	Administrative Expenses			800000	766976	
Total				**9101500**	**7979000**	

Implementing Agency Details: Bansuri Foundation was established in 2006 as a charitable non-profit organization. Over the years Bansuri has endeavored to strategically channelize funds towards Education, Health, Rural development, urban community development and Swacch for the less privileged and marginalized in our communities. Bansuri, regularly supports initiatives that fulfill a humanitarian ecological or environmental need.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. : **NA**

7. The CSR Committee affirms that the implementation and monitoring of the CSR Policy, is in compliance with the company's CSR vision & goals.

On behalf of the Board of Directors,

S. Rai
Managing Director &
Chairman of the CSR Committee
DIN: 00050950

Place: Shikrapur, Pune
Date: April 19, 2019

Annexure - VIII

INFORMATION AS REQUIRED TO BE GIVEN UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

[A] CONSERVATION OF ENERGY:

As a part of energy conservation, various avenues are being explored at periodic intervals and after careful analysis and planning; measures are being initiated to minimize the consumption of energy by optimum utilization of energy consuming equipment. During the year under review, the following measures were initiated for conservation and optimize utilization of energy.

(i) Steps taken and impact on conservation of energy:

- Provided the additional compressed air receivers in network to reduce energy consumption
- Cable size upgrading to reduce transmission losses of electricity supply
- Optimizing cooling tower fan motor running through water temperature interlock
- Providing magnetic resonator in LPG & CBFS fire furnaces
- Usage of melting cum holding furnace holding burner auto cut-off
- Led light replaced instead of conventional lights

(ii) Steps taken by the Company for utilizing alternate sources of energy:

- Heat insulation paint and insulation sheet to be provided on h/t furnace
- Installed and commissioned the roof top solar panel of 600 kWp capacity in plant
- Fuel change in MCHF furnace from furnace oil to LPG
- Conversion of CBFS furnace to LPG fire furnace in order to reduce air pollution
- Solar panel installed on roof top of plant to generate the energy

(iii) Capital investment on energy conservation equipment:

- Energy efficient compressor installation instead of old low efficiency compressors
- Conversion of heat treatment furnace from electricity to lpg fire
- Replaced the electrical operated LPG vaporizer to heater less vaporizer (safety enhancement and energy saving)

[B] TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- Robot installed for machining line (BR08)
- Heater-less vaporized installed for LPG

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Cost reduction and safety enhancement for LPG vapourised operation

(iii) Information regarding technology imported during the last three years:

- No technology is imported

(iv) Expenditure incurred on Research and Development:

(₹ in lakhs)

	2018-19	2017-18
Capital	NIL	41.43
Recurring	449.30	567.21
Total	**449.30**	**609.06**
Total R&D expenditure as a percentage of total turnover	0.41%	0.64%

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in lakhs)

	2018-19	2017-18
Foreign Exchange earned	11745.51	8073.46
Foreign Exchange saved/deemed exports	NIL	3063.26
Total	**11745.51**	**11136.72**
Foreign Exchange used	4309.29	3019.32

Independent Auditor's Report

To the Members of
Alicon Castalloy Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Alicon Castalloy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Accuracy of Cost of Goods Sold** We identified Cost of Goods Sold area as a key audit matter because it is the most significant cost to the Company, which comprises of the cost of materials and other direct costs of production and the same has significant impact on the profitability of the Company.	We assess the Company's process to verify the Cost of Goods Sold incurred during the year. Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Overall evaluation and testing of controls related to corresponding business processes, viz. 'Procurement to Payment (P2P), Production Process, Material Requirement Planning (MRP), Inventory policy and stores procedures • Review of overall operations and production process of materials into finished products. • Review the standard operating procedures for COGS to ensure the correctness and completeness of COGS. • Physical verification of inventory items on random sampling basis with reference to book inventory for accuracy and controls including review of internal period-end inventory procedures and reconciliations

Sr. No.	Key Audit Matter	Auditor's Response
		• Reviewing completeness and overall accuracy of system generated material consumption and reconciling with General Ledger, including manual accounting entries relating to material consumption • Review of inventory valuation, material consumption in accordance with applicable Indian Accounting Standards • Review of Reconciliations of Inventory General ledger and Materials Management Module of SAP System. • Evaluate the procedures for identifying slow moving items and their accounting estimates made by management.
2	**Accuracy and Completeness of Capital Expenditure** Capital Expenditure (CAPEX) has been considered as a key audit matter in view of the complexity, peculiarities of business and being one of the important elements of costs.	We assessed the Company's process to verify the Capital Expenditure incurred during the year including significant acquisitions of manufacturing facility Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows : • Review of CAPEX business process, flow of documents/ information and their controls effectiveness • Substantive Tests on random sampling basis for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the company's policy and accounting standards • Scrutiny of relevant general ledger accounts to assess if the expenditure has been correctly accounted for • Physical verification of test basis, review of physical verification carried out by the Management with respect to book records, review of Internal audit reports findings relating to Capex, if any and implementation of the suggestions of the same. • We have assessed the competency, objectivity and capabilities of management experts and for a sample of valuations, we evaluated the adequacy and appropriateness of their work. • Review of compliance done with respect to Companies Act, Income Tax Act, Customs duty, and GST Act, particularly for accounting of additions, deletions, depreciation and of carrying amounts thereof.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information is expected to be made available to us after the date of this auditor's report, hence our opinion base on Standalone Financials Statement only.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read Management Discussion and Analysis, Board's Report including Annexures to Board's Report, If we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 standalone financial statements.

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 standalone financial statements, 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 financial controls 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 system 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 made by management.
- Conclude on the appropriateness of management's 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 Company'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 standalone financial statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 44 to the standalone financial statements

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309

Pune, April 19, 2019

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Alicon Castalloy Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB- SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of ALICON CASTALLOY LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2019.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309

Pune, April 19, 2019

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of ALICON CASTALLOY LIMITED of even date)

i. In respect of the Company's property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) As explain to us, considering the nature of the Fixed Asset, the same have been physically verified by the management at reasonable intervals during the year as per verification plan adopted by the Company, which, in our opinion, is reasonable having regards to size of the Company and the nature of the its assets. According to information and explanation give to us and the records produced to us for our verification, there were no discrepancies noticed during such physical verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company.

ii. As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals and the discrepancies noticed during such physical verification were not material. The discrepancies noticed on physical verification of Inventory as compared to the book records have been properly dealt with the Books of Account.

iii. The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of section 185 of the Act apply. There are investments by the Company in its wholly owned subsidiaries outside India, appropriately disclosed under note 4 of the attached standalone financial statements which along with guarantees provided by the Company in connection with loans taken by the subsidiaries, are within the limits prescribed under section 186 of the Companies Act, 2013 and accordingly the provisions of section 186 of the Companies Act, 2013 have been complied with by the Company.

v. In our opinion and according to the information and explanations given to us, the company has complied with the directives of the Reserve Bank of India and the provision of Sections 73 to 76 of the Companies Act 2013, and the rules framed there under, wherever applicable. As informed to us, no order has been passed against the Company, by the Company Law Board, the National Company Law Tribunal, RBI, or any court or any tribunal.

vi. According to the information and explanations given to us and in our opinion, maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 (1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014. Accordingly, paragraph 3(vi) of the Order is not applicable.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Sl. No.	Name of the statute	Nature of the dues	Amount involved (₹ In lakhs)	Period(s) to which the amount relate	Forum where such dispute is pending
1	Sales Tax	MVAT	22.51	2009-10	Joint. Commissioner of Sales Tax, Pune
2	Central Excise Duty	Central Excise Duty	55.40	2008-09	C.Ex. Commissioner, Pune (Call Book)
3	Income Tax	Income Tax	18.74	2009-10	Commissioner of Income Tax (Appeals) Mumbai
4	Central Excise Duty	Cenvat Credit	142.01	2012-13 & 2013-14	C.Ex. Commissioner, Pune
5	Sales Tax	C-Form Liability	193.68	2012-13	Dy. Commissioner of Sales Tax, Pune
6	Sales Tax	C-Form Liability	677.70	2013-14	Dy. Commissioner of Sales Tax, Pune
7.	Sales atx	C-Form Liability	248.79	2014-15	Dy. Commissioner of Sales Tax, Pune

according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

ix. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company had not raised money by way of further public offer (including debt instruments) during the year.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309

Pune, April 19, 2019

Balance Sheet
as at March 31, 2019

(₹ in lakhs)

PARTICULARS	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3A	32,202.96	27,873.10
Capital work-in-progress		1,315.89	515.04
Investment property	3B	260.28	269.38
Intangible assets	3C	430.65	464.98
Financial assets			
Investments	4	1,132.61	1,132.60
Loans	5	638.22	622.98
Income tax assets (net)		433.07	1,739.52
Other non-current assets	6	1,153.06	1,454.17
		37,566.74	**34,071.77**
Current assets			
Inventories	7	11,094.12	8,156.74
Financial assets			
Trade receivables	8	30,800.96	29,627.37
Cash and cash equivalents	9	404.34	391.64
Bank balances other than above (9)	10	427.76	672.78
Loans	11	29.61	41.67
Other financial assets	12	225.34	120.10
Other current assets	13	1,897.95	1,315.02
		44,880.08	**40,325.32**
TOTAL ASSETS		**82,446.82**	**74,397.09**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	682.01	668.28
Other equity	15	30,187.09	24,914.61
		30,869.10	**25,582.89**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	8,484.58	6,862.30
Other financial liablities	17	-	630.40
Provisions	18	618.04	512.67
Deferred tax liabilty (net)	19	2,325.23	1,680.30
		11,427.85	**9,685.67**
Current liabilities			
Financial liabilities			
Borrowings	20	17,083.30	15,070.20
Trade payables	21		
Due to micro and small enterprises		1,217.19	1,261.51
Due to other than micro and small enterprises		15,610.58	16,145.47
Other financial liabilities	22	4,994.59	4,092.82
Other current liabilities	23	718.53	962.13
Provisions	24	309.71	263.98
Current income tax liabilities.		215.97	1,332.42
		40,149.87	**39,128.53**
TOTAL EQUITY AND LIABILITIES		**82,446.82**	**74,397.09**
Significant accounting policies	1 - 2		
Notes referred to above form an integral part of the standalone financial statements	3 - 46		

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

Parag Pansare
Partner
Membership No. 117309

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Place: Pune
Date: April 19, 2019

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Statement of Profit and Loss
for the year ended March 31, 2019

(₹ in lakhs)

PARTICULARS	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	25	107,370.32	95,295.71
Other income	26	981.60	857.35
Total income		**108,351.92**	**96,153.06**
Expenses			
Cost of materials consumed	27	61,108.16	48,188.93
Changes in inventories of finished goods and work-in-progress	28	(4,521.93)	(1,371.55)
Excise duty		-	2,431.69
Employee benefit expense	29	13,616.82	13,112.02
Depreciation and amortization expense	30	3,528.44	2,990.08
Finance costs	31	3,375.72	2,880.27
Other expenses	32	23,960.98	22,632.31
Total expenses		**101,068.19**	**90,863.75**
Profit before tax		**7,283.73**	**5,289.31**
Tax expense	45		
Current tax		1,569.89	1,332.42
Deferred tax (benefit)/charge		677.04	339.73
MAT credit entitlement		(155.22)	-
Short/ (Excess) of earlier years		172.94	-
Total tax expense		**2,264.65**	**1,672.16**
Profit for the year		**5,019.08**	**3,617.15**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(91.90)	76.89
Net (loss) or gain on FVTOCI assets		(0.14)	(0.10)
Income tax on items that will not be reclassified to profit or loss		32.12	(26.61)
Total other comprehensive income		**(59.92)**	**50.18**
Total comprehensive income for the year		**4,959.16**	**3,667.33**
Earnings per equity share for continuing operations (face value per share ₹ 5 each)			
Basic	43	37.26	27.61
Diluted	43	36.08	26.64
Significant accounting policies	1 - 2		
Notes referred to above form an integral part of the standalone financial statements	3 - 46		

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

Parag Pansare
Partner
Membership No. 117309

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Place: Pune
Date: April 19, 2019

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Cash Flow Statement

(₹ in lakhs)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from operating activities**		
	Net Profit / (Loss) before extraordinary items and tax	7,283.73	5,289.32
	Adjustments for:		
	Depreciation and amortisation	3,528.44	2,990.08
	Employee stock compensation cost	1,327.20	1,728.21
	Interest income	(21.50)	(85.45)
	Rent received	(153.82)	(143.08)
	Provision for doubtful trade and other receivables	54.16	89.05
	Amount written off during the year	(1,737.47)	(33.63)
	Finance cost	3,323.76	2,813.37
	Unwinding of interest on royalty payable	51.96	66.91
	Unrealised foreign exchange gain or loss	(0.88)	71.24
	Sample sale written off	-	0.03
	Others	(0.10)	0.09
		6,371.75	**7,496.82**
	Operating profit / (loss) before working capital changes	**13,655.48**	**12,786.14**
	Changes in working capital:		
	(Increase) / Decrease in inventories	(2,937.38)	(2,345.45)
	(Increase) / Decrease in trade receivables	537.08	(10,891.52)
	(Increase) / Decrease in other bank balances	245.02	(17.50)
	(Increase) / Decrease in current loans	12.06	(25.17)
	(Increase) / Decrease in other current financial asset	(105.24)	(1,137.10)
	(Increase) / Decrease in other current assets	(582.93)	43.01
	(Increase) / Decrease in non-current loans	(15.36)	(502.60)
	(Increase) / Decrease in other non-current assets	301.11	(158.22)
	Increase / (Decrease) in trade payables	(579.21)	5,532.05
	Increase / (Decrease) in current other financial liabilities	901.77	861.40
	Increase / (Decrease) in other current liabilities	(243.60)	956.19
	Increase / (Decrease) in other non-current financial liabilities	(682.36)	-
	Increase / (Decrease)in short-term provision	105.37	30.20
	Increase / (Decrease)in long-term provision	(46.17)	35.18
	Cash generated from operations	**10,565.64**	**5,166.56**
	Net income tax (paid) / refunds	(1,397.61)	(1,240.21)
	Net cash flow from / (used in) operating activities	**9,168.03**	**3,926.35**
B.	**Cash flow from investing activities**		
	Capital expenditure on property plant and equipment	(8,564.26)	(5,571.29)
	Capital expenditure on intangibles asset	(51.36)	(232.82)
	Interest received	21.50	88.64
	Rent received	153.82	143.08
	Net cash flow from / (used in) investing activities	**(8,440.30)**	**(5,572.39)**

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash flow from financing activities		
Finance costs	(3,323.76)	(2,813.37)
Borrowings / (Repayment) (Net) long term	1,622.28	(263.13)
Borrowings / (Repayment) (Net) short term	2,013.10	1,277.01
Dividends	(568.04)	(531.49)
Dividend distribution tax	(116.80)	(108.22)
Interim dividend	(272.81)	(267.32)
Dividend distribution tax On Interim Dividend	(56.08)	(54.42)
Proceeds from issue of equity shares	13.73	55.47
Premium on issue of shares to Enkei Corporation	-	4,076.40
Premium on issue of shares under ESOP scheme	5.58	296.66
Share application money pending allotment	(5.72)	5.72
Net cash flow from / (used in) financing activities	**(688.52)**	**1,673.31**
Net increase / (decrease) in Cash and cash equivalents	**39.21**	**27.27**
Cash and cash equivalents at the beginning of the year	391.65	359.36
Foreign exchange fluctuation	0.88	5.02
Cash and cash equivalents at the end of the year	**431.74**	**391.65**
Components of cash and cash equivalents		
Cash on hand	23.95	30.43
Balances with banks in current accounts	380.39	361.22
	404.34	**391.65**
Significant accounting policies	1 - 2	
Notes referred to above form an integral part of the standalone financial statements	3 - 46	

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Date: April 19, 2019

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Statement of Changes in Equity

A Equity share capital

Balance as at April 01, 2017	**612.81**
Changes in equity share capital during 2017-18	55.47
Balance as at March 31, 2018	**668.28**
Changes in equity share capital during 2018-19	13.73
Balance as at March 31, 2019	**682.01**

B Other equity

(₹ in lakhs)

PARTICULARS	Share application money pending allotment	Surplus					Equity instruments through Other comprehensive income	Total
		Securities premium	Employee stock options outstanding (ESOP)	Captial reserve	General reserve	Surplus		
Balance as on March 31, 2017	-	2,002.00	493.52	411.56	1,240.00	11,954.55	0.11	16,101.74
Profit for the year	-	-	-	-	-	3,617.15		3,617.15
Other comprehensive income (net of tax)	-	-	-	-	-	50.28	(0.10)	50.18
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,667.43**	**(0.10)**	**3,667.33**
Transactions with owners recognised directly in equity								
Dividends	-	-	-	-	-	(531.49)	-	(531.49)
Dividend distribution tax	-	-	-	-	-	(108.22)	-	(108.22)
Interim dividend	-	-	-	-	-	(267.32)	-	(267.32)
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(54.42)	-	(54.42)
Share based payments to employees	-	-	1,728.21	-	-	-	-	1,728.21
Premium on issue of shares to Enkei Corporation	-	4,076.38	-	-	-	-	-	4,076.38
Premium on issue of shares under ESOP scheme	5.72	853.50	(556.84)	-	-	-	-	302.38
Changes during the year	-	-	-	-	-	-	-	-
Balance as on March 31, 2018	**5.72**	**6,931.88**	**1,664.89**	**411.56**	**1,240.00**	**14,660.53**	**0.01**	**24,914.59**
Profit for the year	-	-	-	-	-	5,019.08		5,019.08
Other comprehensive in`come (net of tax)	-	-	-	-	-	(59.78)	(0.14)	(59.92)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**4,959.30**	**(0.14)**	**4,959.16**
Transactions with owners recognised directly in equity								
Dividends	-	-	-	-	-	(568.04)	-	(568.04)
Dividend distribution tax	-	-	-	-	-	(116.80)	-	(116.80)
Interim dividend	-	-	-	-	-	(272.81)	-	(272.81)
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(56.08)	-	(56.08)
Share based payments to employees	-	-	1,327.21	-	-	-	-	1,327.20
Premium on issue of shares under ESOP scheme	(5.72)	1,351.13	(1,345.55)	-	-	-	-	(0.14)
Changes during the year	-	-	-	-	-	-	-	-
Balance as on March 31, 2019	**-**	**8,283.01**	**1,646.54**	**411.56**	**1,240.00**	**18,606.11**	**(0.13)**	**30,187.09**

1. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act 2013

2. ESOP reserve is used to recognise the grant date fair value of options issued to employees under the Employee stock option plan which are unvested as on the reporting date.

3. General reserve is created from time to time by way of transfer profits from surplus for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

4. Capital reserve was created on acquisition of casting business of Atlas Castalloy in year 2014-15.

5. Equity Instruments through Other Comprehensive Income -This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed of. relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recogn

6. Exchange differences in translating the financial statement of foreign operations Exchange differences ised directly in the Other Comprehensive Income and accumulated in Foreign Currency Translation Reserve. Exchange difference previously accumulated in the Foreign Currency Translation Reserve are reclassified to profit or loss on the disposal of the foreign operation.

Significant accounting policies	1 - 2
Notes referred to above form an integral part of the standalone financial statements	3 - 46

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Date: April 19, 2019

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Notes forming part of the Financial Statements

THE CORPORATE OVERVIEW

Alicon Castalloy Limited ("the Company") is a public limited company domiciled in India and is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is the manufacturer of aluminium alloy die castings mainly used in automotive segment of the industry in India. The Company' s products also cover non-auto sector of the Industry. The Company also exports its products to the countries like U.S.A. and U.K.

1. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [the Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on April 19, 2019.

a) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

b) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Functional and presentation currency:

The financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All amounts disclosed in the Financial Statements including notes have been rounded off to the nearest lakhs in Indian Rupee (INR) as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Property, plant and equipment

- **Recognition and measurement**

  Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

  Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

Notes forming part of the Financial Statements

Pre-operative expenditure including trial run expenses comprising of revenue expenses incurred as reduced by the revenue generated during the period up to the date, the asset is ready for its intended use are treated as part of costs of that asset.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

- **Subsequent costs**

  The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Derecognition**

  An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the statement of profit and loss.

- **Depreciation methods, estimated useful lives and residual value**

  Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the management of the company based on technical evaluation except in the case of following assets:

Description	Useful life considered
Plant & Machinery – Furnace	10 years
Plant & Machinery – Platform	18 years
Plant & Machinery – CNC/ LPDC/GDC	10 years
Computers – desktops, laptops	3 years
Electrical Equipment	Between 5 to 7 years
Dies & Pattern	7 years

Freehold land is not depreciated.

b) **Intangible assets**

- **Recognition and measurement**

  Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

  Intangible assets acquired by the company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

- **Derecognition**

  An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the statement of profit and loss.

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they

Notes forming part of the Financial Statements

are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Computer and functional software	7 years

c) **Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

d) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

e) **Impairment of non-financial assets**

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

f) **Inventories**

Raw materials, consumables, stores and spares are valued at lower of cost and net realizable value. Cost is determined using weighted average method.

Work-in-process and finished goods are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes forming part of the Financial Statements

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Revenue recognition

The company is primarily into business of manufacturing and selling aluminum castings. Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative without any unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order or contract, net of the estimated discounts, rebates, returns and goods and service tax. The company's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any payment terms exceeding one year for any contract. Accordingly, the Company does not adjust any of the transaction prices for the time value of money.

The Company besides manufacturing the products from its raw materials, also converts raw materials supplied by its customers and accounts for the gross receipts as 'conversion income' once the job is completed and goods are dispatched to the customers. Income from development of such dies is accounted for in the year in which dies are completed and invoiced.

Other operating revenue represents income earned from the Company's principal activities and is recognised when the right to receive the income is established as per the terms of the contract.

i) Other income

- **Interest income**

  Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

  Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

- Any other income is accounted for on accrual basis.

j) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

k) Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

l) Employee Benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost

Notes forming part of the Financial Statements

of bonus and short-term compensated absences, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined benefit plans

The employees' gratuity fund scheme is managed by LIC, is the company's defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement profit and loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the statement of profit and loss.

Other long-term employee benefits

The liabilities for earned leave which are not expected to be settled within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government securities at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

m) Share-based payments

Employees of the Company who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's

Notes forming part of the Financial Statements

best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) Research and development cost

Research costs are expensed as and when incurred. Development costs are expensed as and when incurred, unless the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable and the costs can be measured reliably. Research and development expenditure of a capital nature includes the cost of relevant fixed assets.

o) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to the items recognised directly in OCI.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) Government grant

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Notes forming part of the Financial Statements

q) Provisions and contingencies

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

  For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

  For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

s) Investment in subsidiaries

The Company has elected to recognize its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements.

t) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes forming part of the Financial Statements

Initial recognition and measurement

Financial instruments are initially recognised when the entity becomes party to the contract.

Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the statement of profit and loss.

Subsequent measurement of financial assets

For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the company's business model for managing the financial assets and the contractual terms of cash flows:

- those to be measured subsequently at fair value; either through OCI or through profit or loss
- those measured at amortised cost

For assets measured at fair value, changes in fair value will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

Debt instruments at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains/ losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value

Notes forming part of the Financial Statements

changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the statement of profit and loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using effective interest rate (EIR) method and are recognised in statement of profit or loss.

Derecognition of financial instruments

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Impairment of financial assets

The company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the company chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

Derivative financial instruments

Initial measurement and subsequent measurement

The company uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in the statement of profit or loss.

Notes forming part of the Financial Statements

u) **Cash dividend**

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and approved by the shareholders. A corresponding amount is recognised directly in equity.

v) **Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w) **Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

x) **Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actuals may differ from these estimates.

Judgements

In the process of applying the Company's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD). Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

Contingent liability

The Company has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information of related contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes forming part of the Financial Statements

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note prepared elsewhere in the financial statements.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilized.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

y) **Recent accounting pronouncements**

Standards issued but not yet effective

'Ind AS 116: Leases' was issued by MCA on March 30, 2019 which will replace existing standard 'Ind AS 17: Leases' and its related appendices. The new standard is effective from the accounting periods starting on or after April 01, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. No significant impact is expected for leases in which the Company is a lessee / lessor.

Notes forming part of the Financial Statements

3A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(₹ in lakhs)

PARTICULARS	Leasehold land	Freehold land	Buildings	Factory Equipment	Plant and machinery	Electrical installations	Furniture and fixtures	Computer	Office equipments	Quality control equipment	Motor vehicle	Dies and patterns	Total
Gross carrying amount as at April 01, 2017	1,265.47	1,669.23	3,167.54	1,658.39	27,092.98	2,031.90	1,753.20	331.76	381.43	415.76	337.50	4,476.61	44,581.77
Additions	-	-	413.79	316.05	3,696.93	10.22	134.70	39.73	17.95	61.09	-	1,218.52	5,908.98
Disposal/retirements/ derecognition	-	-	-	-	-	-	-	-	-	-	10.16	-	10.16
Gross carrying amount as at March 31, 2018	**1,265.47**	**1,669.23**	**3,581.33**	**1,974.44**	**30,789.91**	**2,042.12**	**1,887.90**	**371.49**	**399.38**	**476.85**	**327.34**	**5,695.13**	**50,480.59**
Accumulated depreciation as at April 01, 2017	26.93	-	950.94	926.17	12,155.15	1,136.71	709.63	309.61	289.02	242.75	198.46	2,751.99	19,697.36
Depreciation	13.93	-	179.17	195.33	1,649.83	130.85	149.94	18.57	35.07	48.71	23.93	469.88	2,915.21
Disposal/retirements/ derecognition	-	-	-	-	-	-	-	-	-	-	5.08	-	5.08
Accumulated depreciation as at March 31, 2018	**40.86**	**-**	**1,130.11**	**1,121.50**	**13,804.98**	**1,267.56**	**859.57**	**328.18**	**324.09**	**291.46**	**217.31**	**3,221.87**	**22,607.49**
Carrying amount as at April 01, 2017	**1,238.54**	**1,669.23**	**2,216.60**	**732.22**	**14,937.83**	**895.19**	**1,043.57**	**22.15**	**92.41**	**173.01**	**139.04**	**1,724.62**	**24,884.41**
Carrying amount as at March 31, 2018	**1,224.61**	**1,669.23**	**2,451.22**	**852.94**	**16,984.93**	**774.56**	**1,028.33**	**43.31**	**75.29**	**185.39**	**110.03**	**2,473.26**	**27,873.10**
Gross carrying amount as at April 01, 2018	1,265.47	1,669.23	3,581.33	1,974.44	30,789.91	2,042.12	1,887.90	371.49	399.38	476.85	327.34	5,695.13	50,480.59
Additions	-	-	993.47	374.41	4,386.58	224.39	17.22	18.39	240.12	55.79	32.11	1,421.03	7,763.51
Disposal/retirements/ derecognition													
Gross carrying amount as at March 31, 2019	**1,265.47**	**1,669.23**	**4,574.80**	**2,348.85**	**35,176.49**	**2,266.51**	**1,905.12**	**389.88**	**639.50**	**532.64**	**359.45**	**7,116.05**	**58,243.99**
Accumulated depreciation as at April 01, 2018	40.86	-	1,130.11	1,121.50	13,804.98	1,267.56	859.57	328.18	324.09	291.46	217.31	3,221.87	22,607.49
Depreciation	13.93	-	218.72	252.19	1,921.33	129.19	144.51	23.55	53.47	57.20	26.31	593.25	3,433.65
Disposal/retirements/ derecognition													
Accumulated depreciation as at March 31, 2019	**54.79**	**-**	**1,348.83**	**1,373.69**	**15,726.31**	**1,396.75**	**1,004.08**	**351.73**	**377.56**	**348.66**	**243.62**	**3,815.12**	**26,041.14**
Carrying amount as at April 01, 2018	**1,224.61**	**1,669.23**	**2,451.22**	**852.94**	**16,984.93**	**774.56**	**1,028.33**	**43.31**	**75.29**	**185.39**	**110.03**	**2,473.26**	**27,873.10**
Carrying amount as at March 31, 2019	**1,210.68**	**1,669.23**	**3,225.97**	**975.16**	**19,450.18**	**869.76**	**901.04**	**38.15**	**261.94**	**183.98**	**115.83**	**3,301.04**	**32,202.96**

Note:

Refer note 16 and 20 for details of property, plant and equipment pledged as security for borrowings.

Addition during the year includes R&D capital expenditure of the tune of ₹ Nil (Previous year : ₹ 41.43 lakhs)

Notes forming part of the Financial Statements

3B Investment Property

Changes in the carrying amount of Investment property

(₹ in lakhs)

PARTICULARS	Land	Building	Total
Gross carrying amount as at April 01, 2017	**109.80**	**269.08**	**378.88**
Additions	-	-	-
Gross carrying amount as at March 31, 2018	**109.80**	**269.08**	**378.88**
Accumulated depreciation as at April 01, 2017	**-**	**100.40**	**100.40**
Depreciation	-	9.10	9.10
Accumulated depreciation as at March 31, 2018	**-**	**109.50**	**109.50**
Carrying amount as at April 01, 2017	**109.80**	**168.68**	**278.48**
Carrying amount as at March 31, 2018	**109.80**	**159.58**	**269.38**
Gross carrying amount as at April 01, 2018	**109.80**	**269.08**	**378.88**
Additions	-	-	-
Gross carrying amount as at March 31, 2019	**109.80**	**269.08**	**378.88**
Accumulated depreciation as at April 01, 2018	**-**	**109.50**	**109.50**
Depreciation	-	9.10	9.10
Accumulated depreciation as at March 31, 2019	**-**	**109.50**	**118.60**
Carrying amount as at April 01, 2018	**109.80**	**159.58**	**269.38**
Carrying amount as at March 31, 2019	**109.80**	**159.58**	**260.28**

Reconciliation of fair value:

(₹ in lakhs)

PARTICULARS	Investment property
Fair value as at April 01, 2017	**471.54**
Fair value difference	27.73
Fair value as at March 31, 2018	**499.27**
Fair value difference	27.74
Fair value as at March 31, 2019	**527.01**

The Company obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

These valuations are based on valuations performed by property valuer, an accredited independent valuer. The valuer is a specialist in valuing these types of properties. All resulting fair value estimates for investment properties are included in Level 3.

The rent received from the investment property is ₹ 153.81 lakhs (Previous year : ₹ 143.08 lakhs).

Notes forming part of the Financial Statements

3C Intangible assets

Changes in the carrying amount of other intangible assets

(₹ in lakhs)

PARTICULARS	Software	Total
Gross carrying amount as at April 01, 2017	**139.99**	**139.99**
Additions	511.15	511.15
Disposal/retirements/derecognition	-	-
Gross carrying amount as at March 31, 2018	**651.14**	**651.14**
Accumulated depreciation as at April 01, 2017	**120.36**	**120.36**
Depreciation	65.80	65.80
Accumulated depreciation as at March 31, 2018	**186.16**	**186.16**
Carrying amount as at April 01, 2017	**19.63**	**19.63**
Carrying amount as at March 31, 2018	**464.98**	**464.98**
Gross carrying amount as at April 01, 2018	**651.14**	**651.14**
Additions	51.36	51.36
Disposal/retirements/derecognition	-	-
Gross carrying amount as at March 31, 2019	**702.50**	**702.50**
Accumulated depreciation as at April 01, 2018	**186.16**	**186.16**
Depreciation	85.69	85.69
Accumulated depreciation as at March 31, 2019	**271.85**	**271.85**
Carrying amount as at April 01, 2018	**464.98**	**464.98**
Carrying amount as at March 31, 2019	**430.65**	**430.65**

4 Non current investments

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments of subsidiaries (at cost)		
Alicon Holding GmbH	1131.98	1131.98
1 equity shares (PY 1) of Euro 35,000/- each fully paid-up		
Quoted		
Investments in equity instruments of other entities measured at fair value through Other Comprehensive Income		
Bank of Maharashtra	0.13	0.12
900 equity shares (PY 900) of ₹ 25 each fully paid-up		
Unquoted		
Investments in equity instruments of other entities measured at fair value through Profit and Loss		
Shamrao Vitthal Co-operative bank*	0.50	0.50
2000 equity shares (PY 2000) of ₹ 25 each fully paid-up		
	1,132.61	**1,132.60**
Aggregate book value of quoted investments	0.13	0.12
Aggregate market value of quoted investments	0.13	0.12
Aggregate value of unquoted investments	1132.48	1132.48

* The Company has not performed fair valuation of its investment in unquoted equity shares which are classified as FVTPL, as the Company believes that impact of change on account of fair value is insignificant.

Notes forming part of the Financial Statements

5 LOANS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties		
Security deposits.	500.00	500.00
Loans and advances other than related parties		
Security deposits	138.22	122.98
	638.22	**622.98**

Note :

(i) Loans are measured at amortised cost

(ii) Refer related party disclosure in note 39.

6 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Capital advances	608.72	772.76
Balances with customs, excise and other government authorities	509.17	643.24
Deposits paid against appeal/ assessment	35.17	38.17
	1,153.06	**1,454.17**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a Member.

7 INVENTORIES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Valued at the lower of cost and net realisable value)		
Finished goods	4,841.58	730.87
Semi Finished goods	3,477.99	3,066.76
Raw materials	650.74	1,523.48
Consumables	1,048.94	1,008.74
Packing Material	22.89	9.93
Dies under Development	1,051.98	1,816.96
	11,094.12	**8,156.74**

finished goods [includes in transit of ₹ 690.86 lakhs (Previous year : ₹ 113.65 lakhs)]

Notes forming part of the Financial Statements

8 TRADE RECEIVABLES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Trade receivables (Unsecured) :		
Considered good		
- From others	30,649.40	29,559.00
- From related parties	151.56	68.37
Credit Impaired		
- From others	203.18	1,886.49
	31,004.14	**31,513.86**
Less: Allowance for credit impaired	203.18	1,886.49
	30,800.96	**29,627.37**

Notes:

(i) Trade receivables from related parties are disclosed in note 39.

(ii) Trade receivables are measured at amortised cost.

9 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Cash on hand	23.95	30.43
Balances with banks		
- In current accounts	380.39	361.21
	404.34	**391.64**

10 BANK BALANCES OTHER THAN ABOVE (9)

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
- Unpaid dividend account	92.37	16.16
Margin money In FDR With remaining maturity of more than 3 months but less than 12 months	335.39	656.62
	427.76	**672.78**

11 LOANS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
- Loan to employees	29.61	41.67
	29.61	**41.67**

Notes:

(i) Loans are measured at amortised cost.

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a Member.

Notes forming part of the Financial Statements

12 OTHER CURRENT FINANCIAL ASSETS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Interest accrued on term deposits	11.08	15.68
Other receivables	214.26	104.42
	225.34	**120.10**

Notes:

(i) Other current financial assets are measured at amortised cost.

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

13 OTHER CURRENT ASSETS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers	112.17	78.78
Prepaid expenses	177.75	110.35
Balances with statutory authorities	1,538.91	1,111.74
Advance against expenses/others	69.12	14.15
	1,897.95	**1,315.02**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

14 SHARE CAPITAL

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Authorised:	800.00	800.00
1,60,00,000 (Previous year : 1,60,00,000) equity shares of ₹ 5/- each fully paid up		
	800.00	**800.00**
Issued subscribed and fully paid up:		
1,36,40,121 (Previous year : 1,33,65,510) equity shares of ₹ 5/- each fully paid up	682.01	668.28
	682.01	**668.28**

14.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
Equity shares				
At the beginning of the year	13,365,510	668.28	12,256,222	612.81
Add: Shares issued on exercise of employee stock options	274,611	13.73	249,288	12.47
Add: Issued during the year	-	-	860,000	43.00
Outstanding at the end of the year	**13,640,121**	**682.01**	**13,365,510**	**668.28**

Notes forming part of the Financial Statements

14.2 The Company has only one class of shares referred to as equity shares having a par value of ₹ 5/-. Each Shareholder of equity shares is entitled to one vote per share.

14.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.4 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

(₹ in lakhs)

	Number of shares as at March 31, 2019	% of shares held	Number of shares as at March 31, 2018	% of shares held
Nastic Trading LLP	6,762,822	49.58%	6,762,822	50.60%
Shailendra Rai	834,444	6.12%	834,444	6.24%
Enkei Corporation	1,960,000	14.37%	1,960,000	14.66%

15 OTHER EQUITY

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Share application money pending allotment	-	5.72
Securities premium	8,283.01	6,931.88
Employee stock options outstanding reserve	1,646.55	1,664.88
Capital reserve	411.56	411.55
General reserve	1,240.00	1,240.00
Surplus	18,606.10	14,660.57
Equity instruments through Other comprehensive income	(0.13)	0.01
	30,187.09	**24,914.61**

16 BORROWINGS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Term loans		
- From banks (secured)	4,361.32	6,040.56
- From financial institutions (secured)	7,078.23	3,417.28
	11,439.55	**9,457.84**
Less : Current maturities of long term borrowing	2,954.97	2,595.54
	8,484.58	**6,862.30**

Notes:

(i) Long-term borrowings include secured term loans at floating interest rates from State Bank of India, Bank of Maharashtra, Bajaj Finance Ltd and IDFC Bank Ltd. which are repayable through monthly / Quarterly instalments.

Total number of instalments = 777

Number of instalments outstanding as at March 31, 2019 = 403 (PY = 353)

(ii) Loans availed from State Bank of India, Bank of Maharashtra, Bajaj Finance Ltd and IDFC Bank Ltd are secured by a first parri-passu charge by way of registered mortgage on the existing fixed assets except Land at Khed city. Loan availed from Bajaj Finance Ltd. is secured by exclusive charge on lease land at Khed city. Of these, ₹ 2,954.97 lakhs (PY ₹ 2 595.54 lakhs) are classified as current liabilities being repayable before March 31, 2020.

(iii) There is no default, continuing or otherwise in repayment of instalment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

(iv) Borrowings are measured at amortised cost

Notes forming part of the Financial Statements

17 OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Enkei payable	-	630.40
	-	**630.40**

Note:

Other financial liabilities are measured at amortised cost.

18 PROVISIONS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity (Refer note 36(2))	415.13	357.29
- Compensated Absences	202.91	155.38
	618.04	**512.67**

19 DEFERRED TAX LIABILTIES (NET)

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
- Property, plant and equipment	2,656.57	2,401.78
- Enkei Payable	-	194.64
- Transaction cost on term loans amortised over the tenure of the loan	2.58	5.54
	2,659.15	**2,601.96**
Deferred tax assets		
- Provision for doubtful debts and advances	71.00	652.88
- Provision allowed on payment basis	262.92	268.78
	333.92	**921.66**
Net deferred tax liability	**2,325.23**	**1,680.30**

Refer note 45 for further disclosures

20 BORROWINGS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand		
Working capital loans (secured)(Refer note (i) below)		
- From banks (secured).	11,159.56	11,326.57
- From financial institutions (secured).	4,000.00	2,587.79
Total Working capital loans	**15,159.56**	**13,914.36**
Liability from bank against preshipment / PO funding (unsecured)(Refer note (ii) below)	1,923.74	1,155.84
	17,083.30	**15,070.20**

Notes:

(i) Short-term borrowings includes cash credit facilities availed from State Bank of India, Kotak Mahindra Bank (Formerly known as ING Vysya Bank), Bank of Maharashtra, IDFC Bank and Bajaj Finance Ltd. These borrowings are secured in favour of all the aforementioned banks by a first parri-passu charge by way of hypothecation of all stocks and receivables and a second parri-passu charge by joint deed of hypothecation on all fixed assets of the Company.

Notes forming part of the Financial Statements

(ii) Unsecured Preshipment loans are availed from Kotak Mahindra Bank for funding purchase orders and working capital demand loan. These loans, are obtained at floating interest rates repayable through weekly instalments.

(iii) There is no default, continuing or otherwise in repayment of instalment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

(iv) Borrowings are measured at amortised cost

21 TRADE PAYABLES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	**1,217.19**	**1,261.51**
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances	3,244.83	2,893.38
- Others	12,365.75	13,252.09
	15,610.58	**16,145.47**
Total Trade payables	**16,827.77**	**17,406.98**

Notes:

(i) Trade payable from related parties are disclosed in note 39.

(ii) Trade payables are measured at amortised cost.

(iii) **Dues to Micro and Small Enterprises :** The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The Company has sent MSME confirmation to all the supplier & below disclosed dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') to the extent confirmation received from supplier. The disclosure pursuant to the said MSMED Act are as follows.

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,213.14	1,261.51
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.05	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Notes forming part of the Financial Statements

22 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Liabilities other than derivatives		
Current maturities of long term debt	2,954.97	2,595.50
Accrued employee costs	530.00	410.03
Interest accrued and not due on borrowings	69.51	77.85
Unclaimed dividend	92.37	16.16
Payables in respect of fixed assets	862.40	455.09
Payables in respect of services	425.89	408.84
Royalty payable	59.45	121.26
Derivative liability		
Foreign currency forward contract	-	8.09
	4,994.59	**4,092.82**

Note:

(i) Liabilities other than derivatives are measured at amortised cost.

(ii) Derivative liability are measured at fair value through profit or loss.

23 OTHER CURRENT LIABILITIES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Advances from customers	-	133.83
Statutory remittances (net)	718.53	828.30
	718.53	**962.13**

24 PROVISIONS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity (Refer note 36(2))	93.11	94.67
- Compensated Absences	41.25	31.89
Provision for bonus	175.35	137.42
	309.71	**263.98**

Notes forming part of the Financial Statements

25 REVENUE FROM OPERATIONS

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
- Finished Goods	102,317.47	92,336.18
Other operating revenue		
- Scrap sale	5,052.85	2,959.53
- Sale of Services		
	107,370.32	**95,295.71**

Revenue for operations year ended March 31, 2019 is not comparable with revenue for operations of year ended March 31, 2018, as the amount of excise duty is not included in the revenue from operations post implementation of GST effective from July 1, 2017.

The entire revenue from operations is recognised at point in time and relates to single operating segment i.e. Aluminium castings.

The information relating to trade receivables from revenue from operations is disclosed in note no.8.

Changes in significant accounting policies - Ind AS 115: Revenue from contracts with customers

The Company has applied Ind AS 115 - Revenue from contracts with customers from April 01, 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of applying this standard recognised at the date of application i.e. from 1st April 2018. Accordingly, the information presented for year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not been applied to comparative information. After evaluation of all the live contracts as on 1st April, 2018 there is no material impact on application of Ind AS 115 on financial statements.

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Details of products sold		
Manufactured goods		
Castings made from aluminum alloys	97,972.87	88,882.88
Conversion Income -(Job work)	0.28	10.16
Scrap Sales	5,052.85	2,959.53
Dies	4,344.32	3,443.14
Other Services		
Total	**107,370.32**	**95,295.71**

26 OTHER INCOME

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Received	21.50	85.44
Rental income	153.82	143.08
Foreign exchange gains (net)	-	90.14
Export incentive	729.32	446.11
Miscellaneous Income	68.87	46.78
Derivative profit	8.09	45.80
	981.60	**857.35**

Notes forming part of the Financial Statements

27 COST OF MATERIALS CONSUMED

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory of materials at the beginning of the year	3,340.45	2,522.45
Purchases	59,470.43	49,006.93
Inventory of materials at the end of the year	1,702.72	3,340.45
	61,108.16	**48,188.93**

28 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
At the beginning of the year		
Finished Goods	730.87	640.00
Work-in-progress	3,066.77	1,786.09
	3,797.64	**2,426.09**
At the end of the year		
Finished Goods	4,841.58	730.87
Work-in-progress	3,477.99	3,066.77
	8,319.57	**3,797.64**
	(4,521.93)	**(1,371.55)**

Material consumed includes material on conversion account as certified by the management.

The figures of purchases have been arrived by deducting the closing stock from the quantity/value of opening stock as increased by the consumption during the year.

29 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	10,766.30	10,139.93
Contributions to Provident and other Funds	345.72	315.36
Gratuity and leave encashment	186.13	202.09
Employee share based payments expenses (refer note 41)	1,327.20	1,728.21
Employee Welfare Expenses	991.47	726.43
	13,616.82	**13,112.02**

30 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment (refer note 3A)	3,433.65	2,915.17
Depreciation on Investment property, (refer note 3B)	9.10	9.11
Amortization of intangible assets (refer note 3C)	85.69	65.80
	3,528.44	**2,990.08**

Notes forming part of the Financial Statements

31 FINANCE COSTS

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on term loan & working capital (Refer note i)	3,152.97	2,689.65
Interest on payments of Duties & Taxes	11.07	9.20
Other borrowing costs	159.72	114.52
Unwinding of interest on royalty payable	51.96	66.90
	3,375.72	**2,880.27**

Note

(i) Includes amount of ₹ 8.63 lakh (Previous year : ₹ 12.36 lakh) pertaining to amortisation of transaction cost.

32 OTHER EXPENSES

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing Expenses		
Consumption of stores and spares	5,437.56	5,640.07
Power and fuel	7,191.56	6,693.45
Processing charges	4,684.50	3,902.81
Repairs to Machinery	434.96	350.92
Repairs Maintenance -Others	507.43	474.11
Other Manufacturing Expenses	38.80	440.32
	18,294.81	**17,501.68**
Administrative Expenses		
Legal and Professional charges	751.87	387.72
Payment to Auditor's (refer note 35 I)	26.88	26.19
Rent	673.78	536.38
Corporate Social Responcibility Expenses (refer note 35 II)	79.79	70.34
Other Administrative Expenses	1,205.65	1,097.98
	2,737.97	**2,118.61**
Selling and Distribution Expenses		
Selling and distribution expenses	2,928.20	3,012.02
	2,928.20	**3,012.02**
	23,960.98	**22,632.31**

Notes forming part of the Financial Statements

33 FINANCIAL INSTRUMENTS

33.1 Financial Instruments by category

The carrying value of financial instruments by categories as on March 31, 2019 are as follows:

(₹ in lakhs)

PARTICULARS	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.50	0.13	0.63
Trade receivables	30,800.96	-	-	30,800.96
Cash and cash equivalents	404.34	-	-	404.34
Other balances with banks	427.76	-	-	427.76
Loans	667.83	-	-	667.83
Other financial assets	225.34	-	-	225.34
Total Assets	**32,526.23**	**0.50**	**0.13**	**32,526.86**
Liabilities				
Borrowings	25567.88	-	-	25,567.88
Trade payables	16827.77	-	-	16,827.77
Other financial liabilities	4,994.59	-	-	4,994.59
Total Liabilities	**47,390.24**	**-**	**-**	**47,390.24**

The carrying value of financial instruments by categories as on March 31, 2018 are as follows:

(₹ in lakhs)

PARTICULARS	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.50	0.12	0.62
Trade receivables	29,627.37	-	-	29,627.37
Cash and cash equivalents	391.64	-	-	391.64
Other balances with banks	672.78	-	-	672.78
Loans	664.65	-	-	664.65
Other financial assets	120.10	-	-	120.10
Total Assets	**31,476.54**	**0.50**	**0.12**	**31,477.16**
Liabilities				
Borrowings	21,932.50	-	-	21,932.50
Trade payables	17,406.98	-	-	17,406.98
Other financial liabilities	4,715.13	8.09	-	4,723.22
Total Liabilities	**44,054.61**	**8.09**	**-**	**44,062.70**

Notes forming part of the Financial Statements

33.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2019 :

PARTICULARS	As at March 31, 2019	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.13	0.13	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2018 :

PARTICULARS	As at March 31, 2018	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.12	0.12	-	-
Derivative financial liability	8.09	-	8.09	-

Valuation technique and significant unobservable inputs:

Level 2:

(i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

Fair value of financial assets and financial liabilities measured at amortised cost :

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets) and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

The Company has not performed fair valuation of its investment in unquoted equity shares as mentioned in note no. 4 which are classified as FVTPL, as the Company believes that impact of change on account of fair value is insignificant.

33.3 Financial risk management

The Company's activities exposes it to market risks, credit risks and liquidity risks. The Company's management have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risks are reviewed regularly to reflect changes in market conditions and the company's activities. Derivatives are used for hedging of foreign currency loan and not as a trading or speculative purposes.

The Company has exposure to the following risks arising from financial instruments :

a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

Notes forming part of the Financial Statements

33.3 Financial Risk Management (Continued)

Trade receivables that were not impaired

PARTICULARS	Carrying amount	
	March 31, 2019	March 31, 2018
Less Than 180 days	30,597.78	27,740.88
More than 180 days	203.18	1,886.49
Total	**30,800.96**	**29,627.37**

Movement in allowance of Credit Impaired

PARTICULARS	₹ in lakhs
At April 01, 2017	**1,831.07**
Provided during the year	89.05
Amount written off / written back	(33.63)
At March 31, 2018	**1,886.49**
Provided during the year	54.16
Amount written off / written back	(1,737.47)
At March 31, 2019	**203.18**

ii. **Financial instruments and Cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties.

b. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk for which company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

PARTICULARS	March 31, 2019	March 31, 2018
Cash and cash equivalents	404.34	391.64
Other balances with banks	427.76	672.78
Total	**832.10**	**1,064.42**

The following are the remaining contractual maturities of financial liabilities as on March 31, 2019.

PARTICULARS	Repayable on demand	Less than one year	More than one year	Total
Borrowings	17,083.30	2,954.97	8,484.58	28,522.85
Trade payables	-	16,827.77	-	16,827.77
Other financial liabilities	92.37	1,947.25	-	2,039.62

Notes forming part of the Financial Statements

The following are the remaining contractual maturities of financial liabilities as on March 31, 2018.

PARTICULARS	Repayable on demand	Less than one year	More than one year	Total
Borrowings	15,070.20	2,595.50	6,862.30	24,528.00
Trade payables	736.40	16,670.58	-	17,406.98
Other financial liabilities	16.16	1,481.16	630.40	2,127.72

c. **Market risk**

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables and deposits with banks.

i. **Foreign currency risk**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency. The Company manages its foreign currency risk by hedging foreign currency denominated loan using foreign currency forward contracts. The Company negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

The following foreign currency exposures have not been hedged by derivative instruments at the Balance Sheet date:

Nature of exposure	Amount in foreign currency		Equivalent amount in INR	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD				
Trade payables	0.12	1.10	9.20	70.91
Payable for PPE	0.29	0.02	20.24	1.17
Trade receivables	76.79	55.55	5,315.75	3,539.82
Cash and bank balance	0.01	1.80	0.56	116.98
Net liabilities / (assets)	**76.38**	**(56.23)**	**(5,286.86)**	**(3,584.73)**
EUR				
Payable for PPE	3.14	2.60	232.37	192.51
Trade receivables	5.85	8.94	466.05	685.98
Cash and bank balance	0.00	0.00	0.13	0.16
Net liabilities / (assets)	**(2.71)**	**(6.34)**	**(233.80)**	**(493.64)**
JPY				
Trade payables	203.82	443.87	128.87	237.49
Payable for PPE	-	142.00	-	85.28
Cash and bank balance	0.05	3.17	0.03	1.95
Net liabilities / (assets)	**203.77**	**582.70**	**128.85**	**320.82**
GBP				
Trade payables	0.00	6.00	0.13	0.01
Trade receivables	3.96	4.49	360.54	390.97
Cash and bank balance	0.00	0.01	0.05	0.26
Net liabilities / (assets)	**(3.96)**	**1.50**	**(360.47)**	**(391.22)**

Notes forming part of the Financial Statements

Foreign currency sensitivity on unhedged exposure

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax	Effect on pre-tax equity
For March 31, 2019	EUR	+5%	264.34	264.34
		-5%	(264.34)	(264.34)
	USD	+5%	11.69	11.69
		-5%	(11.69)	(11.69)
	JPY	+5%	(6.44)	(6.44)
		-5%	6.44	6.44
	GBP	+5%	18.02	18.02
		-5%	(18.02)	(18.02)
For March 31, 2018	EUR	+5%	179.24	179.24
		-5%	(179.24)	(179.24)
	USD	+5%	24.68	24.68
		-5%	(24.68)	(24.68)
	JPY	+5%	(16.04)	(16.04)
		-5%	16.04	16.04
	GBP	+5%	19.56	19.56
		-5%	(19.56)	(19.56)

Details of foreign currency loan that are hedged by derivative instruments or otherwise:

PARTICULARS	Currency	Amount in foreign currency	Equivalent INR	Maturity Profile	Fair Value in Balance Sheet
As at March 31, 2019	USD	-	-	NA	-
As at March 31, 2018	USD	5.39	350.52	Within one year	8.09

ii. **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instruments are follows:

PARTICULARS	March 31, 2019	March 31, 2018
Variable rate instruments		
Borrowings	28,522.85	24,528.00

Interest rate sensitivity on variable rate instruments

PARTICULARS	March 31, 2019	March 31, 2018
Impact on profit before tax or pre-tax equity		
Increase by 50 basis points	(143.00)	(123.00)
Decrease by 50 basis points	143.00	123.00

Notes forming part of the Financial Statements

34 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018."

35 I Auditor's Remuneration

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Statutory Audit	16.50	15.00
Limited Review	4.00	4.50
Consolidation Audit	5.00	5.00
Certifications	1.00	1.00
Out of pocket expenses	0.38	0.69
Total	**26.88**	**26.19**

II Details of CSR Expenditure : -

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Gross Amount To be spend during the year	79.79	64.30
Amount spend during the year	79.79	70.34

36 DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY IND-AS 19 - "EMPLOYEE BENEFITS ARE AS UNDER":

1 Defined contribution plan - Provident fund

The group has recognized following amounts in the profit & loss account for the year:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Contribution to employee provident fund	324.21	292.56
Total	**324.21**	**292.56**

2 Defined benefit plan

i) The defined benefit plan comprises gratuity, which is funded.

ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Notes forming part of the Financial Statements

Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (continued)

(₹ in lakhs)

Change in present value of defined benefit obligation	**FY 2018-19**	**FY 2017-18**
Present value of defined benefit obligation at the beginning of the year	791.70	768.79
Current service cost	83.56	81.32
Interest cost	55.04	52.45
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in financial assumptions	7.85	(51.98)
b) changes in demographic assumptions	-	-
c) experience adjustments	87.92	(23.58)
Past service cost	-	49.41
Benefits paid	(77.58)	(84.71)
Present value of defined benefit obligation at the end of the year	**948.49**	**791.70**
Change in the fair value of plan assets		
Fair Value of plan assets at the beginning of the period	350.86	300.61
Interest Income	24.91	21.46
Return on plan assets, excluding interest income	3.87	1.33
Contribution by the employer	138.19	112.16
Benefit paid from the fund	(77.58)	(84.71)
Fair Value of plan assets at the end of the period	**440.24**	**350.86**
Analysis of defined benefit obligation		
Present value of obligation as at the end of the year	(948.49)	(791.70)
Fair Value of Plan Assets at the end of the Period	440.24	350.86
Net (asset) / liability recognized in the Balance Sheet	(508.24)	(440.85)
Bifurcation of liability as per Schedule III		
Current Liability	93.11	83.56
Non-Current Liability	415.13	357.29
Net (asset) / liability recognized in the Balance Sheet	**508.24**	**440.85**
Components of employer expenses/remeasurement recognized in the statement of Profit and Loss		
Current service cost	83.56	81.32
Net Interest Cost	30.13	30.99
Past Service Cost	-	49.41
Expenses recognized in the Statement of Profit and Loss	113.69	161.73
Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)		
Actuarial loss / (gain)	95.77	(75.56)
Return on plan assets, Excluding interest income	(3.87)	(1.33)
Net (income)/expense recognized in the OCI	**91.90**	**(76.89)**
Analysis of defined benefit obligation		
Net opening provision in books of accounts	440.85	468.17
Employee Benefit Expense	113.69	161.73
Amounts recognized in Other Comprehensive Income	91.90	(76.89)
Contribution by the employer	(138.19)	(112.16)
Net (asset) / liability recognized in the Balance Sheet	**508.24**	**440.85**
Composition of the plan assets		
Policy of insurance	100.00%	100.00%
Total	**100.00%**	**100.00%**

Notes forming part of the Financial Statements

(₹ in lakhs)

Change in present value of defined benefit obligation	FY 2018-19	FY 2017-18
Actuarial Assumptions:		
Discount rate	7.45%	7.55%
Salary Escalation	5.50%	5.50%
Withdrawal rates per annum		
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 35 to 45 years	6.00%	6.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

c. Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Projected benefit obligation on current assumptions	FY 2018-19		FY 2017-18	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	910.31	989.51	761.46	824.17
Future salary growth (0.5 % movement)	987.79	911.01	823.17	761.78
Attrition rate (1 % movement)	953.53	943.20	795.55	787.10
Maturity profile of defined benefit plan				

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	FY 2018-19	FY 2017-18
1st Following year	113.74	125.52
2nd Following year	53.96	36.41
3rd Following year	79.79	77.71
4th Following year	80.80	41.59
5th Following year	110.72	107.51
Sum of years 6 to 10	437.46	365.02

Weighted average assumptions used to determine net periodic benefit cost

PARTICULARS	FY 2018-19	FY 2017-18
Number of active members	952.00	987.00
Per month salary cost for active members	210.73	186.23
Average monthly salary (₹)	22,135.00	18,869.00
Average age (years)	37.60	36.65
Weighted average duration of the projected benefit obligation (years)	9.63	8.79
Average expected future service (years)	20.82	21.79
Average outstanding term of the obligations (Years)	9.27	9.24
Prescribed contribution for next year (12 Months)	93.12	83.56

Notes forming part of the Financial Statements

37 SEGMENT INFORMATION

The Company's operating business predominantly relates to manufacture of Aluminium Castings thereof and hence the Company has considered "Aluminium Castings" as the single reportable segment.

38 NET DEBT RECONCILIATION

Position of net debt

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Borrowings		
Non-current borrowings	8,484.58	6,862.30
Current borrowings	17,083.30	15,070.20
Current maturities of long term loans	2,954.97	2,595.50
Less		
Cash and cash equivalents	404.34	391.64
Net debt	**28,118.51**	**24,136.36**

Movement in net debt

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Opening net debt	24,136.36	23,112.27
Cash flows	3,982.15	1,404.66
Foreign exchange adjustment	-	11.07
Interest accrued but not due as on April 01, 2018	77.85	74.06
Interest accrued but not due as on March 31, 2019	(69.51)	(77.85)
Interest expense	3,152.97	2,689.65
Interest paid	(3,161.31)	(2,685.86)
Closing net debt as at March 31, 2019	**28,118.51**	**24,528.00**

39 RELATED PARTY DISCLOSURES

A. Relationship between the related parties:

Relationship	Name of related party
Subsidiary	Alicon Holding - GmbH
Subsidiary	Illichmann Castalloy - GmbH
Subsidiary	Illichmann Castalloy - sro
Group company	Atlas Castalloy Limited*

* Enterprise where the director has significant influence.

B. List of Key Management Personnel and their relatives:

Key Management Personnel (KMP)	Shailendrajit Rai	Managing Director
	Rajeev Sikand	Chief Executive Officer (CEO)
	Vimal Gupta	Chief Financial Officer (CFO)
	P.S. Rao	Company Secretary
	Swapnal Patane (wef 11.03.2019)	Company Secretary
	Pamela Rai	Non-Executive Director
	Anil D Harolikar	Independent Director
	Vinay Punjabi	Independent Director
	Ajay Nanawati	Independent Director
	Junichi Suzuki	Non-Executive Director
Relatives of KMP	Preeti Gupta	Relative of CFO

Notes forming part of the Financial Statements

C. **Transactions with related parties :**

No.	Aggregate of transaction	FY 2018-19		FY 2017-18	
		Group company	Subsidiaries	Group company	Subsidiaries
1	Sales	9.95	38.59	-	23.11
2	Purchases	1,829.16	44.55	2,348.35	-
3	Foreign currency translation difference	-	-	-	17.48
4	Interest on loan	-	-	-	38.42
5	Expenses charged to the company	2,262.70	53.38	-	-
6	Expenses charged by the company	140.33	45.34	1,271.40	78.67
7	Balance of investment (includes share application) in subsidiary at the year end	-	1,131.38	-	1,131.98
8	Amount receivable at the end of the year	-	56.28	-	205.89
9	Amount payable at the end of the year	1,875.72	273.31	1,538.49	201.23
10	Fixed assets purchased (net)	1,421.11	58.17	1,112.65	-

D. **Transaction with related party of Key Managerial Personnel :**

No.	PARTICULARS	FY 2018-19	FY 2017-18
1	Rent paid	2.28	2.28

E. **Compensation to key management personnel :**

No.	PARTICULARS	FY 2018-19	FY 2017-18
1	Short term employee benefits	279.67	219.37
2	Post-employment benefits	25.50	16.70
3	Commission	240.05	140.06
4	Share based payments	1,606.50	1,166.22
5	Sitting Fees	8.05	6.20
	Total	**2,159.77**	**1,548.55**

Note:

As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above. The amount included above is the contribution made by company.

40 LEASE TRANSACTIONS

Operating leases

Obligations towards non-cancellable operating Leases:

The Company has taken facilities and office premises on lease. The future lease payments for these facilities are as under:

PARTICULARS	March 31, 2019	March 31, 2018
Lease obligation		
- Not later than one year	252.00	252.00
- later than one year and not later than five years	1,008.00	1,008.00
- Later than five years	-	-

The operating lease arrangement is with group company and same is renewable on five yearly.

Notes forming part of the Financial Statements

41 STOCK OPTION PLANS

1 Employee Stock Option Plan– 2015

This Scheme shall be called the "Alicon Castalloy Limited – Employee Stock Option Scheme 2015 (ESOS 2015)".

The objective of the ESOS 2015 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Shareholders in their meeting held on December 30, 2015 have resolved to authorize the Board to issue to the Employees of the Company, not more than 6,12,800 (Six Lakh Twelve Thousand Eight Hundred Only) Employee Stock Options under ESOS 2015 exercisable Equity Shares of face value of ₹ 5/- each fully paid up, being not more than 5% of the Issued Equity Share Capital of the Company as on March 31, 2015, to be issued and allotted by the Company (hereinafter referred as "Primary Shares"), in one or more tranches, with each such Option conferring a right upon the Employees to apply for one Equity Share in the Company, in accordance with the terms and conditions of ESOS 2015. The ESOS 2015 shall be administered by the Compensation Committee.

The Employee Stock Options granted may be exercised by the Option grantee at any time within a period of one year from the date of Vesting of the respective Stock Options or such other period as may be decided by the Compensation Committee from time to time. The shares issued upon exercise of options shall be freely transferable and will not be subject to any lock - in period after such exercise provided.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year.

PARTICULARS	FY 2018-19		FY 2017-18	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	321,201	124	465,333	124
Granted during the year	-	-	120,000	124
Forfeited / surrendered during the year	-	-	10,233	124
Exercised during the year	-	-	253,899	124
Lapsed during the year	60,000	124	-	-
Options outstanding at the end of year	261,201	124	321,201	124
Options exercisable at the end of the year	57,800	124	-	-
Weighted average remaining contractual life	4.78 years		5.16 years	

No options are exercised in the current year in the ESOP Scheme 2015. The weighted average market price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise 11th August 2017 during the year was ₹ 523.32.

Notes forming part of the Financial Statements

No options are granted in the current year. The fair value of each option granted during the last year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

PARTICULARS	FY 2017-18
1. Exercise price (₹)	124.00
2. Price of the underlying share in market at the time of the option grant (₹)	513.54
3. Weighted average fair value of options granted (₹)	390.84
4. Expected life of the option (years)	2.25
5. Risk free interest rate (%)	6.66%
6. Expected volatility (%)	46.85%
7. Dividend yield (%)	1.58%

The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The Company recorded an employee compensation cost of ₹ 94.92 lakhs (Previous year ₹ 496.08) in the Statement of Profit and Loss.

2 **Employee Stock Option Plan– 2017**

This Scheme shall be called the "Alicon Castalloy Limited – Employee Stock Option Scheme 2017 ("ESOS 2017" or "Scheme").

The objective of the ESOS 2017 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Shareholders by way of special resolution dated June 08, 2017 have authorized the Nomination and Remuneration Committee to grant not exceeding 6,75,000 (Six lacs seventy five Thousand only) Options to the Employees under the ESOS 2017, in one or more tranches, exercisable into not more than 6,75,000 (Six lacs seventy five Thousand only) Shares of face value of ₹ 5 (Rupees five) each fully paid-up, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the ESOS 2017

Options granted under ESOS 2017 would Vest after 1 (one) year but not later than 4 (four) years from the date of grant of such Options.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year.

PARTICULARS	FY 2018-19		FY 2017-18	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	675,000	5	-	-
Granted during the year	-	-	675,000	5
Forfeited / surrendered during the year	-	-	-	-
Exercised during the year	270,000	5	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	405,000	5	675,000	5
Options exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	2.35 years		2.54 years	

Notes forming part of the Financial Statements

The weighted average market price of the options exercised under Employees Stock Option Scheme -2017 on the date of exercise November 15, 2018 during the year was ₹ 576.90. (Previous year - Nil).

No options granted in the current year. The fair value of each option granted during the last year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

PARTICULARS	FY 2017-18
1. Exercise price (₹)	5.00
2. Price of the underlying share in market at the time of the option grant (₹)	507.10
3. Weighted average fair value of options granted (₹)	485.77
4. Expected life of the option (years)	2.20
5. Risk free interest rate (%)	6.35%
6. Expected volatility (%)	48.09%
7. Dividend yield (%)	1.55%

The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The Company recorded an employee compensation cost of ₹ 1232.28 lakhs (Previous year ₹ 1232.13 lakhs) in the Statement of Profit and Loss.

42 RESEARCH AND DEVELOPMENT

The Company has separate in-house research & development set-up which is involved in new product development, new process development etc. The details of R&D expenditure are as under:

PARTICULARS	FY 2018-19	FY 2017-18
Capital expenditure	-	41.43
Revenue expenditure	449.30	567.63
Total R&D expenditure	449.30	609.06

43 BASIC AND DILUTED EARNINGS PER SHARE

PARTICULARS		FY 2018-19	FY 2017-18
Nominal value per equity share	₹	5.00	5.00
Profit for the year	₹ in lakhs	5,019.08	3,617.16
Weighted average number of basic equity shares	No. of shares	13,471,000	13,101,547
Effect of diluted shares	No. of shares	440,238	474,515
Weighted average number of diluted equity shares	No. of shares	13,911,238	13,576,062
Earnings per share - Basic	₹	37.26	27.61
Earnings per share - Diluted	₹	36.08	26.64

Notes forming part of the Financial Statements

44 DISCLOSURE OF CAPITAL COMMITMENT & CONTINGENT LIABILITIES

1. Capital commitment

(₹ in lakhs)

Sr. No.	PARTICULARS	March 31, 2019	March 31, 2018
1	Estimated amount of contracts remaining to be executed on capital account	31.53	626.35
	Total	**31.53**	**626.35**

2. Contingent liabilities not provided for :

₹ lakhs

Sr. No.	PARTICULARS	March 31, 2019	March 31, 2018
1	Letters of credit issued by the banks against imports	721.20	211.57
2	Performance and financial guarantees issued by the banks	3,074.91	409.37
3	Customs and related duties for non fulfilment of export obligation	1,349.77	1,349.77
4	Assessment dues of VAT & CST	1,340.08	265.42
5	Pending cases in local civil court	459.09	449.09
6	Income tax dues including interest	18.74	18.74

On February 28, 2019, the Supreme Court has passed a judgment on inclusion of certain allowances in basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. Due to ambiguity and the divergent views on the application of the said judgment, the company has not made any provision. The company will take necessary steps, on receiving further clarity on the subject.

45 INCOME TAXES

The income tax expense consists of following:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Tax expense		
Current tax	1,569.89	1,332.42
Short/ (Excess) of earlier years	172.94	-
MAT credit entitlement	(155.22)	-
Deferred tax (benefit) / charge	677.04	339.73
Total tax expense	**2,264.65**	**1,672.15**
Other comprehensive income		
Remeasurements gains and losses on post employment benefits	(32.12)	26.61
Income tax expense reported in the statement of other comprehensive income	(32.12)	26.61

Notes forming part of the Financial Statements

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Profit before tax	7,283.73	5,289.31
Indian statutory income tax rate	34.94%	34.61%
Expected tax expense	2,546.00	1,831.00
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of tax on earlier years	172.94	-
Tax rate difference on book profit as per Minimum Alternate Tax	(975.67)	-
Tax expenses accounted as no effect of Timing differences on MAT liability	521.82	-
Effect of weighted deductions, exemptions and deductions	-	(149.67)
Effect of permanent adjustments	-	(2.68)
Others (net)	(0.44)	(6.50)
Total tax expense	**2,264.65**	**1,672.15**

Deferred Tax

Item wise movement in deferred tax expense recognised in profit or loss / OCI

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
-Property, plant and equipment	254.79	397.03
-Unwinding of enkei payable	(194.64)	(23.15)
-Transaction cost on term loans amortised over the tenure of the loan	(2.96)	(4.28)
-Provision for doubtful debts and advances	581.88	(19.18)
-Provision allowed on payment basis	5.85	3.99
-Foreign currency loan and forward contracts	-	11.94
Total expenses	**644.92**	**366.35**
- Recognised in Profit or Loss	677.04	339.74
- Recognised in Other Comprehensive Income	(32.12)	26.61
	644.92	**366.35**

The gross movement in the deferred tax for the year ended March 31, 2019 and March 31, 2018 is as follows:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Net deferred tax asset (liability) at the beginning	1,680.30	1,313.95
Credits / (charge) relating to temporary differences	677.04	339.74
Temporary differences on other comprehensive income	(32.12)	26.61
Net deferred income tax asset at the end	2,325.22	1,680.30

46 During the year company has alloted 4,611 shares which were not alloted due to technical problem in last year.

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Date: April 19, 2019

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Independent Auditor's Report

To the Members of
Alicon Castalloy Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Alicon Castalloy Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, the consolidated profit and total comprehensive income, changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Accuracy of Cost of Goods Sold** We identified Cost of Goods Sold area as a key audit matter because it is the most significant cost to the Company, which comprises of the cost of materials and other direct costs of production and the same has significant impact on the profitability of the Company.	We assess the Company's process to verify the Cost of Goods Sold incurred during the year. Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Overall evaluation and testing of controls related to corresponding business processes, viz. 'Procurement to Payment (P2P), Production Process, Material Requirement Planning (MRP), Inventory policy and stores procedures • Review of overall operations and production process of materials into finished products. • Review the standard operating procedures for COGS to ensure the correctness and completeness of COGS.

Sr. No.	Key Audit Matter	Auditor's Response
		• Physical verification of inventory items on random sampling basis with reference to book inventory for accuracy and controls including review of internal period-end inventory procedures and reconciliations • Reviewing completeness and overall accuracy of system generated material consumption and reconciling with General Ledger, including manual accounting entries relating to material consumption • Review of inventory valuation, material consumption in accordance with applicable Indian Accounting Standards • Review of Reconciliations of Inventory General ledger and Materials Management Module of SAP System. Evaluate the procedures for identifying slow moving items and their accounting estimates made by management.
3	**Accuracy and Completeness of Capital Expenditure**	We assessed the Company's process to verify the Capital Expenditure incurred during the year including significant acquisitions of manufacturing facility Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Review of CAPEX business process, flow of documents/ information and their controls effectiveness • Substantive Tests on random sampling basis for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the company's policy and accounting standards • Scrutiny of relevant general ledger accounts to assess if the expenditure has been correctly accounted for • Physical verification of test basis, review of physical verification carried out by the Management with respect to book records, review of Internal audit reports findings relating to Capex, if any and implementation of the suggestions of the same. • We have assessed the competency, objectivity and capabilities of management experts and for a sample of valuations, we evaluated the adequacy and appropriateness of their work. • Review of compliance done with respect to Companies Act, Income Tax Act, Customs duty, and GST Act, particularly for accounting of additions, deletions, depreciation and of carrying amounts thereof.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.

Management Discussion and Analysis, Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read Management Discussion and Analysis, Board's Report including Annexures to Board's Report, If we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the ability of Group and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 and of its joint venture are responsible for overseeing the financial reporting process of the Group and a joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements.

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 financial statements, 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 financial controls 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 system 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 made by management.

- Conclude on the appropriateness of management's 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 ability of the Group 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 financial statements 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements and other financial information, in respect of a subsidiaries, whose financial statements include total assets (net) of ₹ 4975.74 lakhs as at March 31, 2019, and total revenue of ₹ 10853.43 lakhs and net cash flows amounting to ₹ -169.58 lakhs for the year ended on that date respectively, as considered in the consolidated financial results. These financial statements have not been audited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statement and the other financial information of subsidiary company and joint venture incorporated in India, referred in the Other Matters paragraph above we report, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group – Refer Note 44 to the consolidated financial statements

ii. The Group did not have any material long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309

Pune, April 19, 2019

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Alicon Castalloy Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB- SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Alicon Castalloy Limited ("the Holding Company") as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Holding Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2019.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309

Pune, April 19, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in lakhs)

PARTICULARS	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3A	33,003.18	28,562.72
Capital work-in-progress		2,117.70	519.06
Investment property	3B	260.28	269.38
Intangible assets	3C	441.56	479.27
Financial assets			
Investments	4	0.63	0.62
Loans	5	663.70	633.29
Income tax assets (net)		433.07	1,739.52
Other non-current assets	6	1,153.06	1,454.19
		38,073.18	**33,658.05**
Current assets			
Inventories	7	11,967.28	8,968.43
Financial assets			
Trade receivables	8	33,756.88	32,208.45
Cash and cash equivalents	9	815.97	945.66
Bank Balances other than Above (9)	10	427.76	672.78
Loans	11	29.61	41.67
Other financial assets	12	225.34	120.10
Other current assets	13	2,126.55	1,496.69
		49,349.39	**44,453.78**
TOTAL ASSETS		**87,422.57**	**78,111.83**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	682.01	668.28
Other equity	15	30,144.39	24,572.60
		30,826.40	**25,240.88**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	8,484.58	6,862.30
Other financial liablities	17	-	630.40
Provisions	18	618.04	512.67
Deferred tax liabilty (net)	19	2,325.23	1,680.30
		11,427.85	**9,685.67**
Current liabilities			
Financial liabilities			
Borrowings	20	19,575.42	17,380.09
Trade payables	21		
Due to micro and small enterprises		1,217.19	1,261.50
Due to other than micro and small enterprises		17,251.56	17,164.97
Other financial liabilities	22	5,413.07	4,458.35
Other current liabilities	23	994.10	1,182.16
Provisions	24	501.00	405.80
Current income tax liabilities.		215.98	1,332.41
		45,168.32	**43,185.28**
TOTAL EQUITY AND LIABILITIES		**87,422.57**	**78,111.83**
Significant accounting policies	1 - 2		
Notes referred to above form an integral part of the standalone financial statements	3 - 47		

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

Parag Pansare
Partner
Membership No. 117309

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Place: Pune
Date: April 19, 2019

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended March 31, 2019

(₹ in lakhs)

PARTICULARS	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	25	118,160.35	103,780.88
Other income	26	1,045.01	947.30
Total income		**119,205.36**	**104,728.18**
Expenses			
Cost of materials consumed	27	64,582.07	51,339.71
Changes in inventories of finished goods and work-in-progress	28	(4,632.04)	(1,387.10)
Excise duty		-	2,431.69
Employee benefits expense	29	16,504.34	15,410.34
Depreciation and amortization expense	30	3,808.53	3,221.02
Finance costs	31	3,533.72	2,986.59
Other expenses	32	27,789.80	25,169.39
Total expenses		**111,586.42**	**99,171.64**
Profit before tax		**7,618.94**	**5,556.54**
Tax expense	45		
Current tax		1,628.96	1,348.92
Deferred tax (benefit)/charge		677.04	339.74
MAT credit entitlement		(155.22)	-
Short/ (Excess) of earlier years		172.94	-
Total tax expense		**2,323.72**	**1,688.66**
Profit for the year		**5,295.22**	**3,867.88**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(91.90)	76.89
Net (loss) or gain on FVTOCI assets		(0.14)	(0.10)
Income tax on items that will not be reclassified to profit or loss		32.12	(26.61)
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		50.16	4.21
Total other comprehensive income		**(9.76)**	**54.39**
Total comprehensive income for the year		**5,285.46**	**3,922.27**
Earnings per equity share for continuing operations (face value per share ₹ 5 each)			
Basic		39.31	29.52
Diluted		38.06	28.49
Significant accounting policies	1 - 2		
Notes referred to above form an integral part of the standalone financial statements	3 - 47		

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

Parag Pansare
Partner
Membership No. 117309

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Place: Pune
Date: April 19, 2019

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Consolidated Cash Flow Statement

(₹ in lakhs)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from operating activities**		
	Net Profit / (Loss) before extraordinary items and tax	7,618.94	5,556.52
	Adjustments for:		
	Depreciation and amortisation (including exceptional item)	3,808.53	3,221.03
	Employee stock compensation cost	1,327.20	1,728.21
	Interest income	(21.54)	85.48
	Rent received	(153.82)	143.08
	Provision for doubtful trade and other receivables	62.07	69.23
	Trade receivables Amount written off / written back during the year	(1,806.69)	-
	Finance cost	3,481.76	2,919.70
	Unwinding of interest on royalty payable	51.96	66.91
	Unrealised foreign exchange gain or loss	(28.27)	71.24
	Exchange difference in translating the financial statement of foreign operations	23.16	4.21
	Sample sale written off	-	-
	Others	(0.14)	0.09
		6,744.22	**8,309.18**
	Operating profit / (loss) before working capital changes	**14,363.16**	**13,865.70**
	Changes in working capital:		
	(Increase) / Decrease in inventories	(2,998.85)	(2,481.90)
	(Increase) / Decrease in trade receivables	223.58	(11,948.33)
	(Increase) / Decrease in other bank balances	245.02	(17.50)
	(Increase) / Decrease in current loans	12.06	(25.17)
	(Increase) / Decrease in other current financial asset	(105.24)	(1,137.10)
	(Increase) / Decrease in other current assets	(629.86)	(23.87)
	(Increase) / Decrease in non-current loans	(30.41)	(470.09)
	(Increase) / Decrease in other non-current assets	301.13	(158.22)
	Increase / (Decrease) in trade payables	42.28	5,628.64
	Increase / (Decrease) in current other financial liabilities	954.72	979.01
	Increase / (Decrease) in other current liabilities	(188.06)	966.33
	Increase / (Decrease)in short-term provision	95.20	54.47
	Increase / (Decrease) in non-current other financial liabilities	(682.36)	70.19
	Increase / (Decrease)in long-term provision	13.47	35.18
	Cash generated from operations	**11,615.84**	**5,337.34**
	Net income tax (paid) / refunds	(1,456.66)	(1,256.71)
	Net cash flow from / (used in) operating activities	**10,159.18**	**4,080.63**
B.	**Cash flow from investing activities**		
	Capital expenditure on property, plant and equipment	(9,760.48)	(5,813.54)
	Capital expenditure on intangibles assets	(53.70)	(236.99)
	Proceed from sale of assets	13.39	-
	Investment in overseas subsidairy - share application	(0.01)	-
	Interest received	21.54	(82.30)
	Rent received	153.82	(143.08)
	Net cash flow from / (used in) investing activities	**(9,625.44)**	**(6,275.91)**

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash flow from financing activities		
Finance costs	(3,481.76)	(2,919.70)
Borrowings / (Repayment) (Net) long term	1,622.28	(263.13)
Borrowings / (Repayment) (Net) short term	2,195.33	1,925.45
Dividends	(568.04)	(531.50)
Dividend distribution tax	(116.80)	(108.22)
Interim dividend	(272.81)	(267.32)
Dividend distribution tax On Interim Dividend	(56.08)	(54.42)
Proceeds from issue of equity shares	13.73	55.47
Premium on issue of shares to Enkei Corporation	-	4,076.40
Premium on issue of shares under ESOP scheme	5.58	296.66
Share application money pending allotment	(5.72)	5.72
Net cash flow from / (used in) financing activities	**(664.29)**	**2,215.41**
Net increase / (decrease) in Cash and cash equivalents	**(130.56)**	**20.13**
Cash and cash equivalents at the beginning of the year	945.66	920.51
Foreign exchange fluctuation	0.88	5.02
Cash and cash equivalents at the end of the year	**815.98**	**945.66**
Components of cash and cash equivalents		
Cash on hand	24.24	32.14
Balances with banks in current accounts	791.73	913.52
	815.97	**945.66**
Significant accounting policies	1-2	
Notes referred to above form an integral part of the standalone financial statements	3-47	

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Date: April 19, 2019

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Statement of Changes in Equity

A Equity share capital

(₹ in lakhs)

Balance as at April 01, 2017	**612.81**
Changes in equity share capital during 2017-18	55.47
Balance as at March 31, 2018	**668.28**
Changes in equity share capital during 2018-19	13.73
Balance as at March 31, 2019	**682.01**

B Other equity

(₹ in lakhs)

PARTICULARS	Share application money pending allotment	Surplus						Equity instruments through Other comprehensive income	Total
		Securities premium	Employee stock options outstanding (ESOP)	Capital reserve	General reserve	Surplus	Exchange difference in translating the financial statement of foreign operations		
Balance as on March 31, 2017	-	2,002.00	493.51	411.55	1,240.00	11,197.87	159.76	0.11	15,504.80
Profit for the year	-	-	-	-	-	3,867.86	-		3,867.86
Other comprehensive income (net of tax)	-	-	-	-	-	50.28	4.21	(0.10)	54.39
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,918.14**	**4.21**	**(0.10)**	**3,922.25**
Transactions with owners recognised directly in equity									
Dividends	-	-	-	-	-	(531.46)	-	-	(531.46)
Dividend distribution tax	-	-	-	-	-	(108.22)	-	-	(108.22)
Interim dividend	-	-	-	-	-	(267.32)	-	-	(267.32)
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(54.42)	-	-	(54.42)
Share based payments to employees	-	-	1,728.21	-	-	-	-	-	1,728.21
Premium on issue of shares to Enkei Corporation	-	4,076.38	-	-	-	-	-	-	4,076.38
Premium on issue of shares under ESOP scheme	5.72	853.50	(556.84)	-	-	-	-	-	302.38
Changes during the year	-	-	-	-	-	-	-	-	-
Balance as on March 31, 2018	**5.72**	**6,931.88**	**1,664.88**	**411.55**	**1,240.00**	**14,154.59**	**163.97**	**0.01**	**24,572.60**
Profit for the year	-	-	-	-	-	5,295.22	-		5,295.22
Other comprehensive income (net of tax)	-	-	-	-	-	(59.78)	23.16	(0.14)	(36.76)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**5,235.44**	**23.16**	**(0.14)**	**5,258.46**
Transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(568.04)	-	-	(568.04)
Dividend distribution tax	-	-	-	-	-	(116.80)	-	-	(116.80)
Interim dividend	-	-	-	-	-	(272.81)	-	-	(272.81)
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(56.08)	-	-	(56.08)
Share based payments to employees	-	-	1,327.20	-	-	-	-	-	1,327.20
Premium on issue of shares under ESOP scheme	(5.72)	1,351.13	(1,345.55)	-	-	-	-	-	(0.14)
Changes during the year	-	-	-	-	-	-	-	-	-
Balance as on March 31, 2019	**-**	**8,283.01**	**1,646.53**	**411.55**	**1,240.00**	**18,376.30**	**187.13**	**(0.13)**	**30,144.39**

1. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act 2013.

2. ESOP reserve is used to recognise the grant date fair value of options issued to employees under the Employee stock option plan which are unvested as on the reporting date.

3. General reserve is created from time to time by way of transfer profits from surplus for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

4. Capital reserve was created on acquisition of casting business of Atlas Castalloy in year 2014-15.

5. Equity Instruments through Other Comprehensive Income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed of. relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recogn.

6. Exchange differences in translating the financial statement of foreign operations Exchange differences ised directly in the Other Comprehensive Income and accumulated in Foreign Currency Translation Reserve. Exchange difference previously accumulated in the Foreign Currency Translation Reserve are reclassified to profit or loss on the disposal of the foreign operation.

Significant accounting policies	1 - 2
Notes referred to above form an integral part of the standalone financial statements	3 - 47

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Date: April 19, 2019

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Notes forming part of the Consolidated Financial Statements

THE CORPORATE OVERVIEW

Alicon Castalloy Limited ("the Company") is a public limited company domiciled in India and is listed on Bombay Stock Exchange and National Stock Exchange. The Company is the manufacturer of aluminium alloy die castings mainly used in automotive segment of the industry in India. The Company' s products also cover non-auto sector of the Industry. The Company also exports its products to the countries like U.S.A. and U.K.

The consolidated financial statements comprise the financial statements of the company and its subsidiaries (together referred to as "the group").

1. BASIS OF PREPARATION

The financial statements of the group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [the Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Board of Directors on April 19, 2019.

a) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

b) Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Notes forming part of the Consolidated Financial Statements

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 -Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Functional and presentation currency:

The financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All amounts disclosed in the Financial Statements including notes have been rounded off to the nearest lakhs in Indian Rupee (INR) as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Property, plant and equipment

- **Recognition and measurement**

  Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

  Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

  Pre-operative expenditure including trial run expenses comprising of revenue expenses incurred as reduced by the revenue generated during the period up to the date, the asset is ready for its intended use are treated as part of costs of that asset.

  Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

  Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

- **Subsequent costs**

  The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Derecognition**

  An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the statement of profit and loss.

- **Depreciation methods, estimated useful lives and residual value**

  Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the management of the group based on technical evaluation except in the case of following assets:

Description	Useful life considered
Plant & Machinery – Furnace	10 years
Plant & Machinery – Platform	18 years
Plant & Machinery – CNC/ LPDC/GDC	10 years
Computers – desktops, laptops	3 years
Electrical Equipment	Between 5 to 7 years
Dies & Pattern	7 years

Freehold land is not depreciated.

b) **Intangible assets**

- **Recognition and measurement**

  Intangible assets are recognised when the asset is identifiable, is within the control of the group, it is probable that the future economic benefits that are attributable to the asset will flow to the group and cost of the asset can be reliably measured.

  Intangible assets acquired by the group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

- **Derecognition**

  An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the statement of profit and loss.

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

  The estimated useful lives are as follows:

Computer and functional software	7 years

c) **Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

d) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the

Notes forming part of the Consolidated Financial Statements

lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available.

e) **Impairment of non-financial assets**

The Group assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

f) **Inventories**

Raw materials, consumables, stores and spares are valued at lower of cost and net realisable value. Cost is determined using weighted average method.

Work-in-process and finished goods are valued at lower of cost and net realisable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g) **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) **Revenue recognition**

The Group is primarily into selling of aluminum castings. Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts, rebates, returns and goods and service tax. The Group's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Accordingly, the group does not adjust any of the transaction prices for the time value of money.

The Group besides manufacturing the products from its raw materials, also converts raw materials supplied by its customers and accounts for the gross receipts as 'conversion income' once the job is completed and goods are dispatched to the customers. Income from development of such dies is accounted for in the year in which dies are completed and invoiced.

Other operating revenue represents income earned from the Group's principal activities and is recognised when the right to receive the income is established as per the terms of the contract.

i) **Other income**

- **Interest income**

  Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

  Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount can be measured reliably.

- Any other income are accounted for on accrual basis.

j) **Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

k) **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

l) **Employee Benefits**

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences,

Notes forming part of the Consolidated Financial Statements

ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined benefit plans

The employees' gratuity fund scheme is managed by a LIC, is the group's defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the statement of profit and loss.

Other long-term employee benefits

The liabilities for earned leave which are not expected to be settled within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

m) Share-based payments

Employees of the Group who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss represents the movement in cumulative

Notes forming part of the Consolidated Financial Statements

expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) **Research and development cost**

Research costs are expensed as and when incurred. Development costs are expensed as and when incurred, unless the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable and the costs can be measured reliably. Research and development expenditure of a capital nature includes the cost of relevant fixed assets.

o) **Income tax**

Income tax expense comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to the items recognised directly in OCI.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) **Government grant**

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

q) **Provisions and contingencies**

A provision is recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

S) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial instruments are initially recognised when the entity becomes party to the contract.

Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss.

Notes forming part of the Consolidated Financial Statements

Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the statement of profit and loss.

Subsequent measurement of financial assets

For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the group's business model for managing the financial assets and the contractual terms of cash flows:

- those to be measured subsequently at fair value; either through OCI or through profit or loss
- those measured at amortised cost

For assets measured at fair value, changes in fair value will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

Debt instruments at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains/ losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains/ losses in the

Equity investments

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

Notes forming part of the Consolidated Financial Statements

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the statement of profit and loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using effective interest rate (EIR) method and are recognised in statement of profit and loss.

Derecognition of financial instruments

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Impairment of financial assets

The group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the group determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the group chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Group to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

Derivative financial instruments

Initial measurement and subsequent measurement

The group uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in statement of profit and loss.

t) Cash dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and approved by the shareholders. A corresponding amount is recognised directly in equity.

Notes forming part of the Consolidated Financial Statements

u) **Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

V) **Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

w) **Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actuals may differ from these estimates.

Judgements

In the process of applying the Group's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Group has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD). Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

Contingent liability

The Group has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information of related contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Notes forming part of the Consolidated Financial Statements

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note prepared elsewhere in the financial statements.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilised.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

X) Recent accounting pronouncements

Standards issued but not yet effective

'Ind AS 116: Leases' was issued by MCA on March 30, 2019 which will replace existing standard 'Ind AS 17: Leases' and its related appendices. The new standard is effective from the accounting periods starting on or after April 01, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. No significant impact is expected for leases in which the Group is a lessee / lessor.

Notes forming part of the Consolidated Financial Statements

3A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(₹ in lakhs)

PARTICULARS	Leasehold land	Freehold land	Buildings (refer note 1)	Factory Equipments	Plant and machinery	Electrical installations	Furniture and fixtures	Computer	Office equiments	Quality control equipment	Motor vehicle	Dies and patterns	Asset given on lease to related parties	Total
Gross carrying amount as at April 01, 2017	**1,265.47**	**1,669.23**	**3,194.96**	**2,153.36**	**27,803.49**	**2,037.98**	**1,788.97**	**422.07**	**459.52**	**456.89**	**471.05**	**4,523.41**	**452.43**	**46,698.83**
Additions	-	-	413.79	341.01	3,779.19	10.22	138.78	48.27	47.70	61.88	16.82	1,228.68	3.75	6,090.09
Translation Adjustment			4.51	81.31	116.72	1.00	5.88	14.84	12.83	6.76	30.57	7.69	88.21	370.32
Disposal/retirements/ derecognition	-	-	-	26.50	14.40	-	3.56	5.86	4.91	5.14	8.63	9.28	-	78.28
Gross carrying amount as at March 31, 2018	**1,265.47**	**1,669.23**	**3,613.26**	**2,549.18**	**31,685.00**	**2,049.20**	**1,930.07**	**479.32**	**515.14**	**520.39**	**509.81**	**5,750.50**	**544.39**	**53,080.96**
Accumulated depreciation as at April 01, 2017	**26.93**	**-**	**958.50**	**1,312.98**	**12,582.06**	**1,140.23**	**744.21**	**390.18**	**344.56**	**281.78**	**291.69**	**2,778.56**	**318.01**	**21,169.69**
Depreciation	13.93	-	181.65	231.35	1,735.78	131.94	152.23	24.66	47.29	50.86	53.64	471.87	46.55	3,141.75
Translation Adjustment	-	-	1.42	66.03	76.06	0.66	5.84	13.66	9.97	6.57	27.53	4.45	69.34	281.53
Disposal/retirements/ derecognition	-	-	-	26.50	14.40	-	3.56	5.86	4.91	5.14	5.08	9.28	-	74.73
Accumulated depreciation as at March 31, 2018	**40.86**	**-**	**1,141.57**	**1,583.86**	**14,379.50**	**1,272.83**	**898.72**	**422.64**	**396.91**	**334.07**	**367.78**	**3,245.60**	**433.90**	**24,518.24**
Carrying amount as at April 01, 2017	**1,238.54**	**1,669.23**	**2,236.46**	**840.38**	**15,221.43**	**897.75**	**1,044.76**	**31.89**	**114.96**	**175.11**	**179.36**	**1,744.85**	**134.42**	**25,529.14**
Carrying amount as at March 31, 2018	**1,224.61**	**1,669.23**	**2,471.69**	**965.32**	**17,305.50**	**776.37**	**1,031.35**	**56.68**	**118.23**	**186.32**	**142.03**	**2,504.90**	**110.49**	**28,562.72**
Gross carrying amount as at April 01, 2018	**1,265.47**	**1,669.23**	**3,613.26**	**2,549.18**	**31,685.00**	**2,049.20**	**1,930.07**	**479.32**	**515.14**	**520.39**	**509.81**	**5,750.50**	**544.39**	**53,080.96**
Additions	-	-	1,004.64	409.61	4,668.56	224.39	26.83	22.38	259.78	56.13	60.39	1,425.75	3.56	8,162.02
Translation Adjustment	-	-	(1.16)	(20.82)	(32.42)	(0.26)	(1.53)	(3.91)	(4.20)	(1.58)	(6.25)	(2.01)	(19.72)	(93.86)
Disposal/retirements/ derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2019	**1,265.47**	**1,669.23**	**4,616.74**	**2,937.97**	**36,321.14**	**2,273.33**	**1,955.37**	**497.79**	**770.72**	**574.94**	**563.95**	**7,174.24**	**528.23**	**61,149.12**
Accumulated depreciation as at April 01, 2018	**40.86**	**-**	**1,141.57**	**1,583.86**	**14,379.50**	**1,272.83**	**898.72**	**422.64**	**396.91**	**334.07**	**367.78**	**3,245.60**	**433.90**	**24,518.24**
Depreciation	13.93	-	222.45	301.41	2,043.04	130.36	150.73	29.50	74.46	58.30	48.34	597.96	37.80	3,708.28
Translation Adjustment	-	-	(0.57)	(18.72)	(25.69)	(0.24)	(1.67)	(3.66)	(3.48)	(1.59)	(5.97)	(1.06)	(17.93)	(80.58)
Disposal/retirements/ derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2019	**54.79**	**-**	**1,363.45**	**1,866.55**	**16,396.85**	**1,402.95**	**1,047.78**	**448.48**	**467.89**	**390.78**	**410.15**	**3,842.50**	**453.77**	**28,145.94**
Carrying amount as at April 01, 2018	**1,224.61**	**1,669.23**	**2,471.69**	**965.32**	**17,305.50**	**682.01**	**1,031.35**	**56.68**	**118.23**	**186.32**	**142.03**	**2,504.90**	**110.49**	**28,562.72**
Carrying amount as at March 31, 2019	**1,210.68**	**1,669.23**	**3,253.29**	**1,071.42**	**19,924.29**	**870.38**	**907.59**	**49.31**	**302.83**	**184.16**	**153.80**	**3,331.74**	**74.46**	**33,003.18**

Note:

Refer note 16 and 20 for details of property, plant and equipment pledged as security for borrowings.

Addition during the year includes R&D capital expenditure of the tune of ₹ Nil (Previous year : 41.43 lakhs)

Notes forming part of the Consolidated Financial Statements

3B Investment Property

Changes in the carrying amount of Investment property

(₹ in lakhs)

PARTICULARS	Land	Building	Total
Gross carrying amount as at April 01, 2017	**109.80**	**269.08**	**378.88**
Additions	-	-	-
Gross carrying amount as at March 31, 2018	**109.80**	**269.08**	**378.88**
Accumulated depreciation as at April 01, 2017	**-**	**100.40**	**100.40**
Depreciation	-	9.10	9.10
Accumulated depreciation as at March 31, 2018	-	109.50	109.50
Carrying amount as at April 01, 2017	**109.80**	**168.68**	**278.48**
Carrying amount as at March 31, 2018	**109.80**	**159.58**	**269.38**
Gross carrying amount as at April 01, 2018	**109.80**	**269.08**	**378.88**
Additions	-	-	-
Gross carrying amount as at March 31, 2019	**109.80**	**269.08**	**378.88**
Accumulated depreciation as at April 01, 2018	**-**	**109.50**	**109.50**
Depreciation	-	9.10	9.10
Accumulated depreciation as at March 31, 2019	**-**	**109.50**	**118.60**
Carrying amount as at April 01, 2018	**109.80**	**159.58**	**269.38**
Carrying amount as at March 31, 2019	**109.80**	**159.58**	**260.28**

Reconciliation of fair value:

PARTICULARS	Investment property
Fair value as at April 01, 2017	**471.54**
Fair value difference	27.73
Fair value as at March 31, 2018	**499.27**
Fair value difference	27.74
Fair value as at March 31, 2019	**527.01**

The Company obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

These valuations are based on valuations performed by property valuer, an accredited independent valuer. The valuer is a specialist in valuing these types of properties. All resulting fair value estimates for investment properties are included in Level 3.

The rent received from the investment property is ₹ 153.81 lakhs (Previous year : ₹ 143.08 lakhs).

Notes forming part of the Consolidated Financial Statements

3C Intangible assets

Changes in the carrying amount of other intangible assets

(₹ in lakhs)

PARTICULARS	Software	Total
Gross carrying amount as at April 01, 2017	**208.35**	**208.35**
Additions	529.65	529.65
Disposal/retirements/derecognition	2.46	2.46
Gross carrying amount as at March 31, 2018	**735.54**	**735.54**
Accumulated depreciation as at April 01, 2017	**178.60**	**178.60**
Depreciation	70.25	70.25
Translation Adjustment	9.88	9.88
Disposal/retirements/derecognition	2.46	2.46
Accumulated depreciation as at March 31, 2018	**256.27**	**256.27**
Carrying amount as at April 01, 2017	**29.75**	**29.75**
Carrying amount as at March 31, 2018	**479.27**	**479.27**
Gross carrying amount as at April 01, 2018	**735.54**	**735.54**
Additions	53.70	53.70
Translation Adjustment	(3.06)	(3.06)
Disposal/retirements/derecognition	-	-
Gross carrying amount as at March 31, 2019	**786.18**	**786.18**
Accumulated depreciation as at April 01, 2018	**256.27**	**256.27**
Depreciation	91.10	91.10
Translation Adjustment	(2.75)	(2.75)
Disposal/retirements/derecognition	-	-
Accumulated depreciation as at March 31, 2019	**344.62**	**344.62**
Carrying amount as at April 01, 2018	**479.27**	**479.27**
Carrying amount as at March 31, 2019	**441.56**	**441.56**

4 Non current investments

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Quoted		
Investments in equity instruments of other entities measured at fair value through Profit and Loss		
Bank of Maharashtra	0.13	0.12
900 equity shares (PY 900) of ₹ 25 each fully paid-up		
Unquoted		
Investments in equity instruments of other entities measured at fair value through Other Comprehensive Income		
Shamrao Vitthal Co-operative bank*	0.50	0.50
2000 equity shares (PY 2000) of ₹ 25 each fully paid-up		
	0.63	**0.62**
Aggregate book value of quoted investments	0.13	0.12
Aggregate market value of quoted investments	0.13	0.12
Aggregate value of unquoted investments	0.50	0.50
Aggregate amount of impairment in value of investments	-	-

* The Company has not performed fair valuation of its investment in unquoted equity shares which are classified as FVTPL, as the Company believes that impact of change on account of fair value is insignificant.

Notes forming part of the Consolidated Financial Statements

5 LOANS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties		
Security deposits.	500.00	500.00
Loans and advances other than related parties		
Security deposits	163.70	133.29
	663.70	**633.29**

Note :

(i) Loans are measured at amortised cost

(ii) Refer related party disclosure in note 39.

6 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Capital advances	608.72	772.77
Balances with customs, excise and other government authorities	509.17	643.25
Deposits paid against appeal/ assessment	35.17	38.17
	1,153.06	**1,454.19**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

7 INVENTORIES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Valued at the lower of cost and net realisable value)		
Finished goods	5,052.66	993.93
Semi Finished goods	3,916.26	3,329.49
Raw materials	874.56	1,743.89
Consumables	1,048.93	1,074.23
Packing Material	22.89	9.93
Dies under Development	1,051.98	1,816.96
	11,967.28	**8,968.43**

finished goods [includes in transit of INR 690.86 lakhs (Previous year : INR 113.65 lakhs)]

Notes forming part of the Consolidated Financial Statements

8 TRADE RECEIVABLES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Trade receivables (Unsecured) :		
Considered good		
- From others	33,577.72	32,208.45
- From related parties	179.16	-
Credit Impaired		
- From others	220.08	1,964.70
	33,976.96	**34,173.15**
Less: Allowance for Credit Impairment	220.08	1,964.70
	33,756.88	**32,208.45**

Notes:

(i) Trade receivables from related parties are disclosed in note 39.

(ii) Trade receivables are measured at amortised cost.

9 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Cash on hand	24.24	32.14
Balances with banks		
- In current accounts	791.73	913.52
	815.97	**945.66**

10 BANK BALANCES OTHER THAN ABOVE (9)

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
- Unpaid dividend account	92.37	16.16
Margin money In FDR with remaining maturity of more than 3 months but less than 12 months	335.39	656.62
	427.76	**672.78**

11 LOANS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
- Loan to employees	29.61	41.67
	29.61	**41.67**

Notes:

(i) Loans are measured at amortised cost.

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

Notes forming part of the Consolidated Financial Statements

12 OTHER CURRENT FINANCIAL ASSETS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Interest accrued on term deposits	11.08	15.68
Other receivables	214.26	104.42
	225.34	**120.10**

Notes:

(i) Other current financial assets are measured at amortised cost.

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

13 OTHER CURRENT ASSETS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers	112.17	78.76
Prepaid expenses	180.98	119.12
Balances with statutory authorities	1,707.37	1,241.73
Advance against expenses/others	105.33	56.84
Other assets	20.70	0.24
	2,126.55	**1,496.69**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

14 SHARE CAPITAL

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Authorised:	800.00	800.00
1,60,00,000 (Previous year : 1,60,00,000) equity shares of ₹ 5 each fully paid up		
	800.00	**800.00**
Issued subscribed and fully paid up:		
1,36,40,121 (Previous year : 1,33,65,510) equity shares of ₹ 5 each fully paid up	682.01	668.28
	682.01	**668.28**

14.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	Number of shares	(₹ lakhs)	Number of shares	(₹ lakhs)
Equity shares				
At the beginning of the year	13,365,510	668.28	12,256,222	612.81
Add: Shares issued on exercise of employee stock options	274,611	13.73	249,288	12.46
Add: Issued during the year			860,000	43.00
Outstanding at the end of the year	**13,640,121**	**682.01**	**13,365,510**	**668.27**

Notes forming part of the Consolidated Financial Statements

14.2 The Company has only one class of shares referred to as equity shares having a par value of ₹ 5. Each shareholder of equity shares is entitled to one vote per share.

14.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.4 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

(₹ in lakhs)

	Number of shares as at March 31, 2019	% of shares held	Number of shares as at March 31, 2018	% of shares held
Nastic Trading LLP	6,762,822	49.58%	6,762,822	50.60%
Shailendra Rai	834,444	6.12%	834,444	6.24%
Enkei Corporation	1,960,000	14.37%	1,960,000	14.66%

15 OTHER EQUITY

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Share application money pending allotment	-	5.72
Securities premium	8,283.01	6,931.89
Employee stock options outstanding reserve	1,646.53	1,664.88
Capital reserve	411.55	411.55
General reserve	1,240.00	1,240.00
Surplus	18,376.30	14,154.58
Exchange difference in translating the financial statemnet of foreign oprations	187.13	163.97
Equity instruments through Other comprehensive income	(0.13)	0.01
	30,144.39	**24,572.60**

16 BORROWINGS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Term loans		
- From banks (secured)	4,361.32	6,040.56
- From financial institutions (secured)	7,078.23	3,417.28
	11,439.55	**9,457.84**
Less : Current maturities of long term borrowing	2,954.97	2,595.54
	8,484.58	**6,862.30**

Notes:

(i) Long-term borrowings include secured term loans at floating interest rates from State Bank of India, Bank of Maharashtra, Bajaj Finance Ltd and IDFC Bank Ltd. which are repayable through monthly / Quarterly installments.

Total number of instalments = 777

Number of instalments outstanding as at March 31, 2019 = 403 (PY = 353)

(ii) Loans availed from State Bank of India, Bank of Maharashtra, Kotak Mahindra Bank, Bajaj Finance Ltd and IDFC Bank Ltd are secured by a first parri-passu charge by way of registered mortgage on the existing fixed assets except Land at Khed city. Loan availed from Bajaj Finance Ltd. is secured by exclusive charge on lease land at Khed city. Of these, ₹ 2,954.97 lakhs (PY ₹ 2595.54 lakhs) are classified as current liabilities being repayable before March 31,2020.

(iii) There is no default, continuing or otherwise in repayment of installment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

(iv) Borrowings are measured at amortised cost

Notes forming part of the Consolidated Financial Statements

17 OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Enkei payable	-	630.40
	-	**630.40**

Note:

Other financial l abilities are measured at amortised cost.

18 PROVISIONS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity (Refer note 36(2))	415.13	357.29
- Compensated Absences	202.91	155.38
	618.04	**512.67**

19 DEFERRED TAX LIABILTIES (NET)

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
- Property,plant and equipment	2,656.57	2,401.78
- Enkei Payable	-	194.65
- Transaction cost on term loans amortised over the tenure of the loan	2.58	5.54
	2,659.15	**2,601.97**
Deferred tax assets		
- Provision for doubtful debts and advances	71.00	652.88
- Provision allowed on payment basis	262.92	268.79
	333.92	**921.67**
Net deferred tax liability	**2,325.23**	**1,680.30**

Refer note 45 for further disclosures

20 BORROWINGS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Loans repayable on demand		
Working capital loans (secured)(Refer note (i) below)		
- From banks (secured).	11,159.56	11,326.57
- From financial institutions (secured).	4,000.00	2,587.79
Total Working capital loans	**15,159.56**	**13,914.36**
Liability from bank against preshipment / PO funding (unsecured)(Refer note (ii) below)	4,415.86	3,465.73
	19,575.42	**17,380.09**

Notes:

(i) Short-term borrowings includes cash credit facilities availed from State Bank of India, Kotak Mahindra Bank (Formerly known as ING Vysya Bank), Bank of Maharashtra, IDFC Bank and Bajaj Finance Ltd. These borrowings are secured in favour of all the aforementioned banks by a first parri-passu charge by way of hypothecation of all stocks and receivables and a second parri-passu charge by joint deed of hypothecation on all fixed assets of the Company.

Notes forming part of the Consolidated Financial Statements

(ii) Unsecured Preshipment loans are availed from Kotak Mahindra Bank for funding purchase orders and working capital demand loan. These loans, are obtained at floating interest rates repayable through weekly instalments.

(iii) There is no default, continuing or otherwise in repayment of instalment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

(iv) Borrowings are measured at amortised cost

21 TRADE PAYABLES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	**1,217.19**	**1,261.50**
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances	3,244.83	14,271.60
- Others	14,006.73	2,893.37
	17,251.56	**17,164.97**
	18,468.75	**18,426.47**

Notes:

(i) Trade payable from related parties are disclosed in note 39.

(ii) Trade payables are measured at amortised cost.

(iii) **Dues to Micro and Small Enterprises :** The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The Company has sent MSME confirmation to all the supplier & below disclosed dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') to the extent confirmation received from supplier. The disclosure pursuant to the said MSMED Act are as follows.

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,213.14	1,261.50
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.05	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made		
Further interest remaining due and payable for earlier years	-	-

Notes forming part of the Consolidated Financial Statements

22 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Liabilities other than derivatives		
Current maturities of long term debt	2954.97	2,595.53
Accrued employee costs	753.70	624.87
Interest accrued and not due on borrowings	69.51	77.84
Unclaimed dividend	92.37	16.16
Payables in respect of fixed assets	888.92	516.48
Payables in respect of services	425.89	408.84
Royalty payable	59.45	121.25
Other liabilities	168.26	89.29
Derivative liability		
Foreign currency forward contract	-	8.09
	5,413.07	**4,458.35**

Note:

(i) Liabilities other than derivatives are measured at amortised cost.

(ii) Derivative liability are measured at fair value through profit or loss.

23 OTHER CURRENT LIABILITIES

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Advances from customers	24.90	152.22
Statutory remittances (net)	969.20	1,029.94
	994.10	**1,182.16**

24 PROVISIONS

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity (Refer note 36(2))	93.11	94.66
- Compensated Absences	126.58	113.49
Provision for bonus	281.31	197.65
	501.00	**405.80**

Notes forming part of the Consolidated Financial Statements

25 REVENUE FROM OPERATIONS

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
- Finished Goods	112,162.11	99,944.02
Other operating revenue		
- Scrap sale	5,204.98	3,055.99
- Sale of Services	793.26	780.87
	118,160.35	**103,780.88**

Revenue for operations year ended March 31, 2019 is not comparable with revenue for operations of year ended March 31, 2018, as the amount of excise duty is not included in the revenue from operations post implementation of GST effective from July 1, 2017.

The entire revenue from operations is recognised at point in time and relates to single operating segment i.e. Aluminium castings.

The information relating to trade receivables from revenue from operations is disclosed in note no.8.

Changes in significant accounting policies - Ind AS 115: Revenue from contracts with customers

The Company has applied Ind AS 115 - Revenue from contracts with customers from April 01, 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of applying this standard recognised at the date of application i.e. from 1st April 2018. Accordingly, the information presented for year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not been applied to comparative information. After evaluation of all the live contracts as on 1st April, 2018 there is no material impact on application of Ind AS 115 on financial statements.

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Details of products sold		
Manufactured goods		
Castings made from aluminum alloys	107,817.51	96,490.88
Conversion Income -(Job work)	0.28	10.16
Scrap Sales	5,204.97	3,055.99
Dies	4,344.32	3,442.98
Other Services	793.27	780.87
Total	**118,160.35**	**103,780.88**

26 OTHER INCOME

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Received	21.54	85.48
Rental income	153.82	143.08
Foreign exchange gains (net)	-	90.14
Export incentive	729.32	446.11
Miscellaneous Income	68.87	136.69
Derivative profit	71.46	45.80
	1,045.01	**947.30**

Notes forming part of the Consolidated Financial Statements

27 COST OF MATERIALS CONSUMED

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory of materials at the beginning of the year	3,340.45	2,522.45
Purchases	62,944.34	52,443.60
Inventory of materials at the end of the year	1,702.72	3,626.34
	64,582.07	**51,339.71**

28 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
At the beginning of the year		
Finished Goods	993.93	1,150.23
Work-in-progress	3,329.49	1,786.09
	4,323.42	**2,936.32**
At the end of the year		
Finished Goods	5,039.20	993.93
Work-in-progress	3,916.26	3,329.49
	8,955.46	**4,323.42**
	(4,632.04)	**(1,387.10)**

Material consumed includes material on conversion account as certified by the management.

The figures of purchases have been arrived by deducting the closing stock from the quantity/value of opening stock as increased by the consumption during the year.

29 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	12,745.19	11,691.72
Contributions to Provident and other Funds	1,163.04	992.81
Gratuity and leave encashment	191.99	207.47
Employee share based payments expenses (refer note 42)	1,327.20	1,728.21
Employee Welfare Expenses	1,076.92	790.13
	16,504.34	**15,410.34**

30 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment (refer note 3A)	3,713.74	3,141.66
Depreciation on Investment property, (refer note 3B)	9.10	9.11
Amortization of intangible assets (refer note 3C)	85.69	70.25
	3,808.53	**3,221.02**

Notes forming part of the Consolidated Financial Statements

31 FINANCE COSTS

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on term loan & working capital (Refer note i)	3,216.10	2,746.24
Interest on payments of Duties & Taxes	11.07	9.20
Other borrowing costs	254.59	164.25
Unwinding of interest on royalty payable	51.96	66.90
	3,533.72	**2,986.59**

Note

(i) Includes amount of ₹ 8.63 lakh (Previous year : ₹ 12.36 lakh) pertaining to amortisation of transaction cost

32 OTHER EXPENSES

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing Expenses		
Consumption of stores and spares	5,599.54	5,739.34
Power and fuel	7,752.84	7,157.32
Processing charges	5,561.38	4,297.21
Repairs to Machinery	519.70	429.92
Repairs Maintenance -Others	507.43	474.11
Other Manufacturing Expenses	113.56	454.88
	20,054.45	**18,552.78**
Administrative Expenses		
Legal and Professional charges	820.95	529.79
Payment to Auditor's (refer note 35 I)	26.88	26.19
Rent	1,110.92	794.71
Corporate Social Responcibility Expenses (refer note 35 II)	79.79	70.34
Other Administrative Expenses	2,288.35	1,827.65
	4,326.89	**3,248.68**
Selling and Distribution Expenses		
Selling and distribution expenses	3,408.46	3,367.93
	3,408.46	**3,367.93**
	27,789.80	**25,169.39**

Notes forming part of the Consolidated Financial Statements

33 FINANCIAL INSTRUMENTS

33.1 Financial Instruments by category

The carrying value of financial instruments by categories as on March 31, 2019 are as follows:

(₹ in lakhs)

PARTICULARS	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.13	0.50	0.63
Trade receivables	33,756.88	-	-	33,756.88
Cash and cash equivalents	815.97	-	-	815.97
Other balances with banks	427.76	-	-	427.76
Loans	693.31	-	-	693.31
Other financial assets	225.34	-	-	225.34
Total Assets	**35,919.26**	**0.13**	**0.50**	**35,919.89**
Liabilities				
Borrowings	28,060.00	-	-	28,060.00
Trade payables	18,468.75	-	-	18,468.75
Other financial liabilities	5,413.07	-	-	5,413.07
Total Liabilities	**51,941.82**	**-**	**-**	**51,941.82**

The carrying value of financial instruments by categories as on March 31, 2018 are as follows:

(₹ in lakhs)

PARTICULARS	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.12	0.50	0.62
Trade receivables	32,208.45	-	-	32,208.45
Cash and cash equivalents	945.66	-	-	945.66
Other balances with banks	672.78	-	-	672.78
Loans	674.96	-	-	674.96
Other financial assets	120.10	-	-	120.10
Total Assets	**34,621.95**	**0.12**	**0.50**	**34,622.57**
Liabilities				
Borrowings	24,242.39	-	-	24,242.39
Trade payables	18,426.47	-	-	18,426.47
Other financial liabilities	5,080.66	8.09	-	5,088.75
Total Liabilities	**47,749.52**	**8.09**	**-**	**47,757.61**

33.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

Notes forming part of the Consolidated Financial Statements

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2019 :

PARTICULARS	As at March 31, 2019	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.13	0.13	-	-
Derivative financial Revenew	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2018 :

PARTICULARS	As at March 31, 2018	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.12	0.12	-	-
Derivative financial liability	8.09	-	8.09	-

Valuation technique and significant unobservable inputs:

Level 2:

(i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

Fair value of financial assets and financial liabilities measured at amortised cost

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets) and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

The Company has not performed fair valuation of its investment in unquoted equity shares as mentioned in note no. 4 which are classified as FVTPL, as the Company believes that impact of change on account of fair value is insignificant.

33.3 Financial risk management

The Company's activities exposes it to market risks, credit risks and liquidity risks. The Company’s management have overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s risks are reviewed regularly to reflect changes in market conditions and the company’s activities. Derivatives are used for hedging of foreign currency loan and not as a trading or speculative purposes.

The Company has exposure to the following risks arising from financial instruments :

a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

Notes forming part of the Consolidated Financial Statements

Trade receivables that were not impaired

PARTICULARS	Carrying amount	
	March 31, 2019	March 31, 2018
Less Than 180 days	33,536.80	30,243.75
More than 180 days	220.08	1,964.70
Total	**33,756.88**	**32,208.45**

Movement in allowance For Credit Impairment

PARTICULARS	₹ in lakhs
At April 01, 2017	1,895.47
Provided during the year	89.05
Amount written off / written back	(19.83)
At March 31, 2018	1,964.70
Provided during the year	62.070
Amount written off / written back	(1,806.69)
At March 31, 2019	220.08

ii. **Financial instruments and Cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties.

b. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk for which company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

PARTICULARS	March 31, 2019	March 31, 2018
Cash and cash equivalents	815.97	945.66
Other balances with banks	427.76	672.78
Total	**1,243.73**	**1,618.44**

The following are the remaining contractual maturities of financial liabilities as on March 31, 2019.

PARTICULARS	Repayable on demand	Less than one year	More than one year	Total
Borrowings	19,575.42	2,954.97	8,484.58	31,014.97
Trade payables	-	18,468.76	-	18,468.76
Other financial liabilities	92.37	2,365.73	-	2,458.10

The following are the remaining contractual maturities of financial liabilities as on March 31, 2018.

PARTICULARS	Repayable on demand	Less than one year	More than one year	Total
Borrowings	17,380.09	2,595.53	6,862.30	26,837.92
Trade payables	736.40	17,690.07	-	18,426.47
Other financial liabilities	16.16	1,846.66	630.40	2,493.22

Notes forming part of the Consolidated Financial Statements

c. **Market risk**

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables and deposits with banks.

i. **Foreign currency risk**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency. The Company manages its foreign currency risk by hedging foreign currency denominated loan using foreign currency forward contracts. The Company negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

The following foreign currency exposures have not been hedged by derivative instruments at the Balance Sheet date:

Nature of exposure	Amount in foreign currency		Equivalent amount in INR	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD				
Trade payables	0.12	1.10	9.20	70.91
Payable for PPE	0.29	0.02	20.24	1.17
Trade receivables	76.79	55.56	5,315.75	3,539.82
Cash and bank balance	0.01	1.80	0.56	116.98
Net liabilities / (assets)	**(76.38)**	**(56.24)**	**(5,286.86)**	**(3,584.73)**
EUR				
Trade payables	23.91	-	1,858.00	-
Payable for PPE	3.48	2.60	258.89	192.51
Trade receivables	46.68	8.95	3,638.99	685.98
Cash and bank balance	5.30	0.01	411.75	0.16
Net liabilities / (assets)	**(24.59)**	**(6.36)**	**(1,933.85)**	**(493.64)**
JPY				
Trade payables	203.82	443.87	128.87	237.49
Payable for PPE	-	142.00	-	85.28
Cash and bank balance	0.05	3.17	0.03	1.95
Net liabilities / (assets)	**203.77**	**582.70**	**128.85**	**320.82**
GBP				
Trade payables	0.00	0.01	0.13	0.01
Trade receivables	3.96	4.49	360.54	390.97
Cash and bank balance	0.00	0.01	0.05	0.26
Net liabilities / (assets)	**(3.96)**	**(4.49)**	**(360.47)**	**(391.22)**

Notes forming part of the Consolidated Financial Statements

Foreign currency sensitivity on unhedged exposure

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax	Effect on pre-tax equity
For March 31, 2019	EUR	+5%	264.34	264.34
		-5%	(264.34)	(264.34)
	USD	+5%	96.69	96.69
		-5%	(96.69)	(96.69)
	JPY	+5%	(6.44)	(6.44)
		-5%	6.44	6.44
	GBP	+5%	18.02	18.02
		-5%	(18.02)	(18.02)
For March 31, 2018	EUR	+5%	179.24	179.24
		-5%	(179.24)	(179.24)
	USD	+5%	24.68	24.68
		-5%	(24.68)	(24.68)
	GBP	+5%	19.56	19.56
		-5%	(19.56)	(19.56)

Details of foreign currency loan that are hedged by derivative instruments or otherwise:

PARTICULARS	Currency	Amount in foreign currency	Equivalent INR	Maturity Profile	Fair Value in Balance Sheet
As at March 31, 2019	USD	-	-	Within one year	-
As at March 31, 2018	USD	5.39	350.52	Within one year	8.09

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instruments are follows:

PARTICULARS	March 31, 2019	March 31, 2018
Variable rate instruments		
Borrowings	31,014.97	26,837.91

Interest rate sensitivity on variable rate instruments

PARTICULARS	March 31, 2019	March 31, 2018
Impact on profit before tax or pre-tax equity		
Increase by 50 basis points	(155.08)	(134.19)
Decrease by 50 basis points	155.08	134.19

34 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Notes forming part of the Consolidated Financial Statements

35 I Auditor's Remuneration

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Statutory Audit	16.00	15.00
Limited Review	4.50	4.50
Consolidation Audit	5.00	5.00
Certifications	1.00	1.00
Out of pocket expenses	0.38	0.69
Total	**26.88**	**26.19**

II Details of CSR Expenditure : -

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Gross Amount To be spend during the year	79.79	64.30
Amount spend during the year	79.79	70.34

36 DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY IND-AS 19 - "EMPLOYEE BENEFITS ARE AS UNDER":

1 Defined contribution plan - Provident fund

The group has recognized following amounts in the profit & loss account for the year:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Contribution to employee provident fund	324.21	293.99
Total	**324.21**	**293.99**

2 Defined benefit plan

i) The defined benefit plan comprises gratuity, which is funded.

ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

(₹ in lakhs)

Change in present value of defined benefit obligation	FY 2018-19	FY 2017-18
Present value of defined benefit obligation at the beginning of the year	791.70	768.79
Current service cost	83.56	81.32
Interest cost	55.04	52.46
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in financial assumptions	7.85	(51.98)
b) changes in demographic assumptions		-
c) experience adjustments	87.92	(23.59)
Past service cost	-	49.42
Benefits paid	(77.58)	(84.72)
Present value of defined benefit obligation at the end of the year	**948.49**	**791.70**

Notes forming part of the Consolidated Financial Statements

(₹ in lakhs)

Change in present value of defined benefit obligation	FY 2018-19	FY 2017-18
Change in the fair value of plan assets		
Fair Value of plan assets at the beginning of the period	350.87	300.62
Interest Income	24.91	21.46
Return on plan assets, excluding interest income	3.87	1.34
Contribution by the employer	138.19	112.17
Benefit paid from the fund	(77.58)	(84.72)
Fair Value of plan assets at the end of the period	440.26	350.87
Analysis of defined benefit obligation		
Present value of obligation as at the end of the year	(948.49)	(791.70)
Fair Value of Plan Assets at the end of the Period	440.26	350.87
Net (asset) / liability recognized in the Balance Sheet	(508.23)	(440.83)
Bifurcation of liability as per Schedule III		
Current Liability	93.12	83.56
Non-Current Liability	415.12	357.29
Net (asset) / liability recognized in the Balance Sheet	508.24	440.85
Components of employer expenses/remeasurement recognized in the statement of Profit and Loss		
Current service cost	83.56	81.32
Net Interest Cost	30.13	31.00
Past Service Cost	-	49.41
Expenses recognized in the Statement of Profit and Loss	113.69	161.74
Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)		
Actuarial loss / (gain)	95.77	(75.57)
Return on plan assets, Excluding interest income	(3.87)	(1.34)
Net (income)/expense recognized in the OCI	91.90	(76.91)
Analysis of defined benefit obligation		
Net opening provision in books of accounts	440.84	468.18
Employee Benefit Expense	113.69	161.74
Amounts recognized in Other Comprehensive Income	91.90	(76.91)
Contribution by the employer	(138.19)	(112.17)
Net (asset) / liability recognized in the Balance Sheet	508.24	440.84
Composition of the plan assets		
Policy of insurance	100.00%	100.00%
Total	100.00%	100.00%
Actuarial Assumptions:		
Discount rate	7.55%	7.55%
Salary Escalation	5.50%	5.50%
Withdrawal rates per annum		
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 35 to 45 years	6.00%	6.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

Notes forming part of the Consolidated Financial Statements

a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

c. Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in lakhs)

Projected benefit obligation on current assumptions	FY 2018-19		FY 2017-18	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	910.31	989.51	761.47	824.18
Future salary growth (0.5 % movement)	987.79	911.01	823.18	761.79
Attrition rate (1 % movement)	953.53	943.20	795.56	787.10
Maturity profile of defined benefit plan				

Maturity profile of defined benefit plan

(₹ in lakhs)

Projected benefits payable in future years from the date of reporting	FY 2018-19	FY 2017-18
1st Following year	113.74	125.52
2nd Following year	53.96	36.42
3rd Following year	79.79	77.71
4th Following year	80.80	41.59
5th Following year	110.72	107.51
Sum of years 6 to 10	437.46	365.03

Weighted average assumptions used to determine net periodic benefit cost

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Weighted average assumptions used to determine net periodic benefit cost	952.00	987.00
Per month salary cost for active members	210.73	186.24
Average monthly salary (₹)	22,135.00	18,869.00
Average age (years)	37.60	36.65
Weighted average duration of the projected benefit obligation (years)	9.63	8.79
Average expected future service (years)	20.82	21.79
Average outstanding term of the obligations (Years)	9.27	9.24
Prescribed contribution for next year (12 Months)	93.12	83.56

37 SEGMENT INFORMATION

The Company's operating business predominantly relates to manufacture of Aluminium Castings thereof and hence the Company has considered "Aluminium Castings" as the single reportable segment.

Notes forming part of the Consolidated Financial Statements

38 NET DEBT RECONCILIATION

Position of net debt

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Borrowings		
Non-current borrowings	8,484.58	6,862.30
Current borrowings	19,575.42	17,380.09
Current maturities of long term loans	2,954.97	2,595.53
Net debt	**31,014.97**	**26,837.92**

Movement in net debt

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Opening net debt	26,837.92	24,773.73
Cash flows	4,177.05	2,053.11
Foreign exchange adjustment	-	11.07
Interest accrued but not due as on April 01, 2018	77.85	74.06
Interest accrued but not due as on March 31, 2019	69.51	(77.85)
Interest expense	3,216.10	2,746.24
Interest paid	(3,363.46)	(2,742.45)
Closing net debt as at March 31, 2019	**31,014.97**	**26,837.91**

39 RELATED PARTY DISCLOSURES

A. Relationship between the related parties:

Relationship	Name of related party
Subsidiary	Alicon Holding - GmbH
Subsidiary	Illichmann Castalloy - GmbH
Subsidiary	Illichmann Castalloy - sro
Group company	Atlas Castalloy Limited*

* Enterprise where the director has significant influence.

B. List of Key Management Personnel and their relatives:

Key Management Personnel (KMP)	Shailendrajit Rai	Managing Director
	Rajeev Sikand	Chief Executive Officer (CEO)
	Vimal Gupta	Chief Financial Officer (CFO)
	P.S. Rao	Company Secretary
	Swapnal Patane (wef 11.03.2019)	Company Secretary
	Pamela Rai	Non-Executive Director
	Anil D Harolikar	Independent Director
	Vinay Punjabi	Independent Director
	Ajay Nanawati	Independent Director
	Junichi Suzuki	Non-Executive Director
Relatives of KMP	Preeti Gupta	Relative of CFO

Notes forming part of the Consolidated Financial Statements

C. **Transactions with related parties :**

No.	Aggregate of transaction	FY 2018-19 Group company	FY 2017-18 Group company
1	Sales	9.95	-
2	Purchases	1,829.16	2,348.35
3	Expenses charged by the company	2,122.38	1,271.40
4	Amount payable at the end of the year	1,875.72	1,538.49
5	Fixed assets purchased (net)	1,421.11	1,112.65

D. **Transaction with related party of Key Managerial Personnel :**

No.	PARTICULARS	FY 2018-19	FY 2017-18
1	Rent paid	2.28	2.28

E. **Compensation to key management personnel :**

No.	PARTICULARS	FY 2018-19	FY 2017-18
1	Short term employee benefits	279.67	219.37
2	Post-employment benefits	25.50	16.70
3	Commission	240.05	140.06
4	Share based payments	1,606.50	1,166.22
5	Sitting Fees	8.05	6.20
	Total	**2,159.77**	**1,548.55**

Note:

As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above. The amount included above is the contribution made by company.

40 LEASE TRANSACTIONS

Operating leases

Obligations towards non-cancellable operating Leases:

The Company has taken facilities and office premises on lease. The future lease payments for these facilities are as under:

PARTICULARS	March 31, 2019	March 31, 2018
Lease obligation		
- Not later than one year	252.00	252.00
- later than one year and not later than five years	1,008.00	1,008.00
- Later than five years	-	-

The operating lease arrangement is with group company and same is renewable on five yearly.

41 STOCK OPTION PLANS

1 Employee Stock Option Plan– 2015

This Scheme shall be called the "Alicon Castalloy Limited – Employee Stock Option Scheme 2015 (ESOS 2015)".

The objective of the ESOS 2015 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments

Notes forming part of the Consolidated Financial Statements

that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Shareholders in their meeting held on December 30, 2015 have resolved to authorize the Board to issue to the Employees of the Company, not more than 6,12,800 (Six Lakh Twelve Thousand Eight Hundred Only) Employee Stock Options under ESOS 2015 exercisable Equity Shares of face value of ₹ 5/- each fully paid up, being not more than 5% of the Issued Equity Share Capital of the Company as on March 31, 2015, to be issued and allotted by the Company (hereinafter referred as "Primary Shares"), in one or more tranches, with each such Option conferring a right upon the Employees to apply for one Equity Share in the Company, in accordance with the terms and conditions of ESOS 2015. The ESOS 2015 shall be administered by the Compensation Committee.

The Employee Stock Options granted may be exercised by the Option grantee at any time within a period of one year from the date of Vesting of the respective Stock Options or such other period as may be decided by the Compensation Committee from time to time. The shares issued upon exercise of options shall be freely transferable and will not be subject to any lock - in period after such exercise provided.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year.

PARTICULARS	FY 2018-19		FY 2017-18	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	321,201	124.00	465,333	124.00
Granted during the year	-	-	120,000	124.00
Forfeited / surrendered during the year	-	-	10,233.00	124.00
Exercised during the year	-	-	253,899.00	124.00
Lapsed during the year	60,000	124.00	-	-
Options outstanding at the end of year	261,201	124.00	321,201	124.00
Options exercisable at the end of the year	57,800	124.00	-	-
Weighted average remaining contractual life	4.78 years		5.16 years	

No options are exercised in the current year in the ESOP Scheme 2015. The weighted average market price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise August 11, 2017 during the year was ₹ 523.32.

No options are granted in the current year. The fair value of each option granted during the last year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

PARTICULARS	FY 2017-18
1. Exercise price (₹)	124.00
2. Price of the underlying share in market at the time of the option grant (₹)	513.54
3. Weighted average fair value of options granted (₹)	390.84
4. Expected life of the option (years)	2.25
5. Risk free interest rate (%)	6.66%
6. Expected volatility (%)	46.85%
7. Dividend yield (%)	1.58%

The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The Company recorded an employee compensation cost of ₹ 94.92 lakhs (Previous year ₹ 496.08) in the Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements

2 Employee Stock Option Plan– 2017

This Scheme shall be called the "Alicon Castalloy Limited – Employee Stock Option Scheme 2017 ("ESOS 2017" or "Scheme").

The objective of the ESOS 2017 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Shareholders by way of special resolution dated June 08, 2017 have authorized the Nomination and Remuneration Committee to grant not exceeding 6,75,000 (Six lacs seventy five Thousand only) Options to the Employees under the ESOS 2017, in one or more tranches, exercisable into not more than 6,75,000 (Six lacs seventy five Thousand only) Shares of face value of ₹ 5 (Rupees five) each fully paid-up, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the ESOS 2017.

Options granted under ESOS 2017 would Vest after 1 (one) year but not later than 4 (four) years from the date of grant of such Options.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year.

PARTICULARS	FY 2018-19		FY 2017-18	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	675,000	5.00	-	-
Granted during the year	-	-	675,000	5.00
Forfeited / surrendered during the year	-	-	-	-
Exercised during the year	270,000	5.00	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	405,000	5.00	675,000	5.00
Options exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	2.35 years		2.54 years	

The weighted average market price of the options exercised under Employees Stock Option Scheme -2017 on the date of exercise November 15, 2018 during the year was ₹ 576.90. (Previous year - Nil).

No options granted in the current year. The fair value of each option granted during the last year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

PARTICULARS	FY 2017-18
1. Exercise price (₹)	5.00
2. Price of the underlying share in market at the time of the option grant (₹)	507.10
3. Weighted average fair value of options granted (₹)	485.77
4. Expected life of the option (years)	2.20
5. Risk free interest rate (%)	6.35%
6. Expected volatility (%)	48.09%
7. Dividend yield (%)	1.55%

The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The Company recorded an employee compensation cost of ₹ 1232.28 lakhs (Previous year ₹ 1232.13 lakhs) in the Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements

42 RESEARCH AND DEVELOPMENT

The Company has separate in-house research & development set- up which is involved in new product development, new process development etc. The details of R&D expenditure are as under:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Capital expenditure	-	41.43
Revenue expenditure	449.30	567.63
Total R&D expenditure	449.30	609.06

43 BASIC AND DILUTED EARNINGS PER SHARE

PARTICULARS		FY 2018-19	FY 2017-18
Nominal value per equity share	₹	5.00	5.00
Profit for the year	₹ in lakhs	5,295.22	3,867.86
Weighted average number of equity shares	No. of shares	13,471,000	13,101,547
Effect of diluted shares	No. of shares	440,238	474,515
Weighted average number of diluted equity shares	No. of shares	13,911,238	13,576,062
Earnings per share - Basic	₹	39.31	29.52
Earnings per share - Diluted	₹	38.06	28.49

44 DISCLOSURE OF CAPITAL COMMITMENT & CONTINGENT LIABILITIES

1. Capital commitment

(₹ in lakhs)

Sr. No.	PARTICULARS	March 31, 2019	March 31, 2018
1	Estimated amount of contracts remaining to be executed on capital account	31.53	626.35
	Total	**31.53**	**626.35**

2. Contingent liabilities not provided for :

(₹ in lakhs)

Sr. No.	PARTICULARS	March 31, 2019	March 31, 2018
1	Letters of credit issued by the banks against imports	721.20	211.57
2	Performance and financial guarantees issued by the banks	3,074.91	3,440.77
3	Customs and related duties for non fulfilment of export obligation	1,349.77	1,349.77
4	Assessment dues of VAT & CST	1,340.08	265.52
5	Pending cases in local civil court	459.09	449.09
6	Income tax dues including interest	18.74	18.74

On February 28, 2019 the Supreme Court has passed a judgment on inclusion of certain allowances in basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. Due to ambiguity and the divergent views on the application of the said judgment, the company has not made any provision. The company will take necessary steps, on receiving further clarity on the subject.

Notes forming part of the Consolidated Financial Statements

45 INCOME TAXES

The income tax expense consists of following:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Tax expense		
Current tax	1,628.96	1,348.92
Short/ (Excess) of earlier years	172.94	-
MAT credit entitlement	(155.22)	-
Deferred tax (benefit) / charge	677.04	339.73
Total tax expense	**2,323.72**	**1,688.66**
Other comprehensive income		
Remeasurements gains and losses on post employment benefits	(32.12)	26.62
Income tax expense reported in the statement of other comprehensive income	**(32.12)**	**26.62**

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Profit before tax	7,618.94	5,569.30
Indian statutory income tax rate	34.94%	34.61%
Expected tax expense	2,662.36	1,924.00
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of tax on earlier years	172.94	-
Tax rate difference on book profit as per Minimum Alternate Tax	(1,008.17)	-
Tax expenses accounted as no effect of Timing differences on MAT liability	521.82	-
Effect of weighted deductions, exemptions and deductions	-	(149.67)
Effect of permanent adjustments	-	(2.68)
Effect of differential overseas tax rate	(25.23)	(75.97)
Others (net)	-	(6.02)
Total tax expense	**2,323.72**	**1,688.66**

Deferred Tax

Item wise movement in deferred tax expense recognised in profit or loss / OCI

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
-Property, plant and equipment	254.79	396.02
-Unwinding of enkei payable	(194.65)	(23.14)
-Transaction cost on term loans amortised over the tenure of the loan	(2.96)	(4.28)
-Provision for doubtful debts and advances	581.88	(19.18)
-Provision allowed on payment basis	5.87	3.98
-MAT credit entitlement	-	11.95
Total expenses	**644.93**	**365.35**
- Recognised in Profit or Loss	677.05	338.73
- Recognised in Other Comprehensive Income	(32.12)	26.62
	644.93	**365.35**

The gross movement in the deferred tax for the year ended March 31, 2019 and March 31, 2018 is as follows:

(₹ in lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Net deferred tax asset (liability) at the beginning	1,679.30	1,313.95
Credits / (charge) relating to temporary differences	677.05	338.73
Temporary differences on other comprehensive income	(32.12)	26.62
Net deferred income tax asset at the end	**2,324.23**	**1,679.30**

Notes forming part of the Consolidated Financial Statements

46 During the year company has allotted 4,611 shares which were not allotted due to technical problem in last year.

47 For Disclosure mandated by schedule III of companies Act, 2013 by way of additional information is given below :

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	Comprehensive income As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Alicon Castalloy Limited	100.00%	30,869.10	100.00%	5,019.08	100.00%	(9.76)	100.00%	5,009.32
Subsidiaries								
Alcion Holding GmbH	3.23%	995.77	0.00%	0.00	-	-	0.00%	0.00
Illichmann Castalloy S.R.O	-4.03%	(1,243.57)	3.47%	183.82	-	-	3.51%	183.82
Illichmann Castalloy GmbH	0.67%	205.10	1.74%	92.36	-	-	1.76%	92.36

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Regn No: 105215W/W100057

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**

Parag Pansare
Partner
Membership No. 117309

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

Place: Pune
Date: April 19, 2019

Rajeev Sikand
Chief Executive Officer

Vimal Gupta
Chief Financial Officer

Swapnal Patane
Company Secretary

Notice of Annual General Meeting

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Alicon Castalloy Limited will be held at 12:30 p.m. on Friday, July 26, 2019 at the Registered Office of the Company at Gat No. 1426, Taluka Shirur, District Pune 412 208, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

Item No. 1 a) - Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon.

Item No. 1 b) - Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of the Auditors thereon.

Item No. 2 - Declaration of Dividend

To confirm payment of interim dividend and to declare final dividend on Equity Share for the Financial Year ended March 31, 2019.

Item No. 3 - Re-Appointment of a Director

To appoint a Director in the place of Mr. Junichi Suzuki (DIN: 02628162), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 4 - Reclassification of the Shareholders from the Promoters' Group Category to Public Group Category.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable from time to time including any statutory modification(s) or re-enactment thereof (hereinafter referred to as "Listing Regulations"), for the time being in force and subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities, as may be necessary, the consent of the Members of Company be and is hereby given for reclassification of Mrs. Vinita Chnadra and Mrs. Meenal Gidwani, collectively holding 40 (forty) Equity Shares in the Company, from "Promoter and Promoter Group" shareholding of the Company to the "Public" shareholding of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or the officers authorized by the Board in this regard be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decision in this regard to give effect to the aforesaid resolution without requiring the Board to secure any further consent or approval of the Members of the Company."

By Order of the Board of Directors

S. Rai
Managing Director
DIN : 00050950

Place: Shikrapur, Pune
Date: April 19, 2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

3. The instrument of proxy, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution or authority as applicable.

4. An Explanatory Statement pursuent to Section 102 of the Companies Act, 2013 is annexed.

5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the Meeting.

6. In case of joint holders attending the Meeting, only such joint holders, who are higher in the order of the names, will be entitled to vote.

7. Members/proxies/authorized representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.

8. The Register of Members and Share Transfer Books of the Company will be closed from Monday, July 22, 2019 to Friday, July 26, 2019 (both days inclusive) for the purpose of Annual General Meeting and Dividend for Financial Year 2018-19.

9. If dividend on Equity Shares as recommended by the Board of Directors is declared at the Meeting, payment of such dividend will be made on and from August 20, 2019, as under:

   i. In respect of Equity Shares held in physical form, to all those Members, whose names are on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours at 5:00 P.M. on Monday, July 22, 2019.

   ii. In respect of Equity Shares held in electronic form, to all beneficial owners of the shares, as per details furnished by the Depositories for this purpose.

10. Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of Dividend unclaimed or unpaid for a period of 7 years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education & Protection Fund (IEPF) set up by Government of India.

    The following are the details of dividend paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remains unpaid:

Date of Declaration of Dividend	Dividend of the Year	Due date of Transfer to the Government
September 28, 2012	2011- 2012	October 26, 2019
September 30, 2013	2012- 2013	October 28, 2020
September 29, 2014	2013- 2014	October 28, 2021
December 30, 2015	2014- 2015	January 28, 2023
September 29, 2016	2015- 2016	October 28, 2023
September 26, 2017	2016- 2017	October 24, 2024
September 22, 2018	2017- 2018	October 29, 2025
February 06, 2019	2018 - 2019	March 15, 2026

    Members, who have not en-cashed their Dividend, are requested to make their claims to the Company immediately.

    The Members are also requested to note that all Shares on which Dividend remains unclaimed for seven consecutive years or more shall be transferred to the IEPF account in compliance with Section 124 of the Companies Act, 2013 and the applicable Rules. In view of this, Members are requested to claim their Dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

11. Details as per Regulation 36(3) of Listing Regulations, 2015 in respect of the Directors seeking Re-appointment at the AGM, forms integral part of the Notice. Other details as required under Secretarial Standard – 2 are

included in the Corporate Governance Report, which forms part of the Annual Report. The Directors have furnished the requisite consents/ declarations for their re-appointment.

12. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary at least 15 days before the ensuing AGM.

13. The Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.

14. The Members holding shares in physical mode are requested to intimate to the Registrar and Share Transfer Agent, M/s Universal Capital Securities Pvt. Ltd. immediately, if there is any change in their registered address. Demat Members should inform the change of address to their respective Depository Participants.

15. The Board of Directors has appointed Mr. Upendra Shukla, a Practicing Company Secretary, Mumbai as the Scrutinizer for the e-voting process, and voting at the venue of the AGM in a fair and transparent manner.

16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes casted at the Meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than 48 hours from the conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

    The scrutinizer shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website www.alicongroup.co.in and on the CDSL website www.evotingindia.com and shall also be communicated to the stock exchanges.

17. The Notice of AGM, Annual Report, Attendance Slip and instructions on e-voting are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copies of the aforesaid documents are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).

    Members who have still not registered their e-mail addresses are requested to register their e-mail addresses, in respect of shares held in electronic mode, with their depository participant and in respect of the shares held in physical mode, with the Company/ Universal Securities Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company.

18. In terms of the provisions of section 108 of the Companies Act, 2013 (the Act), read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 the Company is providing remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to Members holding shares as on July 19, 2019, being the Cut-off date fixed for determining voting rights of Members are entitled to participate in the remote e-voting process, through the e-voting platform provided by Central Depository Services (India) Limited (CDSL) or to vote at the AGM pursuant to Rule 20(4)(vii) of Companies (Management & Administration) Rules, 2014.

19. The Company has arrange transport facility for attending AGM for Shareholders from Pune Railway Station till the AGM Venue/ Registered Office of Shikrapur.

20. The person, who is not the Member of the Company, will not be allowed to enter the AGM venue.

21. Members should not accompany with their kids since entry of kids strictly prohibited.

The instructions for Members voting electronically are as under:

A. For Members who receive Notice of AGM through e-mail:

(i) The voting period begins on Monday July 22, 2019 (9 a.m. IST) and ends on Thursday July 25, 2019 (5:00 p.m. IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday July 19, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The Members should log on to the e-voting website www.evotingindia.com.

(iii) Click on Members / Shareholders

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the Depository or Company please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.

(xi) Click on the EVSN for the ALICON CASTALLOY LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Members and Custodians**

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

(xx) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. For Members who receive the Notice of AGM in physical form:

Members holding shares either in Demat or physical mode, who are in receipt of Notice in physical form, may cast their votes using the e-voting facility, please follow steps from Sr. No. (i) to (xx) under heading A above to vote through e-voting platform.

C. Voting facility at AGM:

(i) In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the AGM, through polling paper system and Members attending the Meeting, who have not already cast their votes by remote e-voting, shall be able to exercise their right at the Meeting.

(ii) Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting, but shall not be entitled to cast their vote again.

By Order of the Board of Directors

S. Rai
Managing Director
DIN : 00050950

Place: Shikrapur, Pune
Date: April 19, 2019

Brief Details of Directors Seeking Appointment/ Re-Appointment as per Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Mr. Junichi Suzuki
Date of Birth	25/01/1948
Date of Appointment	29/10/2002
Qualification	Engineer
Brief Profile	Mr. J. Suzuki is the Chairman of the Enkei Group of Japan. He has wide experience in engineering particularly in manufacturing of aluminum alloy castings and wheels used for two, three & four wheelers. He has more than five decades experience in management.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	Enkei Wheel (India) Ltd.
Memberships/Chairmanship of committees of other companies (includes only Audit & Members/ Investors Grievance/Stakeholders Relationship Committee)	Nil
Shareholding in the Company (Equity)	Nil

EXPLANATORY STATEMENT:

Pursuant to Section 102 of the Companies Act, 2013.

Item No. 4

The Company had received letters from Mrs. Vinita Chandra and Mrs. Meenal Gidwani, shareholders, who falls under the category of Promoters and Promoter Group of the Company, requesting to be reclassified under public category. Both Mrs. Vinita Chandra and Mrs. Gidwani are collectively holding 40 Equity Shares of ₹ 5/- each, which is very insignificant.

The aforesaid person do not exercise any control over the Company and not engaged in the Management of the Company. The Company has also not entered into any shareholders Agreement with them.

Further none of them has got any veto rights as to voting power or control of the Company. They do not even have any Special Information Rights.

They have requested the Company to reclassify them from being a "Promoter Shareholder" to Public Shareholder" of the Company vide their letter dated April 19, 2019.

In view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held on April 19, 2019 has approved both the applications received by the Company as above, for reclassification from Promoter and Promoter Group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid persons.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the public shareholding to achieve compliance with the minimum public shareholding requirement.

Further, in accordance with Regulation 31A of the Listing Regulations, the said reclassification requires the approval of the Stock Exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchanges for granting such approval, the Stock Exchanges, inter alia, require that the Company obtain the consent of the Shareholders of the Company, for the said reclassification.

Mr. S. Rai being brother of Mrs. Vinita Chandra and Mrs. Meenal Gidwani, be deemed to be interested in the resolution to the extend of his shareholding in the capital of the Company. None of the Directors, Key Managerial Person or their relatives is concerned or interested financially or otherwise in the proposed resolution.

The Board of Directors re-commends the resolution as set-out in item no. 4 of the notice convening the meeting, for approval as an Ordinary Resolution.

The relevant documents as referred to in the notice and explanatory statements are available for inspection between 11:00 A.M. to 1:00 P.M. on all working days till the date of the Annual General Meeting i.e. July 26, 2019 at the Registered Office of the Company.

By Order of the Board of Directors

S. Rai
Managing Director
DIN : 00050950

Place: Shikrapur, Pune
Date: April 19, 2019

Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

29TH ANNUAL GENERAL MEETING ON 26TH JULY, 2019

ATTENDANCE SLIP

REG. FOLIO NO. ....

I CERTIFY THAT I AM REGISTERED SHAREHOLDER / PROXY FOR THE REGISTERED SHAREHOLDER OF THE COMPANY.

I HEREBY RECORD MY PRESENCE AT THE ANNUAL GENERAL MEETING OF THE ABOVE COMPANY AT THE GAT NO. 1426, VILLAGE - SHIRAKPUR, TALUKA - SHIRUR, DISTRICT - PUNE – 412208.

MEMBERS / PROXY'S NAME IN BLOCK LETTERS ....

MEMBERS/ PROXY'S SIGNATURE ....

Note: Fill in the attendance slip and hand it over at the Entrance of The Meeting Hall.

COMPANY HAS ARRANGED THE VEHICLE FROM PUNE RAILWAY STATION TO COMPANY AND VEHICLE WILL LEAVE LATEST BY 11:00 AM

Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

29TH ANNUAL GENERAL MEETING ON 26TH JULY, 2019

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies

(Management and Administration) Rules, 2014)

Name of the member (s)..

Registered Address..

E-mail Address...

Folio/Client Id :...DP ID :..

I/We, being the member (s) holding..Shares of the above named company, hereby appoint:

Name : ....Email ID..

Address : ....

....Signature...or failing him

Name : ....Email ID..

Address : ....

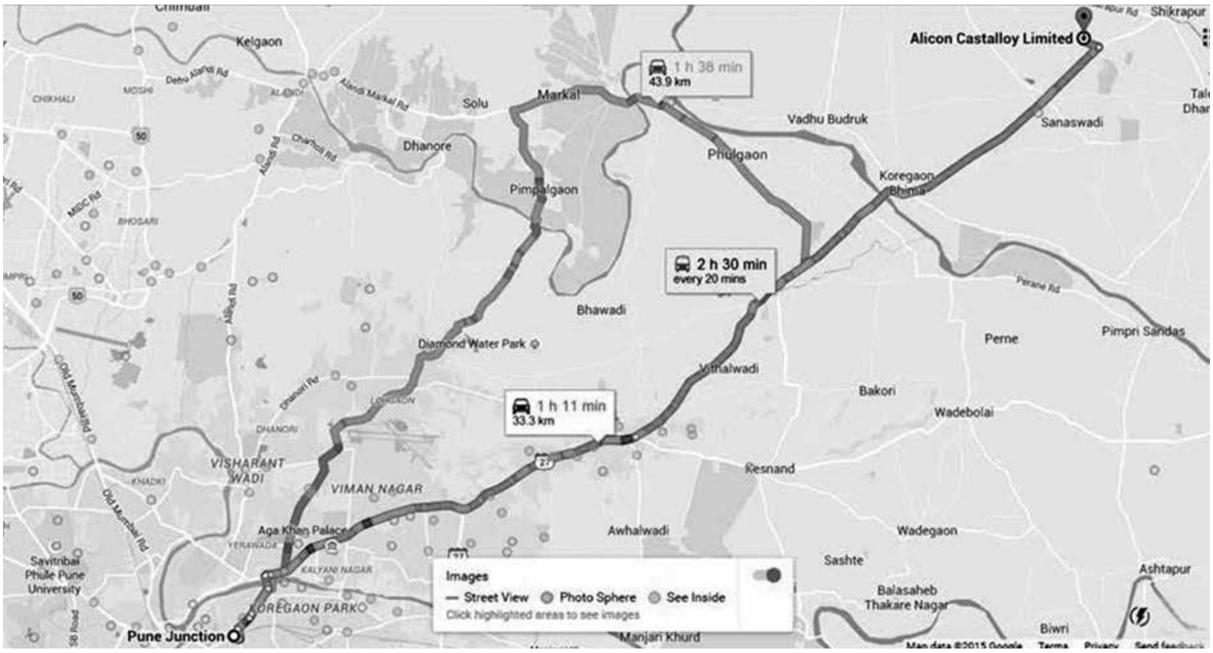
....Signature...or failing him

Name : ....Email ID..

Address : ....

....Signature...or failing him

ROUTE MAP



Source: Google Maps

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on the on Friday, 26th day of July, 2019 at 12:30 p.m. at the Registered Office premises of the Company at Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

ITEM NO. RESOLUTIONS

	ORDINARY BUSINESS
1.	To receive, consider and adopt the audited Balance Sheet and Statement of Profit & Loss for the year ended March 31, 2019.
2.	To declare final dividend.
3.	To appoint a Director in place of Mr. J Suzuki, who retires by rotation, but being eligible offers herself for re-appointment.
	SPECIAL BUSINESS
4.	The Reclassification of the Shareholders from the Promoters' Group Category to Public Group Category.

Signed this ....day of................................, 2019.

Affix
Revenue
Stamp
₹ 1/-

....
Signature of Member (s)

....
Signature of Proxy holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Notes

Notes

alicon

ALICON CASTALLOY LIMITED

CIN: L99999PN1990PLC059487

If undelivered, Please returned to:

Registered Office:

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

www.alicongroup.co.in

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)