

August 05, 2020

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

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

**Scrip Code: 531147**

**Scrip Symbol: ALICON**

**Sub: Annual Report for the financial year 2019-20 and Notice of 30<sup>th</sup> Annual General Meeting**

Sir/Madam,

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we are pleased to enclosed, a copy of the Annual Report for the Financial Year 2019-2020, which inter alia comprises of :


- a) Audited financial statements of accounts (standalone) along with Auditors' Report;
- b) Audited financial statements of accounts (consolidated) along with Auditors' Report;
- c) Cash flow statement
- d) Directors' Report
- e) Management's Discussion and Analysis
- f) Notice convening the 30<sup>th</sup> Annual General Meeting of the Members of the Company at 11:00 a.m. on Wednesday, the August 26, 2020 through Video Conference / Other Audio Visual means.

Kindly take the above information on record.

Thanking you,

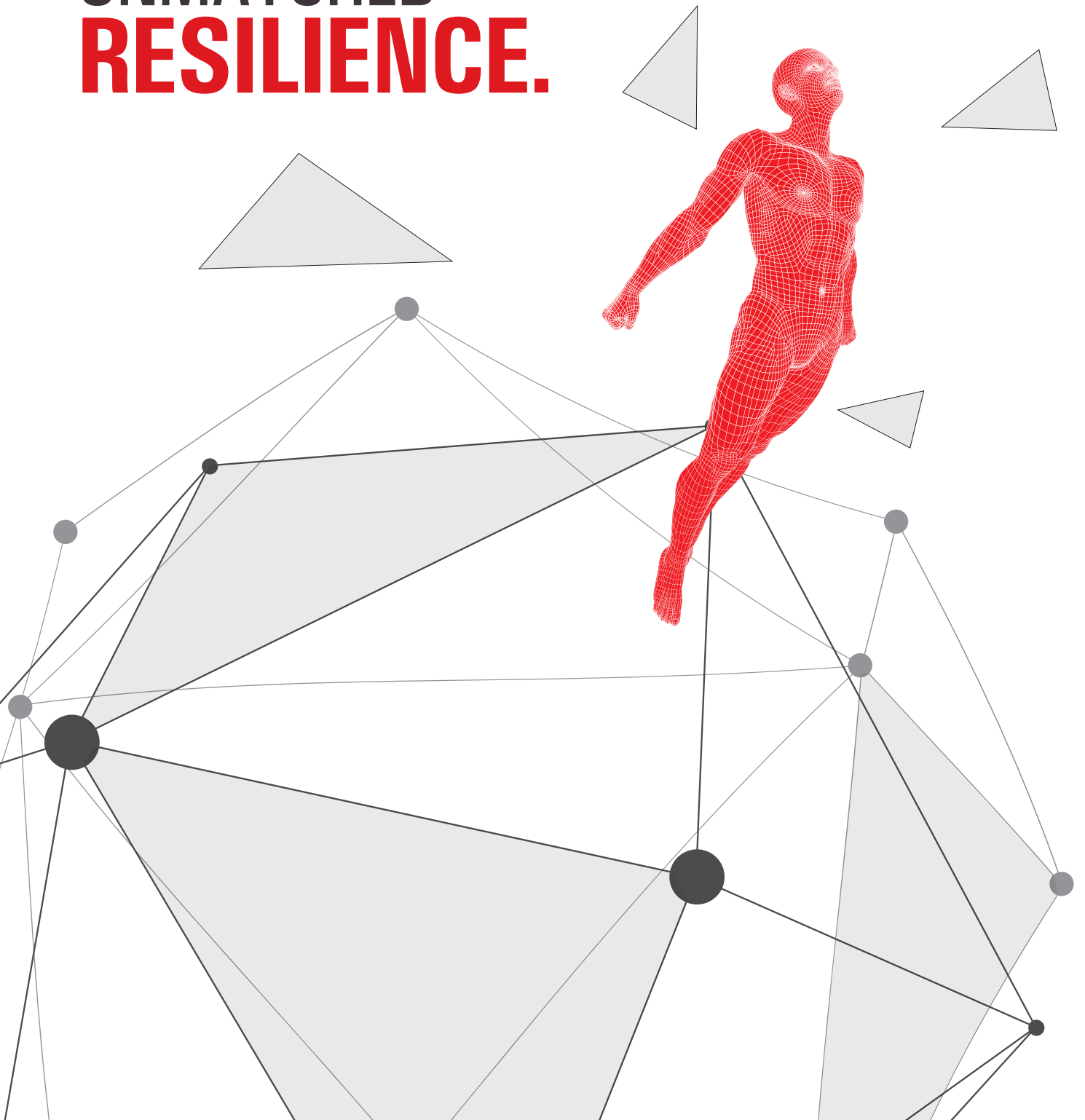
Yours faithfully,

**For Alicon Castalloy Ltd**



**Swapnal Patane**  
**Company Secretary**

UNYIELDING  
**RESOLVE.**  
UNMATCHED  
**RESILIENCE.**



# 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*

MRS. VEENA MANKAR

*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 FIRST BANK  
BAJAJ FINANCE LTD  
HDFC BANK  
CITI BANK

## REGISTERED OFFICE

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TALUKA - SHIRUR, DISTRICT PUNE - 412 208,  
MAHARASHTRA, INDIA

TEL: +91 02137 677100

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

TEL: +022 2820 7203 | FAX: +022 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](http://WWW.ALICONGROUP.CO.IN)

# WHAT'S INSIDE

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# UNYIELDING RESOLVE. **UNMATCHED RESILIENCE.**



Chinchwad Factory

The world is living through a sweeping crisis, the impact of which has been harsh and far-ranging on almost every business and every industry. It has further compounded the challenges for the Indian automotive sector, which was already impacted by the BS-VI transition and slowdown in economic growth.

For Aicon, with our core business dependent on the automotive sector, we are undeniably navigating testing times. Our resolve, however, is unshakeable, and this resolve will help us to emerge stronger from this challenging phase. As Mr. Winston Churchill once said, 'Never let a good crisis go to waste', we are using this crisis as a catalyst to make our Company more customer-centric, agile and lean.

The proliferation of emerging technologies and the expected shifting of global supplier landscape offer exciting prospects. Environment-friendly solutions will also gather momentum as people become increasingly conscious of the vulnerability of our planet, leading to greater demand for our e-mobility solutions. We remain resolute to find these opportunities amidst the challenges and script our success.

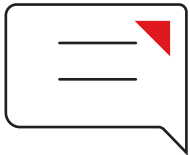
Along with our resolve, our resilience led by our innovation capabilities, manufacturing excellence and the strength of our people will enable us to recover faster from the crisis. With an unwavering commitment to act to achieve, we will continue to focus aggressively on growing our product portfolio, customer base, sectoral and geographical footprint.



**What we are today reflects our resolve and resilience in the past. What we will become is a manifestation of our resolve and resilience today. By demonstrating unyielding resolve and unmatched resilience, we will succeed in accomplishing our long-term goals.**



# LETTER FROM THE MANAGING DIRECTOR



*Dear Members,*

**We are currently faced with one of the greatest health crises of our generation, one that has led to enormous human suffering and had an extraordinary impact on the global economy. As I write this year's annual letter, economies across the globe are tentatively emerging from lockdowns. This process will no doubt be challenging as we are faced with uneasy consumers, tricky health protocols and an irregular business rhythm.**



**Our total revenue and EBITDA for FY 2019-20 declined by 19.5% and 27.4% respectively when compared with the previous year. Notwithstanding our subdued financial results, I am pleased to share that our operational highlights have been encouraging**

We, at Alicon, took immediate steps to handle the lockdown imposed in the wake of COVID-19, focussing primarily on employee safety and constant communication with our customers. Through this period of economic uncertainty, we remain committed to demonstrating resilience – strengthening our capabilities and setting ourselves on a firmer footing for sustainable value creation.

Entering CY 2019, the global economy was already showing signs of a slowdown in the wake of the US-China trade war and concerns over Brexit. Ongoing efforts to mitigate the slowdown were completely derailed by the COVID-19 virus, which first came to light in China in December 2019 and has since spread to more than 190 countries. These developments resulted in a dismal global growth rate of 0.9% for CY 2019, much lower than the 3.6% growth recorded in CY 2018.

Given the significant moderation in economic activity, the Indian economy was expected to experience a slowdown in FY 2020. In an effort to try and recover the economy, the Government of India took several steps - including a substantial direct tax benefit to the corporate sector to boost investment. Unfortunately, even without considering the impact of the pandemic, the latest estimates of GDP and GVA growth released by the CSO on May 29, 2020 reflected significant moderation in growth in FY 2020 - with the GDP growth for April to June 2019 being 5.2%, slowing down further to 4.4% in July to September 2019, 4.1% in October to December 2019 and plummeting to a 3.1% growth January to March 2020. The GDP growth for FY 2020 was 4.2%, the lowest it's been in the past 11 years.

The decline in domestic automobile sales witnessed since the second half of FY 2018-19 continued in

FY 2020, impacted by tepid demand and liquidity constraints faced by automobile financiers. This decline in demand was further accentuated by the muted wholesale demand from automobile manufacturers as they set about clearing inventory of vehicles in the retail ecosystem in order to transition their production of vehicles that complied with BS-VI emission norms (which were scheduled to be implemented with effect from April 01, 2020). Muted global demand also led to a reduction in our overseas business, largely resulting from escalating trade tariffs and the COVID-19 related disruption of manufacturing activities and supply chains towards the end of the fiscal year.

These unprecedented challenges have significantly impacted your Company's financial results, especially since our performance is so closely related to the performance of the automobile industry. Our total revenue and EBITDA for FY 2019-20 declined by 19.5% and 27.4% respectively when compared with the previous year. Notwithstanding our subdued financial results, I am pleased to share that our operational highlights have been encouraging. We have deployed focussed teams working alongside customers and have compressed the timelines of new product development to react more quickly to changing requirements. Our teams are also supporting customers in component design and detailing, raw material selection and navigating new regulatory and technological changes. We have teams focussing on improving our product portfolio to address changing technologies and to cater to the customised requirements of both domestic and global customers.

Alicon Group is driven by an unwavering commitment to quality products and solutions. This commitment is secured by our highly capable workforce, including a team of 200 engineers, who apply their expertise to deliver products of the highest quality. Based on the principles and benchmarks set by our Japanese partners, we work hard to continuously improve and streamline our management and manufacturing processes and systems year after year. Our commitment to ensure component optimisation and the lowest levels of product rejection makes us the partner of choice for leading customers worldwide.

Given the unprecedented economic crisis that the COVID-19 pandemic has caused globally, we expect a challenging FY 2020-21. It remains to be seen if the shuttered economy can be fully restored without risking a major spike in infections. We, however, remain focussed on leveraging our competencies and are confident of the value we bring to our customers, allowing us to strengthen these relationships. We continue to see improved enquiries and leads across markets and industries. The recent orders secured by us from class-leading customers clearly demonstrate that we are able to compete for high value products in the global marketplace. We are also pursuing opportunities in various sectors like Infrastructure, Aeronautics, Defence, Energy and Agriculture. Our non-auto revenues have stabilised at 10% over the last few quarters, proving that we can effectively capitalise on potential opportunities beyond the automobile sector.

Most importantly, we continue to focus on medium to long term objectives even as we work to address near term challenges. Strategic initiatives to pursue global customers, striving for higher share from emerging technologies and driving value accretion continue unabated. On the exponential technology front, we have expanded the use of 3D printing and will be focussed on the use of IoTs for production control and management.

We are also concentrating on talent for future-readiness. During the downturn and lockdown, we are heavily investing in people development and future capabilities. Toward this end, we have put in place a robust talent management and leadership development programme. We have defined leadership competencies to develop leaders that will drive our future. We have assessed and expanded the talent pool for critical roles and enhanced succession coverage. Leveraging technological developments like AI, AVR and Blockchain, we are harnessing technology and the potential of our people to realise our vision.

Challenging periods are the true test of a company's character. Great companies harness these moments and the urgency they create to reaffirm their long-term strategies. We remain committed to ensure that Alicon does the same. With an unwavering resolve, we shall navigate the expected headwinds in the coming months and ensure that we are well-positioned to benefit from the market's eventual recovery.

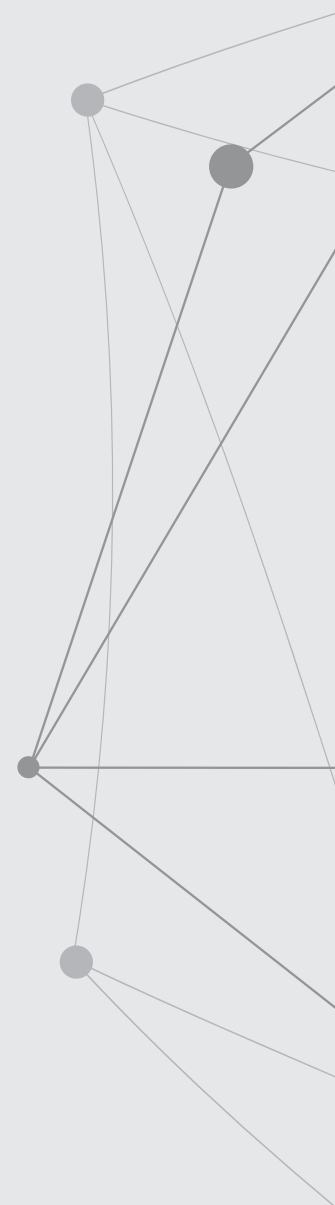
Additionally, as part of our efforts to mitigate challenges, we shall exercise prudence in managing costs and improving cash flow generation. Amidst all the disruption and economic fallout, we also believe that this is an opportunity for India to acquire new overseas markets as companies across the globe look to de-risk and diversify their supply chains or relocate their manufacturing hubs. We shall aggressively scout for such openings to further enhance our resilience and growth.

In order to tackle the "next normal" created by the COVID-19 pandemic, our people are firmly guided by our "3R Mantra's" i.e. Reflection, Resilience and Reimagine. In these challenging times, we have been tested but not defeated. We are determined to come back stronger than before.

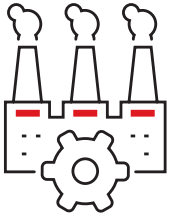
I take this opportunity to extend my gratitude to the Board and the Management team for their counsel and leadership. I would like to thank all members of the Alicon family for their outstanding commitment and performance, particularly during this challenging period. We also thank our customers, business associates, bankers and all stakeholders for their constant support. Together we shall overcome.

**Shailendrajit Rai**

*Managing Director*



# ABOUT US

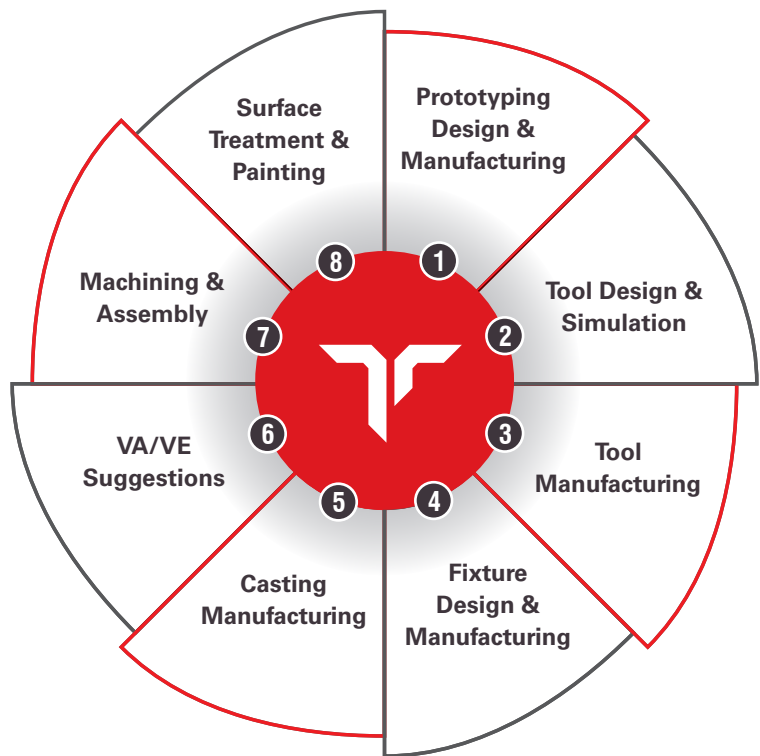


**True to the origins of our name (Aluminium + Icon), we are a consortium of companies that meld European engineering, Japanese quality, and Indian innovation to help cast the most iconic lightweight alloy solutions for customers across the world.**

Our group companies comprising Alicon Castalloy, Atlas Castalloy, Silicon Meadows & Illichmann Castalloy (GmbH & S.R.O.), work together seamlessly, blending their capabilities to forge long-lasting customer relationships and consistently increase shareholder value. Today, we are one of the largest integrated aluminium casting manufacturers offering full-system-solutions across the entire value chain.

### TRIED, TESTED AND TRUSTED

Alicon Castalloy is part of the Alicon Group, 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. Leveraging its core competencies, the Group is one of the largest integrated aluminium casting manufacturers globally. At Alicon, we have distilled our extensive experience into an 8-step process that lets us wield our expertise at every stage of component development. From conception to delivery, we deliver to the exacting standards that helps build relationships with Customer customers.



Chinchwad Plant



## WHOM DO WE SERVE

We are the preferred manufacturer for all the major local and many international OEMs in the automotive sector. We also serve clients in Europe and the US through our European subsidiary Illichmann Castalloy. By providing tailored solutions that help our customers to achieve functional cost efficiencies, we have earned the status of being a valued partner. We are now leveraging our expertise of over five decades in the automotive sector to deliver innovative solutions to a diverse range of industries.



### Our Vision

Become the globally preferred supplier for Light Alloy Casting Solutions.



### Our Values

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



### Our Mission

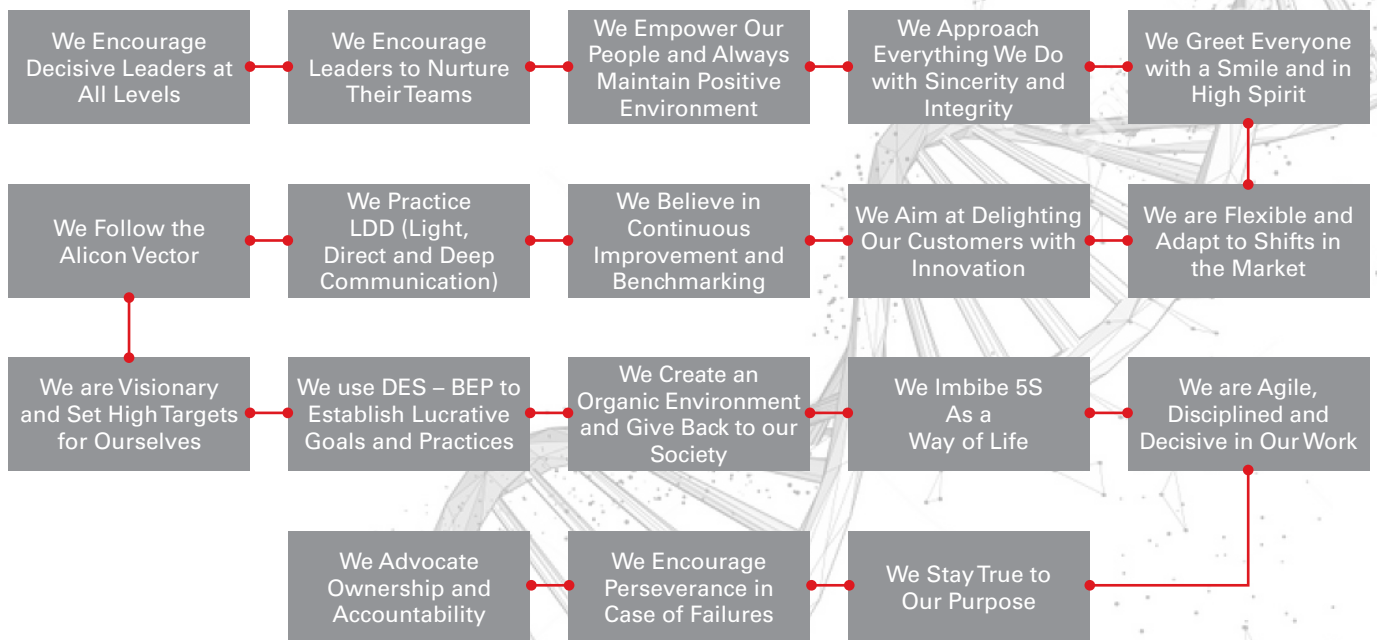
- Grow the employees, associates and suppliers
- Ensure total customer satisfaction
- Increase shareholder value



### Our Business Philosophy

FEWER, BIGGER & BOLDER

## THE ALICON DNA











# UNMATCHED RESILIENCE THROUGH DIVERSIFICATION

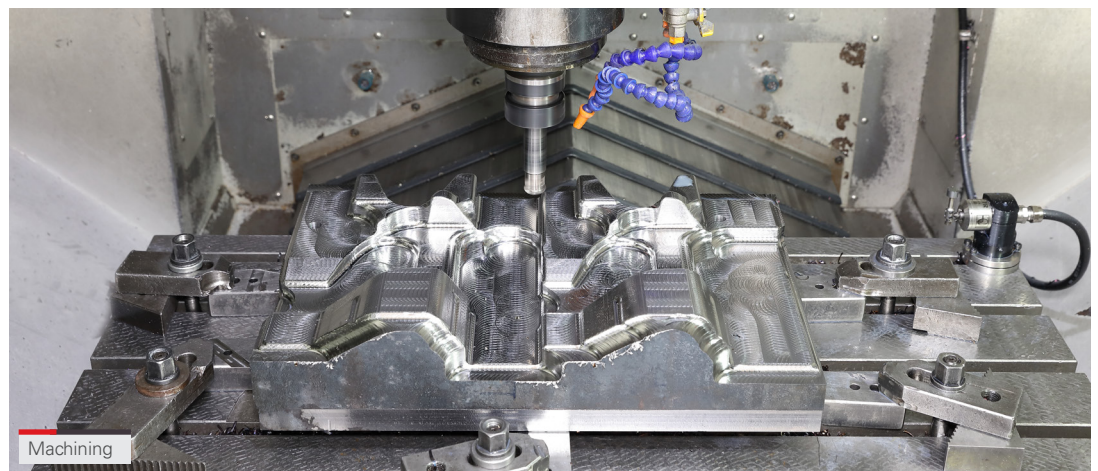


## Customer Diversification

Within the automotive sector, we work with several auto majors and almost every vehicle type, which reinforces our business resilience. Our integrated, in-house capabilities power our full system solutions - from prototype and design engineering to all the way. Our broad customer base has ensured making our business more resilient and value-accretive.

### PRESENCE IN THE AUTOMOTIVE SEGMENT

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










### SECTORAL DIVERSIFICATION




Our broad portfolio enables us to meet the aluminium casting requirements of a diverse range of sectors beyond automotive, thereby making us more resilient to survive and thrive in a range

of potential futures. Staying at the forefront of new industry trends and technologies, we have also forayed into the emerging e-mobility segment to capture new growth opportunities.

### PRESENCE IN THE NON-AUTOMOTIVE SEGMENT

 Agriculture	 Energy	 Medical & Health
 Defence	 Infrastructure	 Locomotive
 Aero & Marine		

### E-MOBILITY SEGMENT

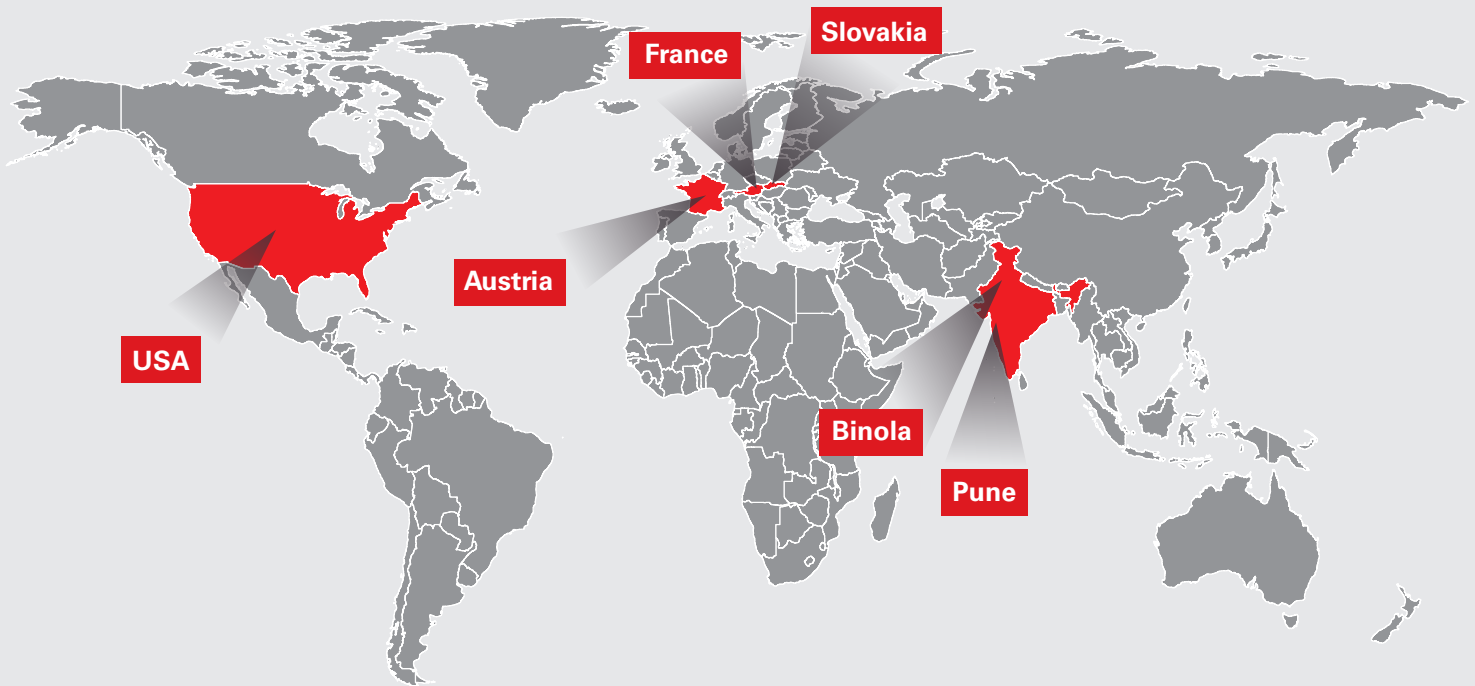
 Two-Wheelers
 Passenger Cars
 Medium and Heavy Commercial Vehicles

## LOCATIONAL DIVERSIFICATION

Our strategic presence enables us to reach out better to our customers and quickly respond to their evolving needs. Our foundries are in close proximity to major automotive clusters in India. Globally, too, we are situated near our international

customers, enabling us to provide ongoing services aligned to their requirements. While enhancing speed-to-market, the locational advantage that we enjoy also optimises costs and drives efficiencies for our customers.

## STRATEGIC LOCATIONS ENABLE BETTER SPEED-TO-MARKET AND INCREASED COST OPTIMISATION



4 modern plants  
(International)

High end machines

Advanced  
Technology Centre

Globally competent  
tool rooms

Full-edged Machine  
Shop (including  
Assembly Facility)

### USA

- Marketing Franchise

### Austria

- International Marketing Office

### Chinchwad, Pune Maharashtra

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

### Shikrapur, Pune Maharashtra

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

### Binola, Haryana

- Manufacturing Plant
- Product Validation Lab

### France

- Marketing Franchise

### Slovakia

- Manufacturing Plant
- Product Validation Lab



# UNYIELDING PASSION. UNMATCHED STRENGTHS.



**We look to the future with confidence backed by our passion for what we do and knowing that we have established differentiated strengths that enable us to better innovate, solve complex problems creatively, deliver for our customers and seize new opportunities.**

**1 Robust R&D**  
Thinking ahead to deliver future-ready solutions

**2 Manufacturing Prowess**  
Facilities enabled with advanced technologies and automation

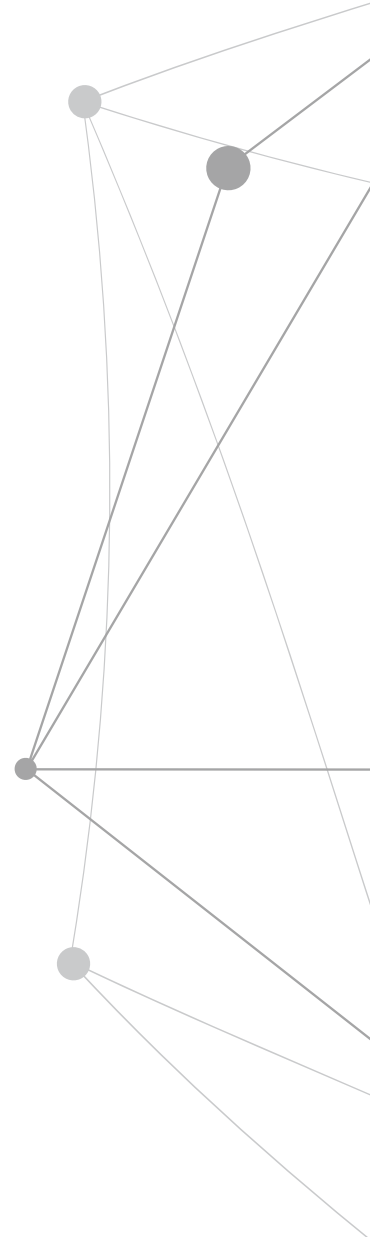


Powered by our commitment to anticipate tomorrow's needs and deliver future-ready solutions, we put a strong focus on Research & Development (R&D). We have an advanced Technology Centre. The facility is manned by our over 200 highly talented and knowledgeable researchers and engineers, who are eager to introduce game-changing innovation that benefits our customers. We adopt a collaborative approach for driving new product development as we recognise that innovation cannot be carried out in isolation. Working closely with our customers from the stage of concept to design, we understand their requirements and then apply our experience and expertise to develop breakthrough solutions.

Our innovation is executed by our four state-of-the-art manufacturing facilities, three of which are located in India and one in Slovakia (Europe). We deploy advanced globally-sourced equipment and machinery such as CNC-MAKINO, MICRON, HARTFORD and EDM across all our manufacturing locations. A globally competent Tool Manufacturing facility (manufacturing 250 tools yearly), Quality & Testing laboratories at each location, and a full-fledged Machine Shop (including a sub-assembly facility) further boost our manufacturing prowess. Across all our plants, we are leveraging Japanese lean manufacturing practices to improve operational effectiveness.

We have also embedded disruptive technologies such as digitalisation, IR, Virtual Reality and Internet of Things at our facilities to ensure robust systems and processes. The adoption of advanced technologies has accelerated the shift towards automation at our facilities, thereby improving worker safety, reducing costs, driving quality, and increasing flexibility. Real-time data generation and data capturing through internet intelligence enables us to reduce rejections at the plant, while boosting productivity. Our manufacturing competency powers us to cast small to large-sized components, and to efficiently service both high and low-volume production – a growing priority as OEMs increasingly offer newer, more varied options and product lifecycles get shorter.







# THE RESOLVE TO GROW



**Our commitment to our long-term goals remains rock solid despite the prevailing uncertain socio-economic environment. Led by this resolve, we remain steady, focussed on pursuing our growth strategies across four overarching areas.**

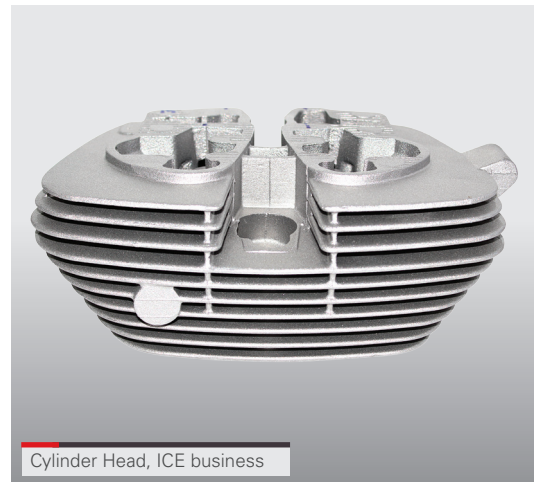


## INTERNAL COMBUSTION ENGINE BUSINESS

The Internal Combustion Engine (ICE) business has been the mainstay of our Company. Over the past five decades, we have partnered with major two and four-wheeler companies to deliver a comprehensive range of solutions. Our flagship component in the ICE space is cylinder heads where we have attained unmatched supremacy in the domestic market. To put it in perspective, one out of every two bikes in India are powered by our cylinder heads and 42% of the total cylinder heads manufactured in the country are made by Alicon.

Notwithstanding the current market slowdown and even after accounting for penetration of E-mobility, there is still ample opportunity to grow our ICE business. We particularly foresee excellent prospects in the four-wheeler cylinder head business over the next five years, as OEMs increasingly outsource such parts due to unviability of in-house capacity and citing non

core business division. We have also launched new products such as suspension parts, wheel hubs, Bridge Fork Top, outer tubes and inlet pipes. These new offerings have received an enthusiastic response.



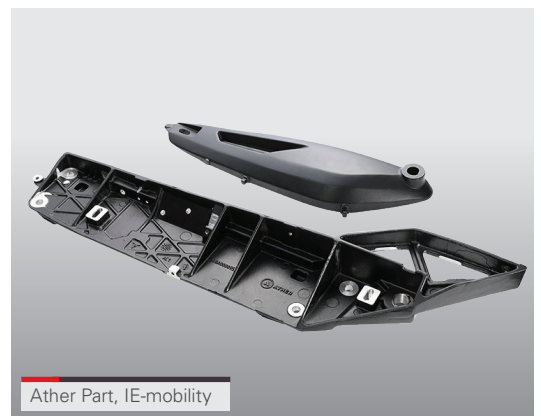
Cylinder Head, ICE business



## E-MOBILITY

While regional performance varies, the overall global electric vehicle industry continues to expand rapidly. Industry experts believe that the share of e-mobility in the domestic market could reach 30% by 2030. With penetration of electric vehicles slated to be on an upward trajectory, we continue to invest in growing our capabilities in this future of mobility. We are staying ahead of the curve in equipping ourselves with the talent and technology to not only remain relevant but also be a key supplier to the electric vehicle industry as it emerges.

Our European facility has a strong track record, the technical capabilities, a highly skilled engineering team and intellectual property to serve the e-mobility segment. During the year in review, we received good orders from the e-mobility sector and the pipeline also looks encouraging. As we



Ather Part, IE-mobility

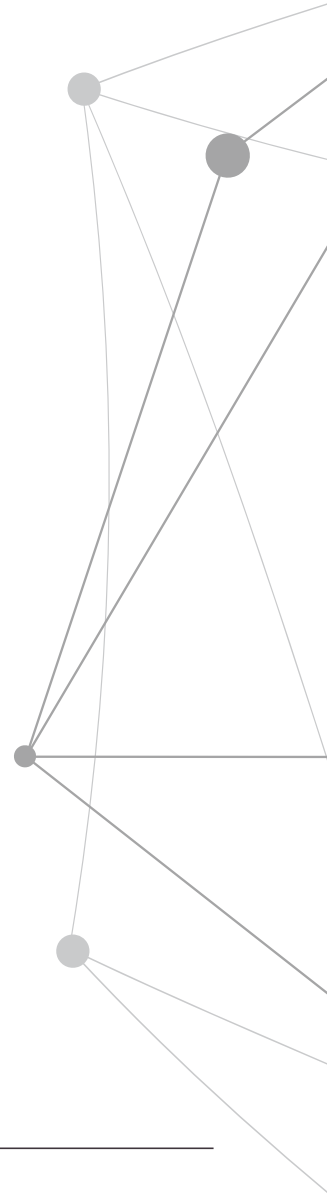
continue to push the envelope of technology adoption and accelerate capability development of our people to meet the pace of change, it will enable our business to be well prepared, better able to deliver to our customers, and grow our business.



### NON-AUTO SECTOR

We are aggressively expanding our portfolio to serve adjacent industries like infrastructure, defence agricultural machinery, oil & gas and aerospace. This strategy will not only help to reduce our dependence on the automotive sector and drive customer diversification, but also open up new growth possibilities.

Several non-auto sectors are increasingly moving from steel-casted products to aluminium-casted products for weight reduction. We are actively identifying these opportunities and developing improved products by using better processes such as Low Pressure Die Casting and Gravity Die Casting to seize the inherent potential. Our innovative methods lower defects and drive product consistency, enabling us to gain the trust of our discerning customers. During the year in review, our continued endeavour towards bringing in product differentiation and growing our portfolio enabled us to better cater to existing customers as well as secure contracts from new customers.

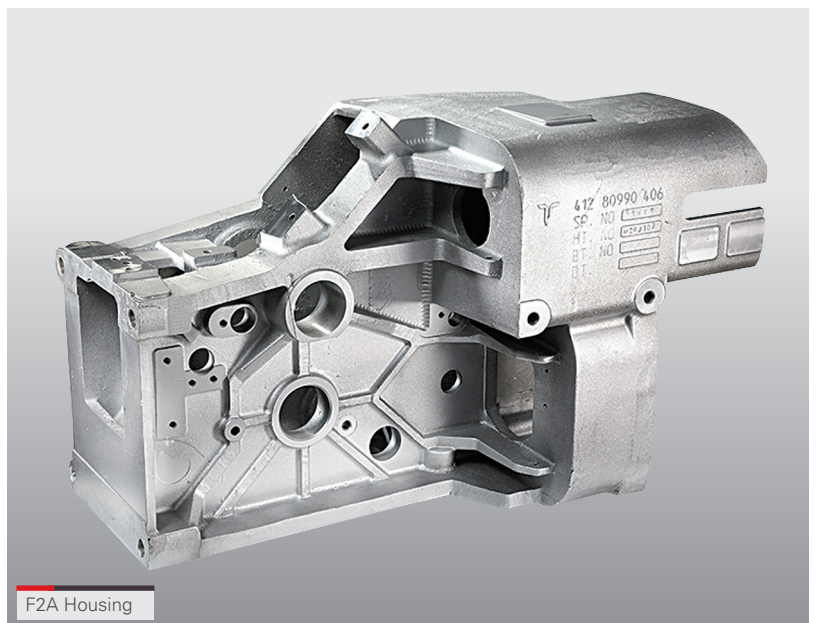


Battery Housing



### OTHER BUSINESSES

There are several businesses that are aluminium-based but are not currently using casting technologies. We remain focussed on tapping these unexplored industries having potential for aluminium-casted products. Our first priority is to gain the customers' confidence for our products and then grow our product basket. Mainly our consortium will be in Extrusion aluminium component as base and also forged aluminium component as the base part. These are the need of our existing customers and we can have a better top line and bottom line by this.



F2A Housing

# THE RESILIENCE TO RISE



**While the current global crisis is one-of-its-kind, the trends shaping the automotive industry and other allied areas will create new opportunities for Alicon in the medium to long-term. We are staying prepared to make the most of this immense potential to leap forward to our growth trajectory.**



## READY WITH LIGHTWEIGHTING

The automotive industry is witnessing an increasing application of lightweighting materials to reduce overall vehicle weight for improved fuel economy. Lightweighting efforts are also being driven by emerging vehicle electrification trends that demand lightweight materials to offset heavy batteries and other new high-voltage components. Aluminium is preferred for many lightweighting applications as it is cost-effective while meeting increasingly stringent safety and performance standards.

At Alicon, lightweighting has been a major focus area of our R&D efforts, resulting in the development of several new products that lower weight. Additionally, we are using Low-Pressure Die Casting for lightweighting, which is far more cost effective as against the process of High-Pressure Casting. With automobiles fast becoming a low volume, high-variety business, OEMs seek to avoid heavy investments, gravitating the focus towards Low Pressure Die Casting process. We continue to explore new components that can be made with aluminium, thus keeping ourselves prepared to rise to the opportunity of lightweighting.



## OFFERING GLOBAL SOLUTIONS AT INDIA'S COSTS

Alicon has emerged as a one-stop provider of global solutions, reducing the need for India-based OEMs to source these solutions from international markets. Our single-window solution helps customers to cut down on validation time and costs for such offerings. We achieve this by engaging with OEMs from as early as the prototype stage of new product development. This gives us a bird's-eye view of the future while the products are still concepts, thus giving us a headstart on strategically shaping the components. Through our perfected eight-step design and manufacturing process, we fuel greater innovation at every step and ensure component development meets the precise requirements of our customers.

Being closely involved in prototype design and development makes us well conversant with the processes. The trust built with our customers over the development phase, along with the vast knowledge and experience gained through these processes, puts us in a strong position to partner our customers for commercial production. Our competitive advantage of being able to provide premium engineering solutions at frugal costs will be a strong driver of our future success.



DOJO Centre, Shikrapur





### AGILE TEAM TO MEET CHANGING DEMANDS

Evolving and increasingly stringent regulations along with technological changes in the automotive industry mean that component production may need to be revisited and reconfigured. Our focussed teams are working closely with customers and compressing production timelines to react quickly to changing requirements. Our teams are also supporting customers on areas such as design, detailing, raw material mix and jointly navigating through the policy shifts. Following the transition to BS-VI regime in the Indian market, we are leveraging our learnings and experience in supplying BS-VI components in developed markets to help support a smoother transition for domestic customers.

Separate teams are in place for improving the product portfolio to address the changing technologies and catering to the customised requirements for both domestic and export customers. To be prepared for technical disruption and contribute to the vehicles of the future, we continue to invest in emerging skills while enhancing our core skills.



### STAYING FOCUSED ON INTERNATIONAL MARKETS

Our International business has been a key propeller of our growth. Facilitated by our European subsidiary, Illichmann Castalloy, we have increased significant foothold in the Europe and the US markets over the last few years. Today, exports, including sales from Illichmann, contribute to about 20% of our total revenue contribution.

To strengthen our market reach and increase our engagement with various overseas customers, we have opened up marketing offices in France and USA. Our strong local presence along with our high-quality products will enable us to get improved leads while increasing our portfolio of offerings with existing customers.

# FUTURE-READY THROUGH OUR 3R MANTRA



**At Alicon, our aim has always been towards making ourselves ‘Future-Ready’. We strive to realise this by not only embedding the latest technology and pioneering the next breakthrough solution, but also by constantly empowering and inspiring our people and caring for their wellbeing, so that they can take root, grow and thrive in ever-changing conditions.**

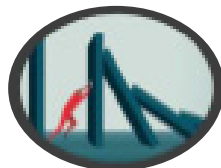
In the current unprecedented crisis, where individuals, organisations and nations are all gripped by anxiety and uncertainty, we have consciously stepped up our engagement with our people. Our focus has been on encouraging the adoption of the ‘3R Mindset’, which stands for Reflection, Resilience and Reimagined Thinking, as a way of life. We firmly believe that imbibing this approach will enable our people, and us an organisation, respond better to the new normal. As part of our 3R philosophy, we are also driving the importance of conserving cash. Across the organisation, focussed action too is being taken to ensure positive cashflows and cost reduction in these uncertain times.



## 3R Mantra



**01 Reflection**  
**Draw insights & act**



**02 Resilience**  
**Recover quickly to stay focussed**



**03 Reimagine**  
**Re-create imaginatively**



To navigate safely through this pandemic, our key priority has been to maintain and secure our Company's operations, while also ensuring the safety and wellbeing of our employees and business partners. We are meticulously executing business plans and taking requisite measures to stay prepared for the new normal and ensure business continuity. Our 3R Policy along with our safety measures have already yielded many positive results, which are as under:



### INTERNAL REWIRING

- Built a groupwide cross-functional foundry team which is working on multiple strategic projects by leveraging technology.
- Created a Business Excellence Division to drive savings in direct, indirect and administrative costs in pursuit of operational excellence.
- Enhanced our focus on cash conservation and ensuring accretive cash flows through capex rationalisation and wastage elimination, thereby enabling us to be lean and agile in our business functions.



### PROSPERITY OF STAKEHOLDER ECOSYSTEM

- Formed an ecosystem consisting of apex and execution teams which has set up SOPs through manuals and training to ensure safety and health of all employees and implementation of procedures and protocols at all plants and facilities.
- Created a guardian system where each designated guardian acts as a caretaker for 15 to 20 associates by ensuring support for essential and medical supplies in times of lockdown or difficult situations, thereby strengthening the bond of trust.
- Strengthened customer connect by engaging closely with them so that we can hit the ground running as the situation normalises.
- Extended support to our Tier II suppliers in multiple ways to enable them to withstand the impact.



### ROBUST HORIZON

- We continue to be propelled by our ambition of significantly growing our profits. We aim to achieve this by thinking bigger, being bolder, creating disruption, and incorporating exponential technologies while embracing our cultural pillars of being agile, passionate and innovative.
- Post the lifting of the nationwide lockdown, we have resumed operations across all our facilities, albeit at lower capacity utilisation levels. We are confident of returning to near-normal operations once the situation stabilises. With regard to international operations, the manufacturing plant in Slovakia is fully operational.
- We are undertaking utmost precaution and deploying the highest safety standards as advised by the Government Authorities across all our manufacturing units.
- Our order book execution is making steady progress in-line with our timelines. While there may be delays in receiving customer approvals for samples submitted, due to the pandemic, we remain confident of commencing production as per targeted schedules.



# INSPIRING COMMUNITIES TO BE SELF-RELIANT (ATMANIRBHAR)



## RURAL DEVELOPMENT

“If we could free even one village from the shackles of helplessness and ignorance, an ideal for the whole of India would be established. Let a few villages be rebuilt in this way, and I shall say they are my India. That is the way to discover the true India”. (Tagore, 1928).

In the 5th year of our support to **People’s Empowering Movement**, to make life in rural Konkan of Maharashtra self-reliant and sustainable, an irrigation project was commissioned at village Masrang to meet the needs of over 30 families.

The effects of extremely heavy monsoon followed by the Kyar cyclone, played havoc over more than 50% of the region, damaging crops nearly ready for harvesting and incurring heavy losses for farmers during the paddy season. Alicon led a Rice Distribution Initiative, a first of its kind of intervention in the Konkan region. 90 quintals of rice were distributed to farmers’ families from Rajwadi, Dhamani & Chikhali in the Sangameshwar block.

In village Pukharpur of Pataudi Block in Haryana, Alicon continued to support **Sanshil Foundation’s** livelihood initiative for women, who received advanced training in tailoring, crochet, tie & dye. Financial management & discussions on overcoming personal barriers, prejudices and building self-confidence was an essential facet of the programme.



In the same village, **RUBOT Foundation** initiated their Model Village Assignment, where the modality of functioning was children participating through a Bal Panchayat programme. The objective was to introduce positive behaviour change, primarily around Waste Management. In an extremely challenging environment, with strong cultural & social stereotypes, relentless mobilisation over the year, led to the construction of composting pits and a space for dry waste segregation for solid waste management on panchayat land. Alicon employees led a clean-up drive in the village to inspire ownership by locals.

At another village in the same area, the problem of vehicle accidents and overflow of sewage waste were a safety and health hazard to the community. We came forward at the request of the Shankar wali Dhani Panchayat, to construct an 8.5 km concrete road through the village. Keeping our vision of beneficiary participation, the panchayat committed their support of labour, as Shramdaan.







## EDUCATION

According to Sri Aurobindo, “the main aim of integral education is a holistic development of mind, body and soul”. He believed that education should inculcate in a student moral values, humanity and character building and to instill in them, as early as possible, the will towards progress and perfection.

**Pi Jam Foundation** is on a mission to equip Indian children with quality computer skills, a problem-solving mind-set and design oriented thought, through the use of low-cost open source technology and the Raspberry Pi, a mini-computer. This programme brings an age-appropriate and relevant computer curriculum to students and schools which lack access to modern technology.

It is our 2nd year that we continue to support the Pi Lab programme at a low income school in Pune with a permanent lab, well-trained teachers and an evolving assessment schedule. A new intervention is an after school programme in an underserved community that has reached out to 75 children in the 12-14 year age group. Students have been encouraged to think about real-world problems, and to build technology-based solutions. Climate change, pollution and local community problems are all addressed. It also serves as a platform to understand academic science models in a practical way. Girls at all projects have shown an immense interest in learning and pursuing a career in tech.

This is the 2nd year of partnering with **Insight Walk**. It is their mission to train local women to be community changemakers (Fellowship programme). They undergo rigorous training and receive continuous support to inculcate knowledge, skills and values to the children with whom they engage in an after school programme (Innovation & Passion lab).

Currently, impacting over 240 children, in 9 villages of district Kolhapur MH, the community centres have become a space where children are free to express themselves using journalism, poetry and storytelling. They are taught to research and document their learnings, given an exposure to photography, organic farming, art, craft, and encouraged to innovate using local resources & trash. Fellows help children to improve their reading & writing skills, develop hobbies and life skills for socio-emotional wellbeing. The focus is also on healthy parent-child relationships to create safe & stimulating learning conditions at home.



# INSPIRING COMMUNITIES TO BE SELF-RELIANT (ATMANIRBHAR)



In India, the Integrated Child Development Services Scheme (ICDS) is the flagship state-run programme for early childhood care and development with a mandate to deliver services – health, nutrition, immunisation and non-formal early education, for children below six years of age, through an Anganwadi Centre.

In the 1st year of partnership with **United Way Mumbai**, project Ankur, has strengthened 4 anganwadis and 166 children in the Shikrapur area in Pune. The focus is on three dimensions of school readiness: Ready children: focussing on children’s learning and development. Ready schools: focussing on the school environment. Ready families: focussing on parental and caregiver attitudes and involvement in their children’s early learning and development and transition to school. The impact has been incremental by implementing new techniques of learning, regular engagement with parents, capacity building of anganwadi workers.

A UNICEF report states “School readiness lays the foundation for educational success and achievement. In addition, instrumental benefits are noted for society as the result of human capital created through a strong foundational start.” We believe that the success of our children and the strength of the community are interconnected. Their needs are inseparable and must be addressed together.

The groundwork has been laid for the Bal Pragati Kendra at Shikrapur by **Kshitij**, which will initially engage with 280 families and over 350 children in the age group of birth to 6 years. The focus will be to build the capacity of parents as primary caregivers in

the growth of their children, by spreading awareness of solutions to support holistic child development, safety, health & nutrition and creating a child-friendly atmosphere at home. Also to develop change-agents within the community to ensure services that meet the needs of families, including access to education and health irrespective of caste, religion and economic status, and creating safe, open spaces for children to play.



## SPORTS

An area of 3.25 acres is being developed as a Sports Ground at Shikrapur, Pune near the Alicon facility, in partnership with the local gram panchayat. This is an endeavour to make sports in rural India an integral part of education, to encourage school children to play sports not only for their physical well-being but also as a platform for building character and excellence, developing concentration, discipline, cooperation, team spirit, endurance, courage and to develop their full potential. The children will receive training in athletics, volley ball, basket-ball, kabaddi, kho-kho among other sports. In harmony with Alicon’s vision for India; we dream that this will create a stronger and more energetic nation.



### COMING TOGETHER AS A COMMUNITY FOR THE SAKE OF HUMANITY

As the world is facing an unprecedented challenge with communities and economies being affected by the growing COVID-19 pandemic, the Alicon team took decisive action to support individuals and families in our neighbouring communities, who lacked access to the essentials required.

Families and individuals received food ration kit to sustain them for 2-4 week period. Over the last 3 months, 4,250 food ration kits were distributed in Binola, Chinchwad, Shikrapur, Ratnagiri and parts of Pune City with the support of our NGO partner Kshitij, local community workers and the dedicated employees of Alicon Group, all worked with immense compassion and provided emotional support to help those in distress to overcome their fears and insecurity.





# FINANCIAL HIGHLIGHTS



## REVENUE FROM OPERATIONS (Net)

(₹ in Million)

2015-16	7,489
2016-17	8,655
2017-18	10,378
2018-19	11,889
2019-20	9,572

## EBITDA

(₹ in Million)

2015-16	810
2016-17	888
2017-18	1,176
2018-19	1,496
2019-20	1,087

## PROFIT BEFORE TAX (PBT)

(₹ in Million)

2015-16	320
2016-17	355
2017-18	556
2018-19	762
2019-20	253

## NET WORTH

(₹ in Million)

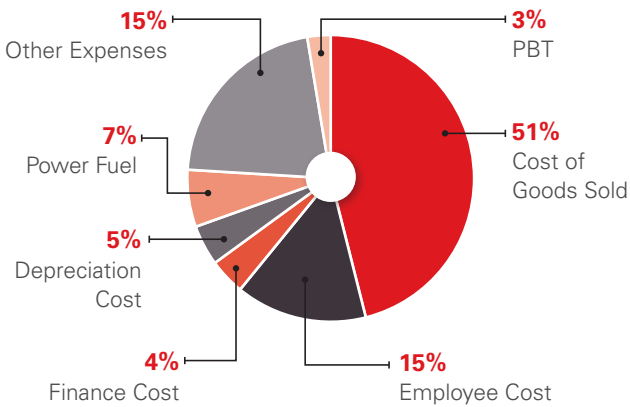
2015-16	1,448
2016-17	1,671
2017-18	2,524
2018-19	3,083
2019-20	3,149

### DEBT EQUITY RATIO

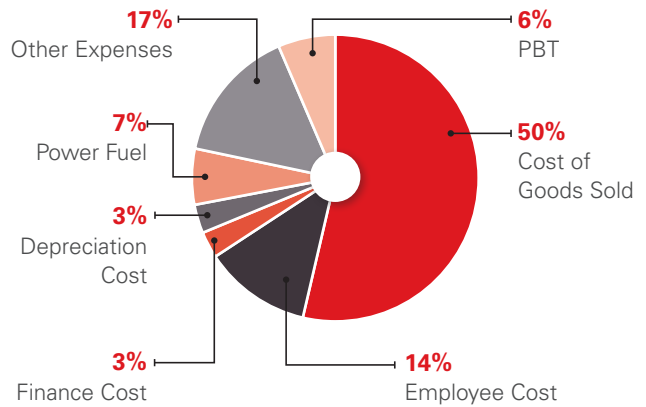
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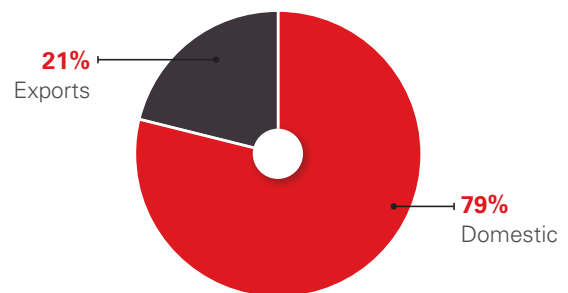
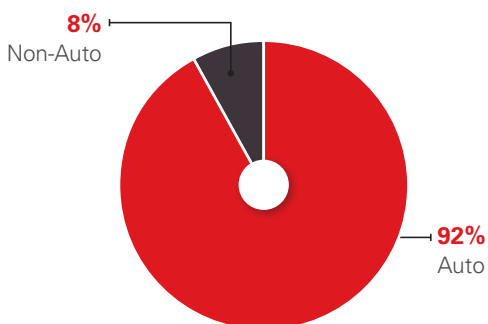
### COST AND PROFIT AS A PERCENTAGE OF TOTAL INCOME - 2019-20



### COST AND PROFIT AS A PERCENTAGE OF TOTAL INCOME - 2018-19



### REVENUE MIX - FY 2020



# AWARDS & RECOGNITIONS



Award received from Honda for strong commitment and 20 Years of Strong Partnership

Award for New Part Development and Smooth Transition of BS-IV to BS-VI by Honda

Award for Best QC Story by Toyota

Award for Best Supplier of The Year for FY 2019-20 from Toyota



CII award received for Strong Commitment in HR Excellence Practices category



# MANAGEMENT DISCUSSION AND ANALYSIS



## ECONOMIC REVIEW

We are amidst unprecedented times. The COVID-19 pandemic has spread across the world and has led to enormous human suffering and slammed the brakes on commercial activity. With lockdowns spread across countries accounting for over 50% of the world Gross Domestic Product (GDP), it has led to disruptions and dislocations on a scale never imagined. The spectre of empty high streets and shuttered factories and markets was a scenario hitherto unseen.

As we write this, economies across the globe are tentatively emerging from lockdowns. The exit path from lockdowns is likely to be precarious with uneasy consumers, tricky health protocols and an irregular business rhythm.

Governments across the world have unleashed massive fiscal measures to protect economic activity from the impact of the virus apart from targeted health services to alleviate the sufferings of the infected and protect the potentially exposed. Central banks across the world have also initiated multiple monetary and regulatory measures.

In India too, the overall package announced amounted to ₹ 20 Lacs crore which is approximately equivalent to 10% of Indian GDP, under Self-Reliant India Movement to revive the country's battered economy. A few highlights of the package include:

- ₹ 1.7 Lacs crore relief package to alleviate hardships faced by the vulnerable section of the society
- Collateral-free loans and concessional credit to farmers and street vendors
- Enhancement of systemic liquidity by the Reserve Bank of India (RBI)
- ₹ 15,000 crore for Emergency Health Response Package
- Relaxation in Statutory and Compliance matters
- 100% credit guarantee scheme for aggregate ₹ 3 Lacs crore of emergency credit lines by banks and NBFCs to their MSME borrowers and
- Disallowing global tenders up to ₹ 200 crore to improve the competitive position of Indian MSMEs vs global players

A brief summary of the economic environment in FY 2019-20 (FY 2020) and the emerging trends in the wake of COVID-19 pandemic are discussed below.

The world economy delivered one of the lowest gross domestic product (GDP) growth in FY 2019-20 in the backdrop of muted manufacturing activity and the onset of COVID-19 pandemic. As per the International Monetary Fund (IMF), it grew by 2.9% in CY 2019, much lower than 3.6% growth it recorded in CY 2018. With the world's restrictive measures ceasing manufacturing plants, disrupting supply chains, and bringing many global businesses to a standstill. The IMF projects world economic output to decline sharply by 3% in CY 2020. It forecasts healthy growth of 5.8% in CY 2021 provided pandemic is successfully brought under control and production and trade activities are allowed to resume.

The Indian economy was expected to experience a slowdown in growth in FY 2020 given the significant moderation in activity. In an effort to provide a boost for the economy, the Government of India took several steps - including a substantial direct tax benefit to the corporate sector to boost investment. However, even without the terrible effects of the pandemic, the latest estimates of GDP and GVA growth released by the CSO on May 29, 2020 reflected significant moderation in growth in FY 2020 with the GDP growth for April to June 2019 being 5.2%, slowing down further to 4.4% in July to September 2019, 4.1% in October to December 2019 and plummeting to a 3.1% growth in January to March 2020. The GDP growth for FY 2020 was 4.2%, the lowest in 11 years.

Given the uncertain environment, it is too early to hazard the trajectory of the GDP in India at this stage.

We expect a challenging FY 2020-21 given the unprecedented economic crisis that the COVID-19



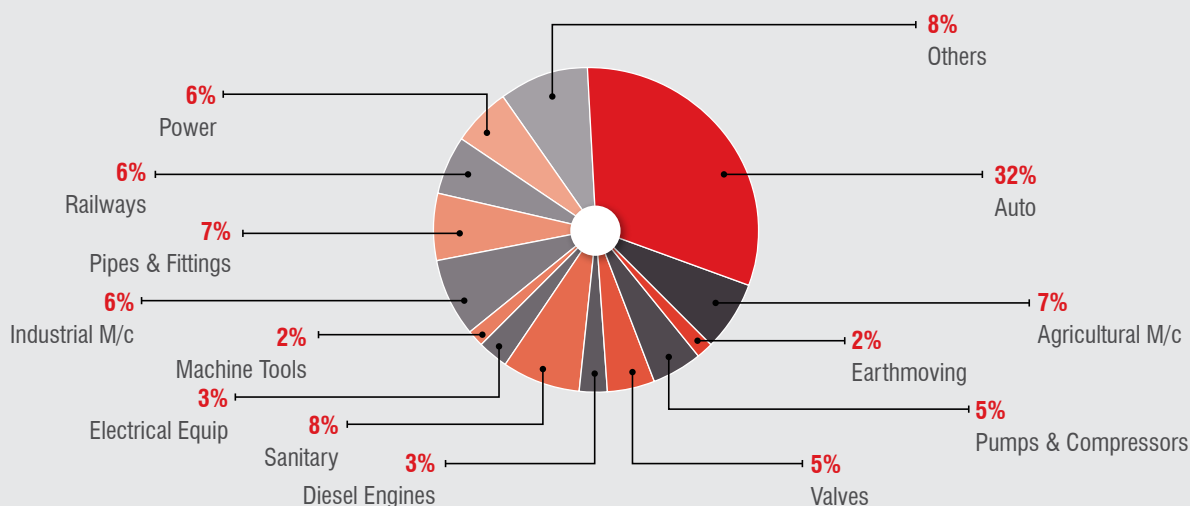
pandemic has caused globally. It remains to be seen if the steps taken to reopen the shuttered economy do translate into kickstarting the economy without risking a major spike in infections.

**INDUSTRY OVERVIEW**

The global casting production increased by 2.6% in CY 2019 to reach 112.7 million metric tonnes as per 53rd World Casting Census published by Modern Castings USA in December 2019. China, India and the US continued to dominate the market. India and China together account for over 55% of total global production, with India contributing 12.24% while China contributing 43.7%. In CY 2019, China witnessed a marginal production decline of 0.1%, while India delivered a robust growth of 11% in CY 2019.

(Source: <https://www.thehindubusinessline.com/news/foundry-sector-seeks-govt-help-to-double-exports/article30843749.ece>)

**Sectorwise Major Consumers of Casting**





The transportation sector is one of the primary industries for the growth of the aluminium die casting market. Within the transportation segment, lightweight vehicles are considered to be the key driver for growth in the forthcoming years. Automakers in different countries are focussing on lightweight vehicles. For instance, top

OEMs in India, such as Tata Motors, Mahindra & Mahindra, Eicher Motors, and Ashok Leyland, are exploring possibilities to develop energy efficient vehicles by using aluminium.

(Source: <https://www.grandviewresearch.com/industry-analysis/aluminum-die-casting-market>)

### Sectorwise Major Consumers of Casting



#### STRENGTHS

- High availability of technically skilled engineers
- Low cost of labour and manufacturing
- Strong industrial base with good availability of alloys
- Strong technical know-how in producing high quality castings
- Structural growth drivers in both domestic as well as international markets



#### WEAKNESS

- High dependence on Automobile segment
- High energy consumption
- Intense industry competition
- Labour shortages



#### OPPORTUNITIES

- Emerging opportunities in automobile sector in the wake of E-mobility solutions
- Rising opportunities in non-auto industries
- Favourable environment with Government's thrust on Make in India
- Increasing use of data-analytics, simulation and robotics



#### THREATS

- Uncertainty over the slowdown in the wake of COVID-19
- Unfavourable fluctuation in raw material prices



Alicon is a major supplier of aluminium castings to the automobile sector. While it continues to diversify its product suite in the non-automobile sector, the automobile sector remains its mainstay. Alicon hopes to capitalise on the likely rationalisation of global supply chains which automobile manufacturers may embark upon to reduce their dependency on single source of supplies in the wake of COVID-19 pandemic.

### COMPANY OVERVIEW

The Alicon Group (the Company) – a consortium of Alicon Castalloy, Atlas Castalloy, Illichmann Castalloy & Silicon Meadows, is one of the largest integrated aluminium casting manufacturers. The Company has created a distinctive identity for itself through seamless integration of these companies. Leveraging Indian cost efficiency of Alicon Castalloy, and European engineering skills of Illichmann Castalloy, the Company has evolved as a one-stop shop for all engineering solutions of aluminium alloy castings. Backed by these strengths, it provides



high-quality products and innovation-driven solutions to industries such as automobile, infrastructure, aerospace, medical, energy, agriculture and defence.

The Company has established state-of-the-art plants at:

- **Shikrapur in Pune, Maharashtra**
- **Chinchwad in Pune, Maharashtra**
- **Binola in Gurugram, Haryana**

The operations of the Company are supported by state-of-the-art technology centre developed in Slovakia. Its advanced tool rooms, laboratories for quality and testing purposes and a comprehensive machine shop including a sub-assembly facility, has played a crucial role in providing the Company with a technological edge over the competition. The Company's foundries are located at strategic locations near its key

markets, enabling it to achieve superior speed-to-market and cost-efficiency.

Backed by a strong track record, innovating yet cost-effective solutions, efficient execution capabilities, and world-class services, the Company has nurtured a strong relationship with marquee customers across the globe. These include domestic as well as international two and four-wheeler Original Equipment Manufacturers (OEMs), and several tier-I non-auto companies.

Many of the customers partner with the Company from the prototype stage. The Company's Eight-Step process, developed and perfected in-house, plays a key role in gaining the trust of these customers. The process optimises the performance of each component through continuous design and manufacturing enchantments with a consequent reduction in rejection rates and ensuring strict adherence to delivery timelines.



CNC shop Shikrapur

## BUSINESS OVERVIEW

FY 2019-20 proved to be a challenging year for the industry on account of a sharp contraction in the automotive industry, its mainstay customer. Amidst this one-of-a-kind challenging environment, the Company is able to achieve Revenue of ₹ 957.19 crore in FY 2019-20 as against ₹ 1,188.89 crore in FY 2018-19, implying de-growth of 19.5%.

The Company's prudent decision of differing expansion plans and instead focussing on higher utilisation of existing capacities yielded encouraging results. Its focus on controlling operating costs and rationalisation of inventory levels improved the Company's working capital efficiency and achieved superior profitability margins.

Connectivity, Autonomous, Sharing and Electrification (CASE) is bringing about transformative changes to the automobile industry globally. In this backdrop, while embracing newer technology and exploring new avenues of growth, the Company is also strategically focussing on developing technology-agnostic parts to achieve sustainable growth.

The Company – committed to providing innovative, high performance and cost-effective solutions, launched a range of products in two-wheelers, three-wheelers, and commercial vehicles categories and received an encouraging response from the customers.

### KEY HIGHLIGHTS FY 2019-20:

The trend of declining domestic automobile sales witnessed since the second half of FY 2018-19 continued in FY 2020 with tepid demand, and liquidity constraints faced by automobile financiers. The decline in demand was further accentuated due to the muted wholesale demand from automobile manufacturers as they set about clearing inventory of vehicles in the retail ecosystem. This was in order to transit their production of vehicles which complied with BS-VI emission norms which were scheduled to be implemented with effect from April 01, 2020.

Our overseas business also witnessed a de-growth on account of muted global demand due to escalating trade tariffs, customers adopting to the technological transformations in the automobile industry and the impact of COVID-19 towards the end of the fiscal year disrupting manufacturing activities and supply chains.

At Alicon, our aim has always been towards making ourselves 'FUTURE-READY' by consciously engaging with all our employees and adopting the 3R policy, which is Reflection, Resilience and Reimagined thinking as a way of life. Our 3R policy has yielded many positive leads and results, which are as under:

1. Built a Groupwide Cross-Functional Foundry Team which is working on multiple strategic projects by leveraging on technology.

2. Created a Division of Business Excellence for continuous process and operational excellence to drive savings in Direct, Indirect and Administrative costs.
3. Focus towards Cash conservation and ensuring accretive Cash Flows through capex rationalisation and wastage elimination, thereby enabling us to be Lean and Agile in our business functions.
4. Formed an Ecosystem consisting of Apex and Execution Teams which has set up SOPs through manuals and training to ensure Safety and Health of all employees and implementation of procedures and protocols at all plants and facilities.

Alicon took immediate steps to handle the lockdown imposed in the wake of COVID-19. Keeping employee safety, customer and vendor connect as the main focus we took the following steps:

1. Created a Guardian system where each designated Guardian act as a caretaker for 15 to 20 associates during the lockdown period by ensuring their basic needs namely ensuring availability of essentials and supporting them in case of medical exigencies, thereby strengthening a bond of trust.
2. Strengthened customer connect – our teams have constantly been in touch with customers and worked with them on many RFQs and are geared up to hit the ground running as the situation normalises.
3. Extended support to our Tier II suppliers in multiple ways to enable them to withstand the impact.



New Business added in FY 2019-20



As we embark on a difficult journey in FY 2020-21, we believe that our long-term strategy to reach a milestone of multiplying our current scale of operations will help us surmount this short-term challenge.

While all our units are currently operating at lower capacity, the Company is undertaking utmost precaution and deploying the highest safety standards as advised by the Government Authorities across all its manufacturing units. With regard to international operations, the manufacturing plant in Slovakia continues to be fully operational albeit with adherence to elevated safety standards and precautions.

During FY 2019-20, we have received large prestigious orders with leading Global OEMs and Tier 1 Suppliers such as Jaguar Land Rover, Daimler, Samsung, SDI & MAHLE. The order received for supply of aluminium chassis, heavy truck engine parts, e-mobility parts and cooling modules of heavy engine trucks. These long duration contracts are valued at ₹ 810 crore in aggregate over a period of 5 years with supplies commencing in stages between FY 2020-21. These order wins demonstrate Alicon's readiness to adapt to emerging technologies and remain a preferred supplier to these major global OEMs and Tier 1 suppliers. This will result in steady and consistent volumes in the future. These new contracts exemplify Alicon's technological excellence and innovation capabilities in the Aluminium castings space. With a rich legacy of over 50 years, Alicon is a proven leader in the low-pressure die-casting and gravity die-casting technology in the domestic market and, through its European Subsidiary, is steadily enhancing its global presence with industry leading OEMs.

## RISKS, CONCERNS AND 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.





**FINANCIAL PERFORMANCE (CONSOLIDATED)**

(In ₹ Crore)

Particulars	FY 2019 -20	FY 2018-19
Total Income (Net of taxes)	959.99	1,192.05
Cost of Goods Sold	487.66	599.50
Manpower Costs	143.03	165.04
Other Expenses	220.60	277.90
Earnings before Interest, Depreciation, Tax and Amortisation (EBITDA)	108.68	149.61
Depreciation and Amortisation Expense	44.03	38.09
Finance Costs	39.34	35.34
Profit Before Tax (PBT)	25.32	76.19
Profit After Tax (PAT)	17.03	52.95
Earnings Per Share (Basic) (₹)	12.41	39.31

**FINANCIAL PERFORMANCE (CONSOLIDATED)**

Particulars	Unit of Measurement	FY 2020	FY 2019
Inventory Turnover Ratio (in times)	No. of Times	4.60	5.01
Interest Coverage Ratio (in times)	No. of Times	2.76	4.23
Current Ratio	No. of Times	1.14	1.06
Debt Equity Ratio	No. of Times	1.13	1.01
Operating Profit Margin	Percentage (%)	11.04	12.06
Net Profit Margin	Percentage (%)	2.6	6.4
Return on Net Worth	Percentage (%)	5.4	17.2

**HUMAN RESOURCE MANAGEMENT**

The Company believes and recognises that its employees are important resource in its growth and to give competitive advantage in the present business scenario. At Alicon, we are always constantly taking steps to be future-ready and accelerate the journey in the next normal scenario. The employees are the crucial differentiator and partner in the above journey. The Company takes pride in the commitment, competence and dedication shown by its employees towards this journey. Grooming and developing leaders for the future has been significant cornerstone of our human resource initiatives. 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.



The next normal scenario requires every employee to constantly apply and contribute through the 3R framework which is Reflection, Resilience and Reimagined thinking as a way of life. Supported by the Alicon Cultural Pillars of Agility, Innovate and Passion, our employees effectively used this 3R Mantra during the downturn and the lockdown. These workings are led to internal rewiring of the Organisation and sharp focus on efficiency and cost optimisation, all of which are championed by our employees.

At Alicon, the health and safety of employees and their around community is given utmost importance and towards this end, we have taken the following steps:

- Safety SOP's Creation – In order to ensure the highest standards for safety & health, we created our SOP's and guidelines to be followed right from home to work, and from work to home. Furthermore, we are regularly updating and implementing "Alicon - Safety & Health Manual".
- Guardian System – We have monitored our all employees including all contractual workers by creating this system. Each Line Leader / immediate Supervisor has volunteered to adopt its Employees / Workers an average about 20 persons each as Guardian / CareTaker who get in touch with each member of his team twice a day and ensure their Welfare like – lively, medicines and if any issue in Family and thereby strengthening bond of trust.
- Preparedness through Mock drills – Taking a cue from the customer experiences, we are preparing ourselves for the eventuality of any COVID-19 positive case is reported among our employees. We are conducting mock drills daily in all our plants to be war-ready and build resilience to hit the ground running for restart. We have total 66 Crisis Management Team (CMT) members trained in all our three locations with minimum 4 members per shift in each plant.

## 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.

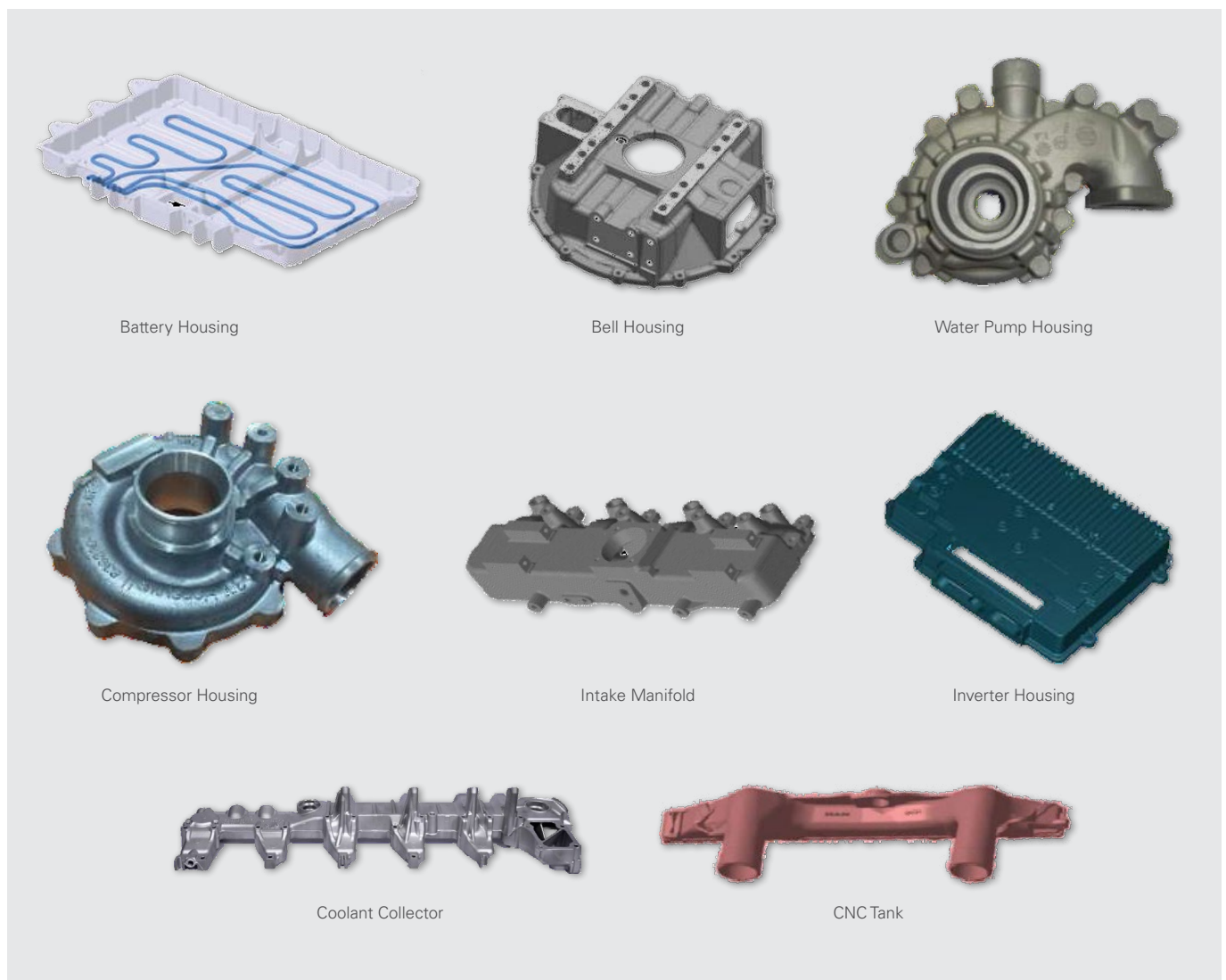
Our internal control framework centres on strong governance, precise systems and processes, vigilant finance function and independent internal reviews. The Audit Committee approves the audit plans which are independently scrutinised by the internal audit function for critical audit areas. Risk evaluation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

## CAUTIONARY STATEMENTS

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations which may be forward-looking statements. These statements are made within the meaning of applicable securities laws, and regulations are based on informed judgements and estimates. Past performance of the Company is not necessarily indicative of its future results, and actual results could materially differ from those expressed or implied. Important factors that could make a difference to its operations may include but are not limited to 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 based on any subsequent development, information or events.



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Thirtieth Annual Report on business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2020.

## FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations (Net)	85,621	108,100	95,719	118,890
Other Income	251	252	279	316
<b>Total Income</b>	<b>85,872</b>	<b>108,352</b>	<b>95,998</b>	<b>119,206</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>10,431</b>	<b>14,188</b>	<b>10,869</b>	<b>14,962</b>
Less: Depreciation and amortization expense	4,095	3,528	4,403	3,809
<b>Earnings before interest and tax (EBIT)</b>	<b>6,336</b>	<b>10,659</b>	<b>6,466</b>	<b>11,153</b>
Less: Finance costs	3,851	3,376	3,934	3,534
<b>Profit/ (loss) before tax (PBT)</b>	<b>2,485</b>	<b>7,284</b>	<b>2,532</b>	<b>7,619</b>
Less: Tax expense	801	2,265	828	2,324
<b>Profit/ (loss) after tax (PAT)</b>	<b>1,684</b>	<b>5,019</b>	<b>1,704</b>	<b>5,295</b>
Other comprehensive income/ (loss), Net of Tax	(4)	(60)	(66)	(10)
<b>Total comprehensive income/(loss), Net of Tax</b>	<b>1,680</b>	<b>4,959</b>	<b>1,638</b>	<b>5,285</b>
<b>Earnings per share (In ₹)</b>				
Basic	12.27	37.26	12.41	39.31
Diluted	12.10	36.08	12.24	38.06

## OPERATIONAL PERFORMANCE:

On standalone basis, the Company achieved a total income of ₹ 85,872/- Lacs including other income of ₹ 251/- Lacs for the financial year ended March 31, 2020 as against ₹ 108,352/- Lacs in the previous year. In spite of several odds, the Company earned a profit before tax of ₹ 2485/- Lacs as against ₹ 7284/- Lacs for the earlier year. EBITDA for the year under review was ₹ 10,431/- Lacs.

On a consolidated basis, the total income for the year under review was ₹ 95,998/- Lacs including other income of ₹ 279/- Lacs as against ₹ 119,206 Lacs in the last year. Profit before tax was ₹ 2,532/- Lacs as against ₹ 7,619/- Lacs a year ago. EBITDA for the year under review was 10,869/- Lacs.

The Board of Directors has not proposed to transfer any amount to reserves.

A detailed analysis on the working of the Company and also various challenges faced by the Company during the year under review and current scenario is given separately under Management Discussion and Analysis, which forms parts of Annual Report.

## DIVIDEND:

The Board of Directors in its meeting held on March 12, 2020 had declared an interim dividend of ₹ 1.25/- per Equity Share of ₹ 5/- each (25%). Considering the uncertain economic situation due to COVID-19 pandemic worldwide and consequent need to conserve the financial resources to meet exigencies of fund, your directors have not recommended any final dividend. Interim dividend, which was declared on March 12, 2020 be considered as final one.

## SHARE CAPITAL:

On August 23, 2019, 135,000 equity shares of ₹ 5/- each were allotted to the employees of the Company on their exercising Options granted to them under Employee Stock Options Scheme. Consequently, the issued and paid-up share capital of the Company as on March 31, 2020 stood at ₹ 68,875,605/- divided into 13,775,121 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 having face value of ₹ 5/- each.

### **CONSOLIDATED FINANCIAL STATEMENTS AND SUBSIDIARIES:**

Consolidated Financial Statements are prepared in accordance with the Indian Accountings 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.

### **QUALITY INITIATIVES:**

Your Company is committed to provide quality products and solutions. This commitment is secured by highly proficient workforce including a team of 200 engineers, who constantly wield their expertise to drive products of the highest quality. Based on the principles and benchmarks set by our Japanese collaborator, we continuously improve and streamline manufacturing process and systems year-on-year. Unbaiting desire to ensure component optimization and the lowest levels of product rejection, makes your Company the partner of choice for leading names worldwide.

### **FUTURE OUTLOOK:**

During financial year 2019-20, your Company has received large prestigious orders with global OEMs like with leading Global OEMs and Tier 1 Suppliers such as Jaguar Land Rover, Daimler, Samsung SDI & MAHLE. The orders received are for supply of aluminium chassis, heavy truck engine parts, e-mobility parts and cooling modules of heavy engine trucks. These long duration contracts demonstrate Alicon's readiness to adapt to emerging technologies and remain a preferred supplier to these major global OEMs and Tier 1 suppliers. This will result in steady and consistent volumes in the future. These new contracts exemplify Alicon's technological excellence and innovation capabilities in the aluminium castings space. With a rich legacy of over 50 years, Alicon is a proven

leader in the low-pressure die-casting and gravity die-casting technology in the domestic market and through its European Subsidiary, your Company is steadily enhancing its global presence with industry leading OEMs.

Though currently all manufacturing units are operating at lower capacity, the management of your Company will leave no stone unturned to achieve its long term strategy of multiplying current scale of operation once situation turns normal and economic activities are picked-up.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

A detailed report on the Management Discussion & Analysis is presented separately in the Annual 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 2019-20 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, 2020.

### **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 with reference to SEBI Listing Regulations 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.

## **BUSINESS RESPONSIBILITY**

Your Company has been conducting business from an Environment, Social and Governance perspective that not only delivers long term shareholder value but also benefits the society. The Business Responsibility Report as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure III** and forms an integral part of this Annual Report.

## **RELATED PARTY TRANSACTION AND POLICY:**

All contracts/arrangements/transactions entered into by the Company with Related Parties were in ordinary course of business and at 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 [https://www.alicongroup.co.in/wpcontent/uploads/2018/10/Related\\_Party\\_Transactions\\_Policy.pdf](https://www.alicongroup.co.in/wpcontent/uploads/2018/10/Related_Party_Transactions_Policy.pdf).

There was no materially significant related party transaction entered into by the Company with Promoters, Directors or Key Managerial Personnel or their relatives, which may have a potential conflict in the interest of the Company at large.

## **WHISTLE BLOWER POLICY AND VIGIL MECHANISM**

The management of your Company is committed to conduct its business in accordance with the highest

standard of business ethics, openness, probity and accountability and oppose 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 with utmost seriousness. The Whistle-blower Policy ("Policy") enables Stakeholders associated with your Company to voice their genuine concerns in a responsible and effective manner. It is a fundamental aspect of every contract of employment that an employee shall faithfully serve the employer, shall not misuse his/her position in the Company and shall not disclose confidential information about the employer's affairs for personal gain.

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behavior. 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 at [https://www.alicongroup.co.in/wp-content/uploads/2018/10/Whistle\\_Blower\\_Policy.pdf](https://www.alicongroup.co.in/wp-content/uploads/2018/10/Whistle_Blower_Policy.pdf).

## **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 October 15, 2019, had appointed Mrs. Veena Mankar (DIN: 00004168) as an Additional Non-Executive Independent Director of the Company. Mrs. Veena Mankar has over four decades of experience in financial services, with banks, non-banking financial institutions and as a strategy consultant. Her expertise is in trade and structured finance, including factoring and forfaiting, finance for SMEs and financial inclusion. Mrs. Mankar is B.A. in Economics from Lady Shree Ram College, Delhi University and post-graduate in Business Administration from the Indian Institute of Management, Ahmedabad. Mrs. Veena Mankar would be vacating the office of Director in the forthcoming Annual General Meeting (AGM) pursuant to the provisions of Section 161 of the Companies Act, 2013. The Company has received an intimation from a shareholder conveying his intention of proposing her appointment as an Independent Director in the ensuing AGM.

The Board in its meeting held on March 12, 2020 had decided to seek members' consent to the re-appoint Mr. Ajay Nanavati (DIN: 02370729) as an Independent Director of the Company for a further period of five (5) years w.e.f. April 30, 2020. Necessary special resolution is included in the notice convening the AGM.

To comply with the requirement of the Companies Act, 2013 and Articles of Association of the Company, Mrs. P. Rai,

Director (DIN: 00050999) shall retire by rotation at the forthcoming AGM and being eligible has offered herself for re-appointment.

Information and brief profile of Directors seeking appointment/re-appointment are provided in the separate annexure to the Notice, convening 30<sup>th</sup> AGM. This annexure forms part of this Annual Report.

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

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.

### DECLARATION 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 six (6) times during the Financial Year under review viz. April 19, 2019, July 26, 2019, October 15, 2019, November 28, 2019, January 28, 2020 and March 12, 2020. A separate meeting of Independent Directors was also held on March 12, 2020. 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 this 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 an **Annexure IV**.

### 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 be best of their knowledge, confirm 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 as an **Annexure V**.

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 the 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 VI** to this report. The Company has received a 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.

### **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.

### **AUDITORS**

#### **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 27<sup>th</sup> AGM until the conclusion of the 32<sup>nd</sup> AGM of the Company to be held in the year 2022.

Pursuant to notification issued by the Ministry of Corporate Affairs on May 7, 2018, the mandatory requirement of ratifying the appointment of the Statutory Auditors in every Annual General Meeting has been repealed.

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.

Further, no fraud was reported by the auditors of the Company under Section 143(12) of the Companies Act, 2013.

### **SECRETARIAL AUDIT REPORT**

Secretarial Audit was carried out by Mr. Upendra C. Shukla, Practising Company Secretary, Mumbai, for the financial year 2019-20. The report on the Secretarial Audit is appended as an **Annexure VII** to this report. According to the Board of Directors the report does not have any adverse remark.

### **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 made and maintained.

### **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 in the Website of the Company [www.alicongroup.co.in](http://www.alicongroup.co.in).

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND INITIATIVES**

The management of your Company do believes that sustainability is its collective responsibility. This is why, your Company is closely engaged in various endeavors to serve the communities. The main focus remains on rural development, education and health including sanitation.

Your Company undertakes majority of its activities relating to corporate social responsibilities through Bansuri Foundation. It also works closely with other trusts and NGOs.

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 an **Annexure VIII** to this report. The CSR Policy is hosted on the Company's website [www.alicongroup.co.in](http://www.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.

### **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 - IX**.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There was no significant and material orders 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 compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has duly constituted an internal complaint committee. The Committee has formulated policy to ensure protection to its female employees.

### **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**  
Managing Director

**A.D. Harollikar**  
Director

**Place:** Pune  
**Date:** June 26, 2020

## 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 Lacs)

Sr. 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 = INR83.05	1 Euro = INR83.05	1 Euro = INR83.05
Share Capital	1,061.20	20.82	2.98
Reserves & Surplus	(63.94)	270.71	(292.70)
Total Assets	1,084.81	2,478.55	6,183.78
Total Liabilities	87.51	2,187.02	6,473.50
Investments	1,044.08	NIL	446.14
Turnover	-	7,263.47	8,995.66
Profit before Taxation	1.38	88.76	(43.29)
Provision for taxation	1.42	25.54	1.82
Profit after Taxation	(0.04)	63.22	(45.11)
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100	100	100

This is to inform that, the all Subsidiaries have commenced their production and no Subsidiary has been liquidated or sold during the year.

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

On behalf of the Board of Directors,

Place: Pune  
Date: June 26, 2020

(S. Rai)  
Managing Director

(A.D. Harolikar)  
Director



## 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 Seven (7) Directors. Out of these one (1) is Managing Director; two(2) Directors are Non- Executive Directors and Four (4) are Non-Executive Independent Director(s) including one is Woman Director. The Managing Director is assisted by Senior Managerial Personnel in overseeing the functional matters of the Company.

The said information as on March 31, 2020 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. Harollikar	Non-Executive Independent Director
5	Mr. Vinay Panjabi	Non-Executive Independent Director
6	Mr. Ajay Nanavati	Non-Executive Independent Director
7	Mrs. Veena Mankar*	Non-Executive Independent Director

\* Appointed on Board as on 15.10.2019.

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

The Board of Directors met six (6) times during the Financial Year ended March 31, 2020. 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 2019-20 are tabulated below:

Sr. No.	Name of Directors	Attendance of Board Meetings						AGM
		19.04.2019	26.07.2019	15.10.2019	28.11.2019	28.01.2020	12.03.2020	2018-19 26.07.2019
1	Mr. S. Rai	√	√	√	√	√	√	√
2	Mrs. Pamela Rai	√	√	√	√	√	•	√
3	Mr. J. Suzuki	•	•	•	√	•	•	•
4	Mr. A.D. Harollikar	√	√	√	√	√	√	√
5	Mr. Vinay Panjabi	√	√	√	•	√	√	√
6	Mr. Ajay Nanavati	√	√	√	•	√	√	√
7	Mrs. Veena Mankar	NA	NA	√	•	√	√	NA

√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 circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

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 Chairman and the Managing Director and CEO of the Company. The Agenda is circulated a 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, 2020.**

Sr. No.	Name of Directors	No. of Directorships in other Public Companies <sup>1</sup>	Relationship Interse
1	Mr. S. Rai <sup>2</sup>	3	Related as Husband of Mrs. Pamela Rai
2	Mrs. Pamela Rai	2	Related as wife of Mr. S.Rai
3	Mr. J. Suzuki <sup>3</sup>	1	Not related to any Director
4	Mr. A.D. Harollikar	NIL	Not related to any Director
5	Mr. Vinay Panjabi	NIL	Not related to any Director
6	Mr. Ajay Nanavati	NIL	Not related to any Director
7	Mrs. Veena Mankar <sup>4</sup>	2	Not related to any Director

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. Mr. S. Rai is Director in one listed entity i.e Enkei Wheels (India) Ltd.
3. Mr. J. Suzuki is Director in one listed entity i.e Enkei Wheels (India) Ltd.
4. Mrs. Veena Mankar is Director in 2 Companies RBL Finserve Ltd. & RBL Bank Ltd.

**e. Number of Shares and Convertible instruments held by Non-Executive Directors as on Financial Year ended March 31, 2020**

Sr. No.	Name of Directors	No. of Shares
1	Mrs. Pamela Rai	0
2	Mr. J. Suzuki	0
3	Mr. A.D. Harollikar	200
4	Mr. Vinay Panjabi	0
5	Mr. Ajay Nanavati	0
6	Mrs. Veena Mankar	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 12, 2020 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 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 First
3. Innovate & Transform
4. Drive for Result
5. Breakthrough Mindset
6. People Development

**i. Board Independence**

Our 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 2019-20. 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, as a part of good governance practice. 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. The Board Committees can request special invitees to join the meeting, as appropriate.

**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, 2019 to March, 2020 was as follows:

Sr. No.	Name of Directors	Status	Category of Membership
1	Mr. A.D. Harollikar	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 2019-20, four (4) Audit Committee meetings were held on the following dates:

Sr. No.	Name of Directors	Attendance of Audit Committee Meetings			
		18.04.2019	26.07.2019	14.10.2019	28.01.2020
1	Mr. A.D. Harollikar	√	√	√	√
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 Committee constitutes to review and recommend payment of annual salaries, commission, service agreements and other employment conditions of the Executive Directors of the Company. The Committee fixes the remuneration after taking into consideration remuneration practices followed by Companies of similar size and standing in the Industry.

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 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, 2020 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 nominated by the Board. The composition of the Nomination and Remuneration Committee Meeting during the Financial Year 2019 – 2020 is as under:

Name of Directors	Status	Category of Membership
Mr. A.D. Harollikar	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 2019-20, two (2) meetings were held on the following dates:

Sr. No.	Name of Directors	Attendance	
		12.08.2019	28.01.2020
1	Mr. A.D. Harollikar	√	√
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

#### D. 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.

##### i. Composition:

The Committee comprises of Managing Director and Non-Executive Independent Directors. Mr. A.D. Harollikar, Independent Director acting as Chairman of the Share Transfer/ Stakeholders Relationship Committee. The composition of this Committee during the year April 01, 2019 to March 31, 2020 is as under:

Sr. No.	Name of Directors	Status	Category of Membership
1	Mr. A.D. Harollikar	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 Quorum for the functioning of the Committee is any two Members present. The board has delegated the authority for approving transfers, transmission etc. once in a fortnight to the Chairman or Company Secretary of

the Company. A summary of transfer, transmission of shares of the Company so approved by the Chairman or Company Secretary is placed at every Share Transfer/ Stakeholder Relationship Committee Meeting. The Company obtains from a Company Secretary in practice half-yearly certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of Listing Regulations and files a copy of the certificate with the Stock Exchanges within the prescribed time.

##### ii. Name and Designation of Compliance Officer:

Mrs. Swapnal Patane, Company Secretary and Compliance officer acts as Secretary to the said Committee.

##### iii. Status of Investor Complaints received, pending and resolved During the Financial Year 2019 -2020 :

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

##### iv. Meetings and attendance :

During the Financial Year 2019-20, two (2) Committee meetings were held on the following date:

Sr. No.	Name of Directors	Attendance of Committee Meetings	
		19.04.2019	19.02.2020
1	Mr. A.D. Harollikar	√	√
2	Mr. Vinay Panjabi	√	√
3	Mr. S. Rai	√	√

√ Present

#### 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 and as mandated under Section 135 of the Companies Act, 2013 along with relevant rules. The Committee consists of four (4) Directors including two (2) Independent Director.

##### i. 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; iv. Monitoring the CSR policy from time to time

**ii. Composition:**

The composition of this Committee during the year April 01, 2019 to March 31, 2020 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
4	Mrs. Veena Mankar	Member	Non-Executive Independent Directors (Appointed w.e.f. 28.01.2020)

**iii. Meetings and Attendance:**

During the Financial Year 2019-20, three (3) Corporate Social Responsibility Committee meetings were held and the attendances of the meetings are as under:

Sr. No.	Name of Directors	Attendance of Committee Meetings		
		26.07.2019	15.10.2019	28.01.2020
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 Executive and Non-Executive Directors of the Company.

**i. Remuneration paid to Executive Directors for the Financial Year 2019-20:**

(₹ In Lacs)

Sr. No.	Name of Director	Designation	Salary	Perquisite and allowances	Commission	Total
1	Mr. S. Rai	Managing Director	48.35	0.03	36.55	84.93

**ii. Remuneration paid to Non- Executive Director for the Financial Year 2019-20 :**

(₹ In Lacs)

Sr. No.	Name of Director	Designation	Sitting Fees
1	Mrs. Pamela Rai	Non-Executive Director	2.00
2	Mr. J. Suzuki	Non-Executive Director	NIL
3	Mr. A.D. Harollikar	None Executive Independent Director	4.15
4	Mr. Vinay Panjabi	None Executive Independent Director	3.75
5	Mr. Ajay Nanavati	None Executive Independent Director	2.25
6	Mrs. Veena Mankar	None Executive Independent Director	1.45

**iii. All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report;**

Apart from reimbursement of expenses incurred in the discharge of their duties, payment of sitting fees Non-Executive Directors mentioned above, none of the Non-Executive Directors of your Company have any other material pecuniary relationships with the Company.

**iv. 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.

**v. Employee Stock Option Schemes:**

The Company granted 135,000 options during the financial year to the eligible employees other than Directors. Each Option entitles the holder thereof to apply for and be allotted 135,000 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.

**vi. 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. A separate Service Contract is not entered into by the Company with those elevated to the Board from the management cadre, since they already have a Service Contract with the Company. Letters of appointment have been issued by the Company to the Independent Directors, incorporating their roles, duties, and responsibilities etc., which have been accepted by them.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors who have all been drawn from amongst the management cadre. The statutory provisions will however apply. With respect to notice period of Directors, the statutory provisions will also apply.

**vii. 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
2018 -19	26.07.2019	12.30 p. m.	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208, Maharashtra
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

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

- i. AGM held on July 26, 2019 :
  - a. Approval of Re-classification of Promoters of the Company
- ii. AGM held on September 22, 2018 :
  - a. Approval for Amendment in Alicon Castalloy ESOS 2017
- iii. 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.

### c. Resolution passed last year through Postal Ballot:

During the year under review, the Company passed the resolutions through postal ballot as detailed below:

Particulars of Resolution	Type of Resolution	No. of votes polled	Votes cast in favour No. of votes %	Votes cast against No. of votes %
Re-appointment of Mr. A.D. Harolikar as an Independent Non-Executive Director	Special Resolution	1,962,097 (14.38)	1,962,087 (100)	10 (Negligible)
Re-appointment of Mr. Vinay Panjabi as an Independent Non-Executive Director	Special Resolution	1,962,097 (14.38)	1,962,087 (100)	10 (Negligible)

Mr. Upendra Shukla, Company Secretary in practice was appointed as the Scrutinizer for carrying out the above postal ballot in a fair and transparent manner.

### Procedure for Postal Ballot

The postal ballot was carried out as per the provision of Sections 108, 110 and other applicable provisions if any, of the Companies Act, 2013 read with rules framed thereunder.

- d. **Special Resolutions proposed through Postal Ballot:**  
No Special Resolution requiring Postal Ballot is being proposed for the ensuing Annual General Meeting. .

## 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](http://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](http://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, Shareholders 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, Registrar and Share Transfer Agents, etc.

The section also includes material events or information as detailed in Regulation 30 of the SEBI (LODR) Regulations, 2015as disclosed to the

Stock Exchanges. The Company has also uploaded the names of the Members and 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 30th Annual General Meeting is scheduled as under:

Date : August 26, 2020  
Day : Wednesday  
Time : 11:00 AM  
Venue : Video Conference /  
Other Audio Visual Means

**b. Date of Book Closure :** Thursday, August 20, 2020 to Wednesday, August 26, 2020 (both days inclusive)

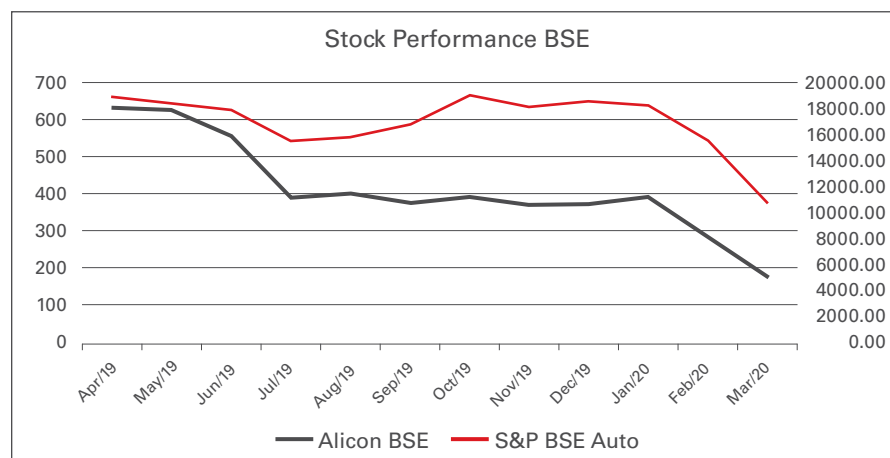
**c. Registered Office:** Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208, Maharashtra.

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

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

The Board of Directors in its meeting held on March 12, 2020 had declared an interim dividend of ₹ 1.25/- per Equity Share of ₹ 5/- each (25%), which was paid on March 30, 2020. The Board of Directors has not recommended any final dividend for the FY 2019 -20.

**h. The details of the Stock Performance in graphical manner from April, 2019 to March, 2020 is given below :**



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

Stock Exchange	Scrip Code
BSE Limited Phiroze Jee jee bhoy 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 2020-21 has been paid to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) within applicable time-frame.

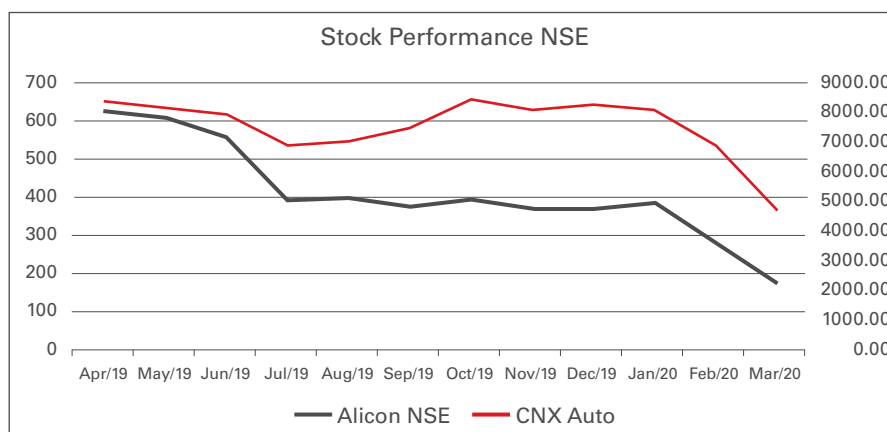
**ISIN No: INE062D01024**

**g. Stock Market Data during the Financial Year 2019-20:**

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-19	646.15	565.00	645.65	552.65
May-19	638.80	551.60	629.70	576.05
Jun-19	609.95	545.00	617.05	541.05
Jul-19	564.00	383.00	574.95	382.70
Aug-19	415.50	343.00	418.70	345.00
Sep-19	409.95	362.00	419.90	360.00
Oct-19	418.45	331.00	423.90	311.00
Nov-19	409.05	365.20	404.95	350.75
Dec-19	391.40	351.85	399.85	350.00
Jan-20	450.10	376.10	450.45	370.00
Feb-20	412.70	282.50	416.65	280.00
Mar-20	309.95	169.50	299.90	157.10



**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 Shakil Niwas,  
Opp. Sai Baba Temple,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai – 400093

Tel : 022- 28307203  
Email : gamare@uniseq.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. Shareholding Pattern of the Company as on March 31, 2020 :**

Category	No. of Shares	% of Shareholding
Indian Promoters	8,709,938	63.23
Foreign Collaborators	1,960,000	14.23
Bodies Corporate	118,256	0.86
Indian Public	2,589,528	18.80
Directors & Relatives (other than Promoter Directors)	200	0
N.R.Is. / OCB's	121,354	0.88
Clearing Members	37,745	0.27
Others	238,100	1.73
<b>Total</b>	<b>13,775,121</b>	<b>100</b>

**m. 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.

**n. Status of Dematerialization and Liquidity as on March 31, 2020 :**

**Dematerialization:**

Category	No. of Shares
Shares in Demat mode with NSDL	105,81,263
Shares in Demat mode with CDSL	31,44,236
Shares in Physical mode	49,622

**Liquidity:** The Numbers of Shares of the Company traded in the Stock Exchange for the financial year 2019-2020 is given below:

Particulars	BSE	NSE	Total
No of shares Traded	2,03,641	6,82,548	8,86,189
Percent of total Equity	1.48	4.95	6.43

**o. Distribution of Share Holding**

No. of Equity Shares	No. of Folios	%	No. of Shares	% of Shareholding
01-500	4,668	86.91	491,919	3.57
501-1000	311	5.79	243,693	1.77
1001-2000	187	3.48	278,485	2.02
2001-3000	70	1.30	176,605	1.29
3001-4000	32	0.60	113,644	0.82
4001-5000	23	0.43	103,427	0.75
5001-10000	43	0.80	327,997	2.38
10001 and above	37	0.69	12,039,351	87.40
<b>Total</b>	<b>5,371</b>	<b>100</b>	<b>13,775,121</b>	<b>100</b>



**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 ShakilNiwas, Opp. Sai Baba Temple  
Mahakali Caves Road, Andheri (East),  
Mumbai – 400093

**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 2019-20 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](https://www.alicongroup.co.in/wpcontent/uploads/2018/10/Related_Party_Transactions_Policy.pdf)

**b. Whistle Blower Policy:**

The Company has adopted a Whistle blower policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Directors and employees about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct. No person has been denied access to the Chairman of the Audit Committee. The said policy has been disclosed on the Company's website under the web link : [https://www.alicongroup.co.in/wp-content/uploads/2018/10/Whistle\\_Blower\\_Policy.pdf](https://www.alicongroup.co.in/wp-content/uploads/2018/10/Whistle_Blower_Policy.pdf)

**c. 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.

**d. Mandatory Requirements**

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

**e. Non-Mandatory Requirements**

The Company has adopted the following non- mandatory requirements to the extent mentioned below:

- Shareholders rights – the quarterly results are uploaded on the website of the Company.
- Audit qualifications - the Company's financial statements are unqualified.

Reporting of Internal Auditors – the Internal Auditors of the Company directly reports to the Audit Committee on functional matters. The Internal Auditors are invited to the meetings of the Audit Committee.

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

The Company has not raised any funds through preferential allotment during the FY 2019 -20.

**g. Total fees for all services paid by the listed entity and its subsidiaries to Statutory Auditor on Consolidated basis for the FY 2019 -20:**

<b>Sr. No</b>	<b>Particulars</b>	<b>Amount (₹ in Lacs)</b>
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	0.63

**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](http://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, 2020.

Place: Pune  
Date: June 26, 2020

**S. Rai**  
Managing Director

## **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, 2020 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.

Place: Pune  
Date: June 26, 2020

Rajeev Sikand  
CEO

Vimal Gupta  
CFO



**CERTIFICATE AS PER CLAUSE 10 (I) OF PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY PRACTICING COMPANY SECRETARY:**

To,  
The Board of Directors  
Alicon Castalloy Limited  
Survey No 1426  
Village Shikrapur  
Taluka - Shirur  
Pune-412208

I have examined the registers, records, books, form, returns and disclosures received from the Directors of Alicon Castalloy Limited, (CIN L99999PN1990PLC059487), having Registered Office at Survey No 1426, Village Shikrapur, Taluka – Shirur, Pune-412208 (the Company), produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status on MCA website) as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2020 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India and/or Ministry of Corporate Affairs:

Sr. No:	Name of the Director	DIN	Date of Appointment in the Company
1)	Mr. Shailendrajit C. Rai (DIN: 00050950)	Managing Director	01/11/2014
2)	Mrs. Pamela S. Rai (DIN: 00050999)	Non- Executive Director	29/09/2014
3)	Mr. Junichi Suzuki (DIN: 02628162)	Non- Executive Director	29/10/2002
4)	Mr. Anil D. Harollikar (DIN: 00239460)	Independent Director	29/01/2003
5)	Mr. Vinay H. Panjabi (DIN: 00053380)	Independent Director	30/04/2005
6)	Mr. Ajay Nanavati (DIN: 02370729)	Independent Director	30/04/2015
7)	Mrs. Veena V. Mankar (DIN: 00004168)	Independent Director	15/10/2019

**Note:** Ensuring the eligibility for appointment/continuing as Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of documents/ information available to me. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: June 26, 2020

(Upendra C. Shukla)  
Company Secretary  
FCS: 2727/CP: 1654  
UDIN : F002727B000387914

## INDEPENDENT AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members,  
Alicon Castalloy Limited,

We have examined the compliance of conditions of corporate governance by Alicon Castalloy Limited ('the Company') for the year ended March 31, 2020 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. 20117309AAAAGS9027

Place: Pune  
Date: June 26, 2020

## ANNEXURE III BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	
1	Corporate Identity Number (CIN) of the Company	L99999PN1990PLC059487
2	Name of the Company	Alicon Castalloy Limited
3	Registered address	Survey No. 1426, Village Shikrapur, Taluka Shirur, District Pune, PIN: 412208 Maharashtra
4	Website	www.alicongroup.co.in
5	E-mail ID	Swapnal.patane@alicongroup.co.in
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of aluminum alloy castings
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Aluminum alloy castings
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	None
	(b) Number of National Locations	The Company has 3 plants – a) Village Shikrapur, Taluka Shirur, Dist. Pune, Maharashtra b) Chinchwad, Pune, Maharashtra c) Binola, Haryana
10	Markets served by the Company Local/State/ National/International	Domestics as well as International

### SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1	Paid-up Capital (INR)	₹ 68,875,605/-
2	Total Turnover (₹ In Lacs)	₹ 85,620.83/-
3	Total profit after tax (INR)	₹ 1,683.45/-
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	6.08%
5	List of activities in which expenditure in 4 above has been incurred	- Health - Education - Rural Development

### SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/Companies?	YES
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NO
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30 – 60%, More than 60%]	NO



**SECTION D: BR INFORMATION****1. Details of Directors/Directors Responsible for BR**

<b>A) DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR IMPLEMENTATION OF THE BR POLICY/POLICIES</b>	
DIN	00050950
Name	Mr. S. Rai
Designation:	Managing Director
<b>B) DETAILS OF THE BR HEAD</b>	
DIN Number (if applicable)	Not Applicable
Name	Mr. Rajeev Sikand
Designation	Chief Executive Officer
Telephone Number	
Email Id	rajeev.sikand@alicongroup.co.in

**2. (a) Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)**

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1 Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2 Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3 Does the policy conform to any national/ international standards? If yes, specify (50 words)	Yes, the Policy is based on National Voluntary Guidelines on Social, Environmental and Economic responsibilities of business issued by the Ministry of Corporate Affairs.								
4 Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5 Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6 Indicate the link for the policy to be viewed online?	Internal policies are available for employees only. For other policies, refer to www.alicongroup.co.in								
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8 Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9 Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10 Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

**(b) If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)**

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles									
2	The Company has not at a stage where it finds itself in a position to formulate and implement the policies on specific principles									
3	The Company does not have financial or manpower resources available for the task									NOT APPLICABLE
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

- i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annual, more than 1 year.

Yes. Annually.

- ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

BR Report is being published as part of the Company's Annual Report, available at [www.alicongroup.co.in](http://www.alicongroup.co.in).

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The Company's Code of Conduct and Ethics, which extends to the entire Group, addresses compliance with internal business conduct and ethics as well as regulatory requirements. The Company's Whistle Blower Policy encourages employees to bring instances of unethical behavior to the knowledge of the management. The Code doesn't apply to joint ventures, suppliers and contractors of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily dissolved by the management? If so, provide details thereof in about 50 words or so.

Details of shareholders' complaints received and satisfactorily resolved during the year 2019-20 is disclosed in the Corporate Governance Report. In addition other minor complaints from customers were resolved to their satisfaction.

### Principle 2 – Businesses should provide goods and services that are safe and contribute sustainability throughout the life cycle.

1. List upto 3 of your products or services, whose design has incorporated social or environmental concerns, risk and/or opportunities.

The Company has only one product viz. Aluminum Alloy Castings.

2. For each such product, provide the following details in respect of resource used (energy, water, raw-material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year through out the value chain.  
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year.

Optimization of sourcing raw materials is a continuous exercise at the Company by procurement of suitable size of raw-material to minimize wastage.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company procures its main raw material from trusted and organized sources, with long term business relationships. Continuous interaction and planned tracking with transporters is also maintained to ensure timely delivery of the products and minimum usage of vehicles.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Given the nature of the business activities of the Company, it is required to source its main raw materials from organized sources. We acknowledge and promote local procurement, which is generally used for our supporting services.

5. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as < 5%, 5 – 10%, > 10%)? Also, provide details thereof in about 50 words or so.

Yes. Alicon has a very well established mechanism to recycle waste generated. Details of some of the waste are mentioned below:

- Recycling of rejected castings
- Waste water recycling
- Recycling of waste/used oil

### **Principle 3 – Businesses should promote the wellbeing of all employees**

1. Please indicate the total number of employees - 959
2. Please indicate the total Number of employees hired on temporary/contractual/casual basis - 1563
3. Please indicate the Number of women employees - 86
4. Please indicate the Number of permanent employees with disabilities - Nil
5. Do you have an employee association that is recognized by management? YES
6. What percentage of your permanent employees is members of this recognized employee association? –All permanent workers are members of this union and works committee.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year. - Nil
8. What percentage of your under mention employees were given safety and skill up-gradation training in the last year?
  - a) Permanent Employees : 78%
  - b) Casual/Temporary/Contractual Employee : 65%
  - c) Employees with Disabilities : NA

### **Principle 4 – Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

1. Has the Company mapped its internal and external stakeholders? Yes/No  
Yes, the internal and external stakeholders of the Company are employees, vendors, customers, shareholders, partners, regulatory authorities and local community.
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?  
Yes.
3. Are there any special incentives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.  
The Company carries out various CSR initiatives for the upliftment /growth and development of people living in the villages around its manufacturing facilities.

### **Principle 5 – Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Join Ventures/Suppliers/Contractors/NGOs/Others?  
The Company does not have a separate human right policy. However, these factors are covered under various HR Policies of the Company.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
The Company has not received any complaint from any stakeholder pertaining to human rights.



**Principle 6 – Businesses should respect, protect and make efforts to restore the environment**

1. Does the Policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others?

It covers Alicon and its Group companies.

2. Does the Company have strategies/initiatives to address the global environmental issues such as climate change, global warming, etc.?

To address environmental issues, the Company has initiatives such as –

- a) Energy conservation projects
- b) STP recycled water use for toilet flushing.
- c) Measures to check and control the pollutants discharged into environment
- d) Roof top Solar Panel Installation
- e) Solar Hybrid AC - Hybrid AC made of solar collectors which superheats the refrigerant and thereby reduce energy use.
- f) Reduce fork lift operation by more use of EOT and battery operated forklift.
- g) Replace all street lights with solar lights.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

NO.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.

- 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
- Solar light replaced instead of conventional lights

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB /SPCB for the financial year being reported?

YES.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.

Nil

**Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

Yes, the Company is the member of the following associations / bodies:

- a) ACMA
- b) CII

2. Have you advocated /lobbied through above associations for the advancement or improvement of public good? Yes/No: if yes, specify the broad areas (drop box: Governance and Administrations, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).
- No.

**Principle 8 – Businesses should support inclusive growth and equitable development**

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
- Yes .The Company undertakes social projects, as mentioned in the CSR report forming part of this Annual Report.
2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?
- The programs/ projects are undertaken primarily through Bansuri Foundation and external NGO.
3. Have you done any impact assessment of your initiative?
- Yes
4. What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.
- During the year 2019-20, the Company has spent ₹ 102.50 Lacs as part of CSR activities. For details, please refer to CSR Report, forming part of this Annual Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
- The Community development initiative is undertaken on the basis of needs assessment, which is based on the feedback of the community itself.The Company initiates those initiatives which help them in becoming sustainable/self-dependent. Thus, the Company ensures that its initiatives are successfully adopted by the community.

**Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
- Except some minor consumer complaints, which were generally on account of mishandling of the product, were dealt with, there was no major complaint.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)
- Standard marking like IBR, BIS are stamped for domestic use and PED/CE in case of European Standard.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.
- No
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
- Yes, the feedback of consumers of the Company is usually taken at the time of completion of respective job. However, the Company does not conduct specific surveys for the same.

## ANNEXURE IV

### 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 Clause 49 of the Listing Agreement. 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 persons 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 (iii) 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. 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. 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 authorized 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.

This Policy has been adopted by the Board of Directors of the Company at its meeting held on **October 31, 2014**.

**ANNEXURE V****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 2019-20 :

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all employees
1	Mr. Shailendrajit 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 2019-20.

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	% increase in Remuneration during the Financial Year 2019 -20
1	Mr. Shailendrajit Rai	Managing Director	13.92
2	Mr. Rajeev Sikand	Chief Executive Officer	(56.41)
3	Mr. Vimal Gupta	Chief Financial Officer	(60.40)
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 2019-20 was **6.12%**.
- D. The number of Permanent Employees on the rolls of the Company as on March 31, 2020 was **959**.
- E. The Average Percentage increase in the salaries of the employees other than the Key Managerial Personnel for the Financial Year was **5.78%** whereas the increase in the Managerial remuneration was **(54.95)%**. 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 VI

### 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
9	Option Movement during the year	
	Number of Options outstanding at the beginning of the period	261,201
	Number of Options granted during the year	-
	Number of Options forfeited/lapsed during the year	13,556
	Number of Options vested during the year	-----
	Number of Options exercised during the year	-----
	Number of shares arising as a result of exercise of options	Not Applicable
	Money realized by exercise of Options (Amount in ₹)	Not Applicable
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Lapsed during the Year	1,16,697
	Number of Options outstanding at the end of the year	1,30,948
	Number of Options exercisable at the end of the year	52,378
10	Employee-wise details of Options granted :	NIL

#### i. Senior Managerial Personnel:

Name	Designation	Options Granted during the 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 during the 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 conversions) of the Company at the time of grant:

Name	Designation	Options Granted during the 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](http://www.alicongroup.co.in).

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

		<b>Alicon Employees Stock Option Scheme – 2015 (ESOS-2015)</b>
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
9	Option Movement during the year	
	Number of Options outstanding at the beginning of the period	405,000
	Number of Options granted during the year	135,000
	Number of Options forfeited/lapsed during the year	-----
	Number of Options vested during the year	-----
	Number of Options exercised during the year	-----
	Number of shares arising as a result of exercise of options	-----
	Money realized by exercise of Options (Amount in ₹)	-----
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of Options outstanding at the end of the year	270,000
	Number of Options exercisable at the end of the year	-----
10	Employee-wise details of Options granted :	Provided below :

**iv. Senior Managerial Personnel:**

Name	Designation	Options Granted during the year	Exercise Price per Share
a) Mr. Rajeev Sikand	CEO	96,000	₹ 5/-
b) Mr. Vimal Gupta	CFO	39,000	₹ 5/-

**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 during the 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 during the 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](http://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, 2020 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

Place: Pune  
Date: June 26, 2020

Membership No.117309  
UDIN No. 20117309AAAAGS9027

## ANNEXURE VII

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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 authorized 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, 2020 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, 2020 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 (Delisting of Equity Shares) Regulations, 2009;
- b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;
- e) 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.

(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) The Securities and Exchange Board of India (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.

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 exists 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 chairperson, the decisions of the Board were unanimous and no dissenting views have been recorded.

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 auditors and other designated professionals.

I further report that during the audit period, except allotment of aggregate 1,35,000 Equity Shares in number of occasion under ESOP, there was no specific event/action in pursuance of the laws, rules, regulations, standard and guidelines, etc. referred to above, having major bearing on the Company's affairs.

UDIN : F002727B000387936

Place: Mumbai

Date: June 26, 2020

(U.C. Shukla)

Company Secretary

FCS: 2727/CP: 1654

## 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.

Place: Mumbai  
Date: June 26, 2020

(U.C. Shukla)  
Company Secretary  
FCS: 2727/CP: 1654



## ANNEXURE VIII

### 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).

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/2020/07/CSR-Policy-Alicon.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

**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
4	Mrs. Veena Mankar	Independent Director	Member

**3. Average Net Profit of the Company for last three financial years : ₹ 5,366.53 Lacs**

**4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) : ₹ 107.33 Lacs**

**5. Details of CSR spent during the Financial Year 2019 - 20 :**

- (a) Total amount to be spent for the Financial Year : ₹ 107.33 Lacs
- (b) Amount unspent , if any : ₹ 4.83 Lacs

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

Sr. No.	CSR Initiative / Partner Organisation	Sector in which the project is covered	Project Area	Project Budget	Cumulative expenditure up to the reporting period	Amount spent directly or through implementing Agency
1	Digital Education Program at low income schools, (Pi-Jam Foundation)	Education	Pune (MH)	200,000	200,880	Implementing Agency
2	Digital Education Program at low income community (Pi-Jam Foundation)	Education	Pune (MH)	400,000	206,510	Implementing Agency
3	Pre-primary Education at rural anganwadis, (United Way Mumbai)	Education	Shikrapur, Dist. Pune (MH)	1,206,135	590,744	Implementing Agency
4	Bal Pragati Kendra, (Kshitij)	Education	Shikrapur, Dist. Pune (MH)	300,000	141,450	Implementing Agency
5	Innovation & Passion Labs (Insight Walk Education)	Education	Dist. Kolhapur (MH)	969,000	590,601	Implementing Agency
6	Rural Sports Ground (Phase 2) (S K Techno Projects)	Education	Shikrapur, Dist. Pune (MH)	3,400,000	3,227,569	Implementing Agency
7	Promoting Sports at underserved schools, (Khel Khel Mein Foundation)	Education	Delhi	300,000	180,000	Implementing Agency
8	Swachh & Community Development (RUBOT Foundation)	Rural Development	Pukharpur, Dist. Gurgaon (Haryana)	900,000	560,392	Implementing Agency
9	Rural Infrastructure Development (Gram Panchayat Dhani Shankarwali through Narshi building material suppliers)	Rural Development	Shankar wali dhani, Dist. Gurgaon (Haryana)	1,500,000	1,180,000	Implementing Agency
10	Social Venture Partners (SVP)	Livelihood	Pune (MH)	250,000	250,000	Direct
11	Bansuri Foundation	Education & Rural Development	Pune (MH)		3,121,854	Direct

6. **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 Swachh for the less privileged and marginalized in our communities. Bansuri, regularly supports initiatives that fulfill a humanitarian ecological or environmental need.
7. 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: Due to the COVID-19 pandemic and the sudden lockdown in March 2020, the Company was unable to spend ₹ 4.83 Lacs against the prescribed CSR expenditure in the FY 2019-20. The Company has paid the said amount in the subsequent month of FY 2020-21 to the implementing agency, Bansuri Foundation. This unspent amount will be added to the Current Year's CSR budget.
8. 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,

**Shailendrajit Rai**  
Managing Director &  
Chairman of the CSR Committee  
DIN: 00050950

## ANNEXURE IX

### 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 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 Lacs)	
	2019-20	2018-19
Capital	-	-
Recurring	425.15	449.30
<b>Total</b>	<b>425.15</b>	<b>449.30</b>
Total R&D expenditure as a percentage of total turnover	0.50	0.42

#### [C] FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ In Lacs)	
	2019-20	2018-19
Foreign Exchange earned	24,534.81	11,745.51
Foreign Exchange saved/deemed exports	NIL	NIL
<b>Total</b>	<b>24,534.81</b>	<b>11,745.51</b>
Foreign Exchange used	5,432.73	4,309.29



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# Independent Auditor's Report on Standalone Financial Statements

To the Members of  
Alicon Castalloy Limited

## REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone financial statements of Alicon Castalloy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, 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	<p><b>Property, Plant &amp; Equipment</b></p> <p>Valuation and existence of property, plant and equipment including assessment of useful lives and residual values Property, plant and equipment represents a significant proportion of the Company's asset base. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalise or expense certain costs, and the determination of depreciation charges are material to the Company's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to asset's carrying amounts, expected useful lives or residual value could result in a material impact on the financial statements and hence considered as key audit matter.</p>	<p>Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over valuation of property, plant and equipment and review of useful lives; Periodic physical verification of property, plant and equipment:</p> <ul style="list-style-type: none"> <li>• Review of CAPEX business process, flow of documents/ information and their control's effectiveness</li> <li>• Substantive Tests on random sampling 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</li> <li>• We performed substantive testing for the determination of assets' useful lives and residual values with reference to management's judgments, including the appropriateness of past / existing asset lives and residual values applied in the calculation of depreciation. We also obtain certificates relating to useful lives of assets where, required.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Contingent Liability</b></p> <p>The Company is involved in indirect tax and other civil court litigations that are pending with various tax authorities. Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>• We have reviewed the policy and the procedure of physical verification of PPE.</li> <li>• As a result of the above procedures, we did not identify any exceptions in relation to the Valuation and existence of property, plant and equipment including assessment of useful lives and residual values which will affect our opinion.</li> </ul> <p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.</li> <li>• Assessed management's discussions held with their legal consultants and understanding precedents in similar cases;</li> <li>• Obtained and evaluated the managements representation from the company's internal dedicated team and consultant opinion wherever required representing the Company before the various authorities. Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.</li> </ul>

### **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, Corporate Governance and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is material misstatement of this other information,

we are required to report the fact. We have nothing to report in this regard.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE 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.

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 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 B". 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.

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

**Parag Pansare**

Partner

Membership No.: 117309

UDIN: 20117309AAAAGQ1058

Pune, June 26, 2020



## Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 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. The Company has with the provision of Section 186 of the Companies Act, 2013 in respect of investments, guarantees and security.
- 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 been generally 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 Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except additional liability of Provident Fund amounting to ₹ 21.44 lacs on account of Supreme Court's Judgement dated February 28, 2019.

(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, 2020 on account of dispute are given below:

Sr. No.	Name of the statute	Nature of the dues	Amount involved (₹ in Lacs)	Amount Paid (₹ in Lacs)	Period(s) to which the amount relate	Forum where such dispute is pending
1	Central Excise Act	Central Excise Duty	55.40	8.30	2008-09	C. Ex. Commissioner, Pune (Call Book)
2	Custom Act	Custom Duty & Interest	2,909.91	1,687.42	2006-08	Directorate General of Central Excise Intelligence, Mumbai
3	MVAT Act	MVAT	22.51	5.00	2009-10	Joint. Commissioner of Sales Tax, Pune
4	Central Sales Tax & MVAT Act	C-Form Liability	81.07	5.00	2011-12	Dy. Commissioner of Sales Tax, Pune
5	Central Sales Tax & MVAT Act	C-Form Liability	46.43	2.07	2012-13	Dy. Commissioner of Sales Tax, Pune
6	Central Sales Tax & MVAT Act	C-Form Liability	261.88	14.06	2013-14	Dy. Commissioner of Sales Tax, Pune
7	Central Sales Tax & MVAT Act	C-Form Liability	86.43	4.45	2014-15	Dy. Commissioner of Sales Tax, Pune
8	Income tax Act 1961	Income Tax	43.65	43.66	2016-17	Dy. Commissioner of Income Tax, Pune

viii. In our opinion and 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

UDIN: 20117309AAAAGQ1058

Pune, June 26, 2020

# 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, 2020 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, 2020, 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, 2020.

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

**Parag Pansare**

Partner

Membership No.: 117309

UDIN: 20117309AAAAGQ1058

Pune, June 26, 2020



# Balance Sheet

## as at March 31, 2020

Particulars	Note	(₹ in Lacs)	
		As at March 31, 2020	As at March 31, 2019
<b>Non-current assets</b>			
Property, plant and equipment	3A	34,695.29	32,202.96
Capital work-in-progress		1,251.87	1,315.89
Investment property	3B	251.17	260.28
Intangible assets	3C	350.28	430.65
Right-of-use of asset	3D	877.40	-
<b>Financial assets</b>			
Investments	4	1,132.56	1,132.61
Loans	5	538.70	638.22
Income tax assets (net)		865.03	433.07
Other non-current assets	6	929.35	1,153.06
		<b>40,891.65</b>	<b>37,566.74</b>
<b>Current assets</b>			
Inventories	7	9,517.15	11,094.12
<b>Financial assets</b>			
Trade receivables	8	29,842.12	31,015.22
Cash and cash equivalents	9	279.59	404.34
Bank Balances other than Above (9)	10	539.01	427.76
Loans	11	51.27	29.61
Other financial assets	12	8.89	11.08
Other current assets	13	2,790.04	1,897.95
		<b>43,028.07</b>	<b>44,880.08</b>
		<b>83,919.72</b>	<b>82,446.82</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	688.76	682.01
Other equity	15	30,890.50	30,187.10
		<b>31,579.26</b>	<b>30,869.11</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	12,217.58	7,009.55
Other financial liabilities	17	569.14	-
Provisions	18	698.68	618.04
Deferred tax liability (net)	19	2,698.14	2,325.23
		<b>16,183.54</b>	<b>9,952.82</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	18,459.09	18,558.33
Trade payables	21		
Due to micro and small enterprises		234.47	1,217.19
Due to other than micro and small enterprises		12,300.18	15,610.58
Other financial liabilities	22	4,579.49	4,994.58
Other current liabilities	23	261.54	718.53
Provisions	24	322.15	309.71
Current income tax liabilities.		-	215.97
		<b>36,156.92</b>	<b>41,624.89</b>
		<b>83,919.72</b>	<b>82,446.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
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

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

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**S. Rai**

Managing Director

DIN : 00050950

**A.D.Harollikar**

Director

DIN : 00239460

**Place:** Pune

**Date:** June 26, 2020

**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, 2020

(₹ in Lacs)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	25	85,620.83	108,099.64
Other income	26	250.90	252.28
<b>Total income</b>		<b>85,871.73</b>	<b>108,351.92</b>
<b>Expenses</b>			
Cost of materials consumed	27	39,740.18	59,786.29
Purchase of stock-in-trade		3,296.57	1,321.87
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	2,670.07	(4,521.93)
Employee benefit expense	29	11,392.07	13,616.82
Depreciation and amortization expense	30	4,095.45	3,528.44
Finance costs	31	3,850.99	3,375.72
Other expenses	32	18,341.51	23,960.98
<b>Total expenses</b>		<b>83,386.84</b>	<b>101,068.19</b>
<b>Profit before tax</b>		<b>2,484.89</b>	<b>7,283.73</b>
<b>Tax expense</b>	45		
Current tax		540.03	1,569.89
Deferred tax (benefit)/charge		413.36	677.04
MAT credit entitlement		(122.41)	(155.22)
Short/ (Excess) of earlier years (including MAT Credit)		(29.54)	172.94
<b>Total tax expense</b>		<b>801.44</b>	<b>2,264.65</b>
<b>Profit for the year</b>		<b>1,683.45</b>	<b>5,019.08</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(6.12)	(91.90)
Net (loss) or gain on FVTOCI assets		(0.05)	(0.14)
Income tax on items that will not be reclassified to profit or loss		2.14	32.12
<b>Total other comprehensive income</b>		<b>(4.03)</b>	<b>(59.92)</b>
<b>Total comprehensive income for the year</b>		<b>1,679.42</b>	<b>4,959.16</b>
<b>Earnings per equity share for continuing operations (face value per share ₹ 5 each)</b>			
Basic	43	12.27	37.26
Diluted	43	12.10	36.08
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

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**S. Rai**

Managing Director

DIN : 00050950

**A.D.Harollikar**

Director

DIN : 00239460

**Place:** Pune**Date:** June 26, 2020**Rajeev Sikand**

Chief Executive Officer

**Vimal Gupta**

Chief Financial Officer

**Swapnal Patane**

Company Secretary

# Cash Flow Statement

## for the year ended March 31, 2020

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	2,484.89	7,283.74
Adjustments for:		
Depreciation and amortisation	3,802.18	3,528.44
Employee stock compensation cost	125.13	1,327.20
Interest income	(28.43)	(21.50)
Rent received	(165.35)	(153.82)
Provision for doubtful trade and other receivables	20.00	54.16
Amount written off during the year	(8.70)	(1,737.47)
Finance cost	3,760.57	3,323.76
Unwinding of interest on royalty payable	-	51.96
Unrealised foreign exchange gain or loss	(433.94)	(0.88)
Impact on account of leases	(283.00)	-
Others	-	(0.10)
	<b>6,788.46</b>	<b>6,371.75</b>
Operating profit / (loss) before working capital changes	<b>9,273.35</b>	<b>13,655.49</b>
Changes in working capital:		
(Increase) / Decrease in inventories	1,576.97	(2,937.38)
(Increase) / Decrease in trade receivables	1,614.40	509.68
(Increase) / Decrease in other bank balances	(111.25)	245.02
(Increase) / Decrease in current loans	(21.66)	12.06
(Increase) / Decrease in other current financial asset	2.19	(105.24)
(Increase) / Decrease in other current assets	(804.48)	(582.93)
(Increase) / Decrease in non-current loans	99.52	(15.36)
(Increase) / Decrease in other non-current assets	223.71	301.11
Increase / (Decrease) in trade payables	(4,311.04)	(579.23)
Increase / (Decrease) in current other financial liabilities	(637.75)	901.77
Increase / (Decrease) in other current liabilities	(456.99)	(243.60)
Increase / (Decrease) in other non-current financial liabilities	-	(682.36)
Increase / (Decrease) in short-term provision	80.65	105.37
Increase / (Decrease) in long-term provision	6.32	(46.17)
<b>Cash generated from operations</b>	<b>6,533.93</b>	<b>10,538.22</b>
Net income tax (paid) / refunds	(1,036.01)	(1,397.61)
<b>Net cash flow from / (used in) operating activities</b>	<b>5,497.92</b>	<b>9,140.61</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property plant and equipment	(6,132.98)	(8,564.26)
Capital expenditure on intangibles asset	(7.70)	(51.36)
Interest received	28.43	21.50
Rent received	165.35	153.82
<b>Net cash flow from / (used in) investing activities</b>	<b>(5,946.90)</b>	<b>(8,440.30)</b>

# Cash Flow Statement

## for the year ended March 31, 2020

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>C. Cash flow from financing activities</b>		
Finance costs	(3,760.57)	(3,323.76)
Borrowings / (Repayment) (Net) long term	5,208.03	147.26
Borrowings / (Repayment) (Net) short term	(99.24)	3,488.13
Dividends	(682.01)	(568.04)
Dividend distribution tax	(140.23)	(116.80)
Interim dividend	(173.00)	(272.81)
Dividend distribution tax on Interim Dividend	(35.40)	(56.08)
Proceeds from issue of equity shares	6.75	13.73
Premium on issue of shares under ESOP scheme	(0.11)	5.58
Share application money pending allotment	-	(5.72)
<b>Net cash flow from / (used in) financing activities</b>	<b>324.22</b>	<b>(688.51)</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>(124.76)</b>	<b>11.80</b>
Cash and cash equivalents at the beginning of the year	404.34	391.66
Foreign exchange fluctuation	-	0.88
<b>Cash and cash equivalents at the end of the year</b>	<b>279.59</b>	<b>404.34</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	51.61	23.95
Balances with banks in current accounts	227.98	380.39
	<b>279.59</b>	<b>404.34</b>
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

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**Place:** Pune**Date:** June 26, 2020**S. Rai**

Managing Director

DIN : 00050950

**Rajeev Sikand**

Chief Executive Officer

**A.D.Harolikar**

Director

DIN : 00239460

**Vimal Gupta**

Chief Financial Officer

**Swapnal Patane**

Company Secretary



# Statement of Changes in Equity

## for the year ended March 31, 2020

(₹ in Lacs)

A Equity share capital	
Balance as at April 1, 2018	668.28
Changes in equity share capital during 2018-19	13.73
<b>Balance as at March 31, 2019</b>	<b>682.01</b>
Changes in equity share capital during 2019-20	6.75
<b>Balance as at March 31, 2020</b>	<b>688.76</b>

### B Other equity

(₹ in Lacs)

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		
<b>Balance as on March 31, 2018</b>	<b>5.72</b>	<b>6,931.88</b>	<b>1,664.89</b>	<b>411.56</b>	<b>1,240.00</b>	<b>14,660.53</b>	<b>0.01</b>	<b>24,914.59</b>
Profit for the year	-	-	-	-	-	5,019.08	-	5,019.08
Other comprehensive income (net of tax)	-	-	-	-	-	(59.78)	(0.08)	(59.86)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,959.30</b>	<b>(0.08)</b>	<b>4,959.22</b>
<b>Transactions with owners recognised directly in equity</b>								
Dividends	-	-	-	-	-	(568.04)	-	(568.04)
Dividend distribution tax	-	-	-	-	-	(116.80)	-	(116.80)
Interim dividend	-	-	-	-	-	(272.86)	-	(272.86)
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(56.08)	-	(56.08)
Share based payments to employees	-	-	1,327.21	-	-	-	-	1,327.21
Premium on issue of shares under ESOP scheme	(5.72)	1,351.13	(1,345.55)	-	-	-	-	(0.14)
Changes during the year	-	-	-	-	-	-	-	-
<b>Balance as on March 31, 2019</b>	<b>-</b>	<b>8,283.01</b>	<b>1,646.55</b>	<b>411.56</b>	<b>1,240.00</b>	<b>18,606.05</b>	<b>(0.07)</b>	<b>30,187.10</b>
<b>Impact on account of adoption of Ind AS 116</b>						<b>(70.40)</b>		<b>(70.40)</b>
<b>Restated balance as on April 1, 2019</b>	<b>-</b>	<b>8,283.01</b>	<b>1,646.55</b>	<b>411.56</b>	<b>1,240.00</b>	<b>18,535.65</b>	<b>(0.07)</b>	<b>30,116.70</b>
Profit for the year	-	-	-	-	-	1,683.45	-	1,683.45
Other comprehensive income (net of tax)	-	-	-	-	-	(3.98)	(0.05)	(4.03)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,679.47</b>	<b>(0.05)</b>	<b>1,679.42</b>
<b>Transactions with owners recognised directly in equity</b>								
Dividends	-	-	-	-	-	(682.01)	-	(682.01)
Dividend distribution tax	-	-	-	-	-	(140.23)	-	(140.23)

# Statement of Changes in Equity

## for the year ended March 31, 2020

(₹ in Lacs)

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			
Interim dividend	-	-	-	-	-	(173.00)	(173.00)	
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(35.40)	(35.40)	
Transfer to general reserve	-	-	-	-	-	-	-	
Share based payments to employees	-	-	125.13	-	-	-	125.13	
Premium on issue of shares under ESOP scheme	-	657.68	(657.79)	-	-	-	(0.11)	
Changes during the year	-	-	-	-	-	-	-	
<b>Balance as on March 31, 2020</b>	-	<b>8,940.69</b>	<b>1,113.89</b>	<b>411.56</b>	<b>1,240.00</b>	<b>19,184.48</b>	<b>(0.12)</b>	<b>30,890.50</b>

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

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

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

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DIN : 00050950

**A.D.Harolikar**

Director

DIN : 00239460

**Place:** Pune**Date:** June 26, 2020**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 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.

### 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 26 June 2020.

#### 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 Lacs 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

## Notes forming part of the Financial Statements

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 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
Other Plant & Machinery	Between 3 to 15 years
Buildings	3, 5 & 30 years
Computers – desktops, laptops	3 years
Electrical Installation and Equipment	Between 3 to 15 years
Factory Equipment	Between 3 to 15 years
Furniture & Fixture	5 & 7 years
Office Equipment	3, 5, 7 & 10 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 are available for use, since this most closely reflects the expected



## Notes forming part of the Financial Statements

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

#### Accounting policy applicable from April 1, 2019

The Company has applied Ind AS 116 Leases from the accounting periods beginning from April 1, 2019 using the modified retrospective approach. Accordingly, the comparative information for the year ended March 31, 2019 has not been restated and continues to be reported under Ind AS 17 and relevant appendices.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
  - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after April 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental

## Notes forming part of the Financial Statements

borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Policy applicable before April 1, 2019

For contracts entered into before April 1, 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

### Under Ind AS 17

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognized in the Company's balance sheet. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

Assets held under other leases were classified as operating leases and were not recognized in the Company's balance sheet. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

## Notes forming part of the Financial Statements

### 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 moving 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. Cost is determined using standard cost which approximates actual cost.

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 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 are initially recognized net of transaction cost incurred and measured at amortized cost. Any

## Notes forming part of the Financial Statements

difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of Profit and Loss over the period of the borrowings using effective interest method.

Interest and other borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Other interest and other borrowing cost are charged to profit and loss account.

### 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 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



## Notes forming part of the Financial Statements

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 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 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 (E.g. MAT Credit entitlement) 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

## Notes forming part of the Financial Statements

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.

### 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.

## Notes forming part of the 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.

#### 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.

Again 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.

## Notes forming part of the Financial Statements

If the company decides to classify an equity instrument as at FVTOCI, then all fair value 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 be 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.

#### 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.

## Notes forming part of the Financial Statements

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 and 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

The Ministry of Corporate Affairs (MCA) has not issued any new standards nor amended any existing standards which are effective for reporting periods beginning on or after April 1, 2020.

# Notes forming part of the Financial Statements

## 3A. PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in Lacs)												
	Leasehold land	Freehold land	Buildings (refer note 1)	Factory Equipments	Plant and machinery	Electrical installations	Furniture and fixtures Owned	Computer equipments	Office equipments	Quality control equipment	Motor vehicle	Dies and patterns	Total
Gross carrying amount as at April 1, 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	327.33	5,695.13	50,480.58
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	359.44	7,116.16	58,244.09
Accumulated depreciation as at April 1, 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 1, 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	110.02	2,473.26	27,873.09
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	115.82	3,301.04	32,202.95
Gross carrying amount as at April 1, 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	359.49	7,116.16	58,244.14
Additions/ (Adjustment)	-	191.10	436.92	80.72	3,982.83	129.99	11.01	1.50	25.16	55.11	7.53	1,269.22	6,191.09
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2020	1,265.47	1,860.33	5,011.72	2,429.57	39,159.32	2,396.50	1,916.13	391.38	664.66	587.75	367.02	8,385.38	64,435.23
Accumulated depreciation as at April 1, 2019	54.79	-	1,348.83	1,373.69	15,728.32	1,396.75	1,004.08	351.73	377.56	348.66	243.62	3,809.08	26,037.11
Depreciation	13.93	-	200.28	221.00	2,130.56	111.57	139.05	18.18	46.11	52.79	28.72	740.64	3,702.83
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2020	68.72	-	1,549.11	1,594.69	17,858.88	1,508.32	1,143.13	369.91	423.67	401.45	272.34	4,549.72	29,739.94
Carrying amount as at April 1, 2019	1,210.68	1,669.23	3,225.97	975.16	19,448.17	869.76	901.04	38.15	261.94	183.98	115.87	3,307.08	32,207.03
Carrying amount as at March 31, 2020	1,196.75	1,860.33	3,462.61	834.88	21,300.44	888.18	773.00	21.47	240.99	186.30	94.68	3,835.66	34,695.29

### Note:

Refer note 16 and 20 for details of property, plant and equipment pledged as security for borrowings.

# Notes forming part of the Financial Statements

## 3B. INVESTMENT PROPERTY

Changes in the carrying amount of Investment property

(₹ in Lacs)

Particulars	Land	Building	Total
<b>Gross carrying amount as at April 1, 2018</b>	<b>109.80</b>	<b>269.08</b>	<b>378.88</b>
Additions	-	-	-
<b>Gross carrying amount as at March 31, 2019</b>	<b>109.80</b>	<b>269.08</b>	<b>378.88</b>
<b>Accumulated depreciation as at April 1, 2018</b>	-	<b>109.50</b>	<b>109.50</b>
Depreciation	-	9.10	9.10
<b>Accumulated depreciation as at March 31, 2019</b>	-	<b>118.60</b>	<b>118.60</b>
<b>Carrying amount as at April 1, 2018</b>	<b>109.80</b>	<b>159.58</b>	<b>269.38</b>
<b>Carrying amount as at March 31, 2019</b>	<b>109.80</b>	<b>150.48</b>	<b>260.28</b>
<b>Gross carrying amount as at April 1, 2019</b>	<b>109.80</b>	<b>269.08</b>	<b>378.88</b>
Additions	-	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>109.80</b>	<b>269.08</b>	<b>378.88</b>
<b>Accumulated depreciation as at April 1, 2019</b>	-	<b>118.60</b>	<b>118.60</b>
Depreciation	-	9.11	9.11
<b>Accumulated depreciation as at March 31, 2020</b>	-	<b>127.71</b>	<b>127.71</b>
<b>Carrying amount as at April 1, 2019</b>	<b>109.80</b>	<b>150.48</b>	<b>260.28</b>
<b>Carrying amount as at March 31, 2020</b>	<b>109.80</b>	<b>141.37</b>	<b>251.17</b>

Reconciliation of fair value:

Particulars	Investment property
<b>Fair value as at April 1, 2018</b>	499.27
Fair value difference	27.74
<b>Fair value as at March 31, 2019</b>	527.01
Fair value difference	-
<b>Fair value as at March 31, 2020</b>	527.01

The Company obtains independent valuations for its investment property when the company estimates significant change in value of investment property. 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. These valuations are generally based on ready reckoner rates available. All resulting fair value estimates for investment properties are included in Level 3.

The rent received from the investment property is ₹ 165.35 Lacs (Previous year : ₹ 153.82 Lacs).



## Notes forming part of the Financial Statements

### 3C. INTANGIBLE ASSETS

#### Changes in the carrying amount of other intangible assets

	Software	Total
<b>Gross carrying amount as at April 1, 2018</b>	<b>651.14</b>	<b>651.14</b>
Additions	51.36	51.36
Disposal/retirements/derecognition	-	-
<b>Gross carrying amount as at March 31, 2019</b>	<b>702.50</b>	<b>702.50</b>
<b>Accumulated depreciation as at April 1, 2018</b>	<b>186.16</b>	<b>186.16</b>
Depreciation	85.69	85.69
<b>Accumulated depreciation as at March 31, 2019</b>	<b>271.85</b>	<b>271.85</b>
<b>Carrying amount as at April 1, 2018</b>	<b>464.98</b>	<b>464.98</b>
<b>Carrying amount as at March 31, 2019</b>	<b>430.65</b>	<b>430.65</b>
<b>Gross carrying amount as at April 1, 2019</b>	<b>702.50</b>	<b>702.50</b>
Additions	7.70	7.70
Disposal/retirements/derecognition	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>710.20</b>	<b>710.20</b>
<b>Accumulated depreciation as at April 1, 2019</b>	<b>271.85</b>	<b>271.85</b>
Depreciation	88.07	88.07
<b>Accumulated depreciation as at March 31, 2020</b>	<b>359.92</b>	<b>359.92</b>
<b>Carrying amount as at April 1, 2019</b>	<b>430.65</b>	<b>430.65</b>
<b>Carrying amount as at March 31, 2020</b>	<b>350.28</b>	<b>350.28</b>

### 3D. RIGHT OF USE ASSET

#### Changes in the carrying amount of Investment property

	(₹ in Lacs)	
Particulars	Building	Total
<b>Gross carrying amount as at April 1, 2019</b>	<b>1,463.05</b>	<b>1,463.05</b>
Additions	-	-
Disposal/retirements/derecognition	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>1,463.05</b>	<b>1,463.05</b>
<b>Accumulated depreciation as at April 1, 2019</b>	<b>292.39</b>	<b>292.39</b>
Depreciation	293.26	293.26
Disposal/retirements/derecognition	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>585.66</b>	<b>585.66</b>
<b>Carrying amount as at April 1, 2019</b>	<b>1,170.66</b>	<b>1,170.66</b>
<b>Carrying amount as at March 31, 2020</b>	<b>877.40</b>	<b>877.40</b>

Refer note 40 for further disclosures on leases.

# Notes forming part of the Financial Statements

## 4. NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non current investments</b>		
<b>Investments in equity instruments of subsidiaries (at cost)</b>		
Alicon Holding GmbH	1131.98	1131.98
1 equity shares (PY 1) of Euro 35,000/- each fully paid-up		
<b>Quoted Investments</b>		
<b>Investments in equity instruments of other entities measured at fair value through Other Comprehensive Income</b>		
Bank of Maharashtra	0.08	0.13
900 equity shares (PY 900) of ₹ 25 each fully paid-up		
<b>Unquoted Investments</b>		
<b>Investments in equity instruments of other entities measured at fair value through Profit and Loss</b>		
Shamrao Vitthal Co-operative bank*	0.50	0.50
2000 equity shares (PY 2000) of ₹ 25 each fully paid-up		
	<b>1,132.56</b>	<b>1,132.61</b>
Aggregate book value of quoted investments	0.08	0.13
Aggregate market value of quoted investments	0.08	0.13
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.

## 5. LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
<b>Loans and advances to related parties</b>		
Security deposits.	402.32	500.00
<b>Loans and advances other than related parties</b>	136.38	138.22
Security deposits		
	<b>538.70</b>	<b>638.22</b>

**Note :**

- (i) Loans are measured at amortised cost
- (ii) Refer related party disclosure in note 39.

## 6. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Capital advances	359.68	608.72
Balances with customs, excise and other government authorities	523.44	509.17
Deposits paid against appeal/ assessment	46.23	35.17
	<b>929.35</b>	<b>1,153.06</b>

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

### 7. INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Valued at the lower of cost and net realisable value)		
Finished goods	2,686.73	4,841.58
Semi Finished goods	2,962.77	3,477.99
Raw materials	1,688.64	650.74
Consumables	986.33	1,048.94
Packing Material	10.85	22.89
Dies under Development	1,181.83	1,051.98
	<b>9,517.15</b>	<b>11,094.12</b>

Finished goods [includes in transit of INR 161.67 Lacs (Previous year : INR 690.86 Lacs)]

### 8. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables (Unsecured) :		
Considered good		
- From others	29,827.92	30,958.94
- From related parties	14.20	56.28
Credit Impaired		
- From others	214.48	203.18
	<b>30,056.60</b>	<b>31,218.40</b>
Less: Allowance for Credit Impairment	214.48	203.18
	<b>29,842.12</b>	<b>31,015.22</b>

#### Notes:

- Trade receivables from related parties are disclosed in note 39.
- Trade receivables are measured at amortised cost.
- Above balances are subject to confirmation & reconciliation if any.

### 9. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash In hand	51.61	23.95
Balances with banks		
- In current accounts	227.98	380.39
	<b>279.59</b>	<b>404.34</b>

### 10. BANK BALANCES OTHER THAN (9) ABOVE

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
- Unpaid dividend account	155.09	92.37
Margin money In FDR With remaining maturity of more than 3 months but less than 12 months	383.92	335.39
	<b>539.01</b>	<b>427.76</b>

# Notes forming part of the Financial Statements

## 11. LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
- Loan to employees	51.27	29.61
	<b>51.27</b>	<b>29.61</b>

### 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.

## 12. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Interest accrued on term deposits	8.89	11.08
	<b>8.89</b>	<b>11.08</b>

### 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 Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers	29.06	112.17
Prepaid expenses	229.21	177.75
Balances with statutory authorities	1,925.93	1,538.91
Advance against expenses/others	605.84	69.12
	<b>2,790.04</b>	<b>1,897.95</b>

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 Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
1,60,00,000 (Previous year : 1,60,00,000) equity shares of ₹ 5 each fully paid up	800.00	800.00
	<b>800.00</b>	<b>800.00</b>
<b>Issued subscribed and fully paid up:</b>		
13,775,121 (Previous year : 13,640,121) equity shares of ₹ 5 each fully paid up	688.76	682.01
	<b>688.76</b>	<b>682.01</b>



## Notes forming part of the Financial Statements

### 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, 2020		As at March 31, 2019	
	Number of shares	(₹ Lacs)	Number of shares	(₹ Lacs)
<b>Equity shares</b>				
At the beginning of the year	13,640,121	682.01	13,365,510	668.28
Add: Shares issued on exercise of employee stock options	135,000	6.75	274,611	13.73
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>13,775,121</b>	<b>688.76</b>	<b>13,640,121</b>	<b>682.01</b>

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:

Name of the shareholders	As at March 31, 2020	% of shares held	As at March 31, 2019	% of shares held
Nastic Trading LLP	6,762,822	49.09%	6,762,822	49.58%
Shailendra Rai	841,469	6.11%	834,444	6.12%
Enkei Corporation	1,960,000	14.23%	1,960,000	14.37%

### 15. OTHER EQUITY

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Share application money pending allotment	-	-
Securities premium	8,940.69	8,283.01
Employee stock options outstanding reserve	1,113.89	1,646.55
Capital reserve	411.56	411.56
General reserve	1,240.00	1,240.00
Surplus	19,184.48	18,606.05
Equity instruments through Other comprehensive income	(0.12)	(0.07)
	<b>30,890.50</b>	<b>30,187.10</b>

### 16. BORROWINGS

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>Term loans</b>		
- From banks (secured)	8,225.54	4,386.29
- From financial institutions (secured)	4,495.11	5,578.23
Loan From Directors ((Unsecured)	1,582.30	-
	<b>14,302.95</b>	<b>9,964.52</b>
Less : Current maturities of long term borrowing	2,085.37	2,954.97
	<b>12,217.58</b>	<b>7,009.55</b>

# Notes forming part of the Financial Statements

## 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 and HDFC Bank Ltd. which are repayable through monthly / Quarterly instalments. However documentation related to securitization of HDFC bank is in process.  
Total number of instalments = 715  
Number of instalments outstanding as at March 31, 2020 = 337 (PY = 403)
- (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, ₹ 2,085.37 Lacs (PY ₹ 2,954.97 Lacs) are classified as current liabilities being repayable before March 31, 2021. In case of HDFC Bank Ltd, creation of first parri-passu charge along with lead bank (i.e. Bank of Maharashtra) and other consortium member banks/ financial institution by way of registered mortgage on the existing fixed assets except Land at Khed city are in Process.
- (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
- (v) The Management expect that loan from director will be paid after 12 month from the date of balance sheet, according classification has been down.

## 17. OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liability	569.14	-
	<b>569.14</b>	<b>-</b>

### Notes:

Other financial liabilities are measured at amortised cost.

## 18. PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer note 36(2))	503.81	415.13
- Compensated Absences	194.87	202.91
	<b>698.68</b>	<b>618.04</b>

## 19. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax liabilities</b>		
- Property, plant and equipment	3,114.70	2,656.57
- Lease payable	29.92	-
- Transaction cost on term loans amortised over the tenure of the loan	19.32	2.58
	<b>3,163.94</b>	<b>2,659.15</b>
<b>Deferred tax assets</b>		
- Provision for doubtful debts and advances	74.95	71.00
- Provision allowed on payment basis	356.71	262.92
- Fair valuation of security deposit	34.14	-
	<b>465.80</b>	<b>333.92</b>
<b>Deferred tax assets</b>	<b>2,698.14</b>	<b>2,325.23</b>

Refer note 45 for further disclosures

## Notes forming part of the Financial Statements

### 20. BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans repayable on demand</b>		
<b>Working capital loans (secured)(Refer note (i) below)</b>		
- From banks (secured).	12,260.02	11,134.59
- From financial institutions (secured).	5,500.00	5,500.00
<b>Total Working capital loans</b>	<b>17,760.02</b>	<b>16,634.59</b>
<b>Liability from bank against Preshipment / PO funding (unsecured)(Refer note (ii) below)</b>	699.07	1,923.74
	<b>18,459.09</b>	<b>18,558.33</b>

**Notes:**

- 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.
- 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.
- 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.
- Borrowings are measured at amortised cost.

### 21. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	234.50	1,217.20
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>		
- Acceptances	416.10	3,244.80
- Others	11,884.10	12,365.80
	<b>12,300.20</b>	<b>15,610.60</b>
	<b>12,534.70</b>	<b>16,827.80</b>

**Notes:**

- Above trade payable include to related parties included of ₹ 2,141.51 and same has been disclosed note no 39.
- Trade payables are measured at amortised cost.
- Above balances are subject to confirmation & reconciliation if any.
- Dues to Micro and Small Enterprises

## Notes forming part of the Financial Statements

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.

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	224.22	1,213.14
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	10.25	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	4.05	-

### 22. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt	2,085.37	2,954.97
Accrued employee costs	375.53	530.00
Lease liability	222.66	-
Interest accrued and not due on borrowings	226.86	69.50
Unclaimed dividend	155.09	92.37
Payables in respect of PPE	592.65	862.40
Payables in respect of services	605.67	425.88
Royalty payable	49.04	59.45
Other liabilities	266.62	-
	<b>4,579.49</b>	<b>4,994.58</b>

#### Notes:

- (i) Liabilities are measured at amortised cost.

### 23. OTHER CURRENT LIABILITIES

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Advances from customers	56.37	-
Statutory remittances (net)	205.17	718.53
	<b>261.54</b>	<b>718.53</b>

### 24. PROVISIONS

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer note 36(2))	89.86	93.11
- Compensated Absences	40.26	41.25
Provision for bonus	192.03	175.35
	<b>322.15</b>	<b>309.71</b>



## Notes forming part of the Financial Statements

### 25. REVENUE FROM OPERATIONS

(₹ in Lacs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Provision for employee benefits</b>		
- Finished Goods	82,128.52	102,317.47
<b>Other operating revenue</b>		
- Scrap sale	2,942.93	5,052.85
- Export incentive	549.38	729.32
	<b>85,620.83</b>	<b>108,099.64</b>

The entire revenue from operations is recognised at point in time and relates to single operating segment i.e. Aluminium castings. Refer note no. 37 for further disclosures.

The information relating to trade receivables from revenue from operations is disclosed in note no. 8.

#### Details of products sold

(₹ in Lacs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Manufactured goods</b>		
Castings made from aluminum alloys	77,458.09	97,973.15
Dies	4,670.43	4,344.32
<b>Total manufactured goods</b>	<b>82,128.52</b>	<b>102,317.47</b>
Scrap Sales	2,942.93	5,052.85
<b>Total</b>	<b>85,071.45</b>	<b>107,370.32</b>

### 26. OTHER INCOME

(₹ in Lacs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Received	28.43	21.50
Rental income	165.35	153.82
Miscellaneous Income	57.12	68.87
Derivative profit	-	8.09
	<b>250.90</b>	<b>252.28</b>

### 27. COST OF MATERIALS CONSUMED

(₹ in Lacs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory of materials at the beginning of the year	1,702.72	3,340.45
Purchases	44,204.50	59,470.43
Inventory of materials at the end of the year	2,870.47	1,702.72
	<b>43,036.75</b>	<b>61,108.16</b>

# Notes forming part of the Financial Statements

## 28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year		
Finished Goods	4,841.58	730.87
Work-in-progress	3,477.99	3,066.77
	<b>8,319.57</b>	<b>3,797.64</b>
At the end of the year		
Finished Goods	2,686.73	4,841.58
Work-in-progress	2,962.77	3,477.99
	<b>5,649.50</b>	<b>8,319.57</b>
	<b>2,670.07</b>	<b>(4,521.93)</b>

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 Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	9,971.74	10,766.30
Contributions to Provident and other Funds	352.88	345.72
Gratuity and leave encashment	145.27	186.13
Employee share based payments expenses (refer note 41)	125.13	1,327.20
Employee Welfare Expenses	797.05	991.47
	<b>11,392.07</b>	<b>13,616.82</b>

## 30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (refer note 3A)	3,705.00	3,431.26
Depreciation on Investment property, (refer note 3B)	9.11	9.11
Amortization of intangible assets (refer note 3C)	88.07	88.07
Depreciation on Right-of-use of asset (refer note 3D)	293.27	-
	<b>4,095.45</b>	<b>3,528.44</b>

## 31. FINANCE COSTS

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on term loan & working capital (Refer note i)	3,636.04	3,152.97
Interest on payments of Duties & Taxes	4.66	11.07
Other borrowing costs	119.87	159.72
Unwinding of interest on royalty payable	-	51.96
Unwinding of interest on lease liability	90.42	-
	<b>3,850.99</b>	<b>3,375.72</b>

### Note

(i) Includes amount of ₹ 8.10 Lacs (Previous year : ₹ 8.64 Lacs) pertaining to amortisation of transaction cost

## Notes forming part of the Financial Statements

### 32. OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Manufacturing Expenses</b>		
Consumption of stores and spares	4,077.90	5,437.56
Power and fuel	6,051.74	7,191.56
Processing charges	3,194.37	4,684.50
Repairs to Machinery	256.53	434.96
Repairs Maintenance -Others	292.89	507.43
Other Manufacturing Expenses	837.18	1,007.34
	<b>14,710.61</b>	<b>19,263.35</b>
<b>Administrative Expenses</b>		
Legal and Professional charges	590.60	751.87
Payment to Auditor's (refer note 35 I)	27.13	26.88
Rent	433.17	673.78
Corporate Social Responsibility Expenses (refer note 35 II)	102.50	79.79
Other Administrative Expenses	598.06	916.94
	<b>1,751.46</b>	<b>2,449.26</b>
<b>Selling and Distribution Expenses</b>		
Selling and distribution expenses	1,879.44	2,248.37
	<b>1,879.44</b>	<b>2,248.37</b>
	<b>18,341.51</b>	<b>23,960.98</b>

### 33. FINANCIAL INSTRUMENTS

#### 33.1 Financial Instruments by category

The carrying value of financial instruments by categories as on March 31, 2020 are as follows:

(₹ in Lacs)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
<b>Assets</b>				
Investments in equity instruments	-	0.50	0.08	0.58
Trade receivables	29,842.12	-	-	29,842.12
Cash and cash equivalents	279.59	-	-	279.59
Other balances with banks	539.01	-	-	539.01
Loans	589.97	-	-	589.97
Other financial assets	8.89	-	-	8.89
<b>Total Assets</b>	<b>31,259.58</b>	<b>0.50</b>	<b>0.08</b>	<b>31,260.16</b>
<b>Liabilities</b>				
Borrowings	30,676.67	-	-	30,676.67
Trade payables	12,534.65	-	-	12,534.65
Other financial liabilities	5,148.63	-	-	5,148.63
<b>Total Liabilities</b>	<b>48,359.95</b>	<b>-</b>	<b>-</b>	<b>48,359.95</b>

## Notes forming part of the Financial Statements

The carrying value of financial instruments by categories as on March 31, 2019 are as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	(₹ in Lacs)
				Total carrying value
<b>Assets</b>				
Investments in equity instruments	-	0.50	0.13	0.63
Trade receivables	31,015.22	-	-	31,015.22
Cash and cash equivalents	404.34	-	-	404.34
Other balances with banks	427.76	-	-	427.76
Loans	667.83	-	-	667.83
Other financial assets	11.08	-	-	11.08
<b>Total Assets</b>	<b>32,526.23</b>	<b>0.50</b>	<b>0.13</b>	<b>32,526.86</b>
<b>Liabilities</b>				
Borrowings	25,567.88	-	-	25,567.88
Trade payables	16,827.77	-	-	16,827.77
Other financial liabilities	4,994.58	-	-	4,994.58
<b>Total Liabilities</b>	<b>47,390.23</b>	<b>-</b>	<b>-</b>	<b>47,390.23</b>

### 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, 2020:

Particulars	As at March 31, 2020	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.08	0.08	-	-

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, 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 liability	-	-	-	-

#### 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.

## Notes forming part of the Financial Statements

### 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.

Particulars	Carrying amount	
	March 31, 2020	March 31, 2019
Less Than 180 days	29,627.64	30,597.78
More than 180 days	214.48	203.18
<b>Total</b>	<b>29,842.12</b>	<b>30,800.96</b>

#### Movement in allowance For Credit Impairment

Particulars	₹ Lacs
<b>At April 1, 2018</b>	<b>1,886.49</b>
Provided during the year	54.16
Amount written off / written back	(1,737.47)
<b>At March 31, 2019</b>	<b>203.18</b>
Provided during the year	20.00
Amount written off / written back	(8.70)
<b>At March 31, 2020</b>	<b>214.48</b>

#### 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.



## Notes forming part of the Financial Statements

### 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, 2020	March 31, 2019
Cash and cash equivalents	279.59	404.34
Other balances with banks	539.01	427.76
<b>Total</b>	<b>818.60</b>	<b>832.10</b>

The following are the remaining contractual maturities of financial liabilities as on March 31, 2020.

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings	18,459.09	2,085.37	12,217.58	32,762.04
Trade payables	-	12,534.65	-	12,534.65
Other financial liabilities	155.09	2,338.94	569.14	3,063.17

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	18,558.33	2,954.97	7,009.55	28,522.85
Trade payables	-	16,827.77	-	16,827.77
Other financial liabilities	92.37	1,947.25	-	2,039.62

### 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.

## Notes forming part of the Financial Statements

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>USD</b>				
Trade payables	0.39	0.12	28.80	9.20
Payable for PPE	0.01	0.29	0.48	20.24
Trade receivables	77.09	76.79	5,390.49	5,315.75
Cash and bank balance	0.01	0.01	0.91	0.56
<b>Net liabilities / (assets)</b>	<b>(76.70)</b>	<b>(76.38)</b>	<b>(5,362.11)</b>	<b>(5,286.86)</b>
<b>EUR</b>				
Trade payables	0.01	-	1.57	-
Payable for PPE	2.56	3.14	189.51	232.37
Trade receivables	5.19	5.85	402.51	466.05
Cash and bank balance	0.01	0.00	1.24	0.13
<b>Net liabilities / (assets)</b>	<b>(2.63)</b>	<b>(2.71)</b>	<b>(212.67)</b>	<b>(233.80)</b>
<b>JPY</b>				
Trade payables	41.31	203.82	24.24	128.87
Payable for PPE	-	-	-	-
Cash and bank balance	1.68	0.05	1.14	0.03
<b>Net liabilities / (assets)</b>	<b>39.63</b>	<b>203.77</b>	<b>23.11</b>	<b>128.85</b>
<b>GBP</b>				
Trade payables	0.00	0.00	0.15	0.13
Trade receivables	2.84	3.96	261.52	360.54
Cash and bank balance	0.00	0.00	0.01	0.05
<b>Net liabilities / (assets)</b>	<b>(2.84)</b>	<b>(3.96)</b>	<b>(261.38)</b>	<b>(360.47)</b>

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, 2020	EUR	+5%	268.11	268.11
		-5%	(268.11)	(268.11)
	USD	+5%	10.63	10.63
		-5%	(10.63)	(10.63)
	JPY	+5%	(1.16)	(1.16)
		-5%	1.16	1.16
GBP	+5%	13.07	13.07	
	-5%	(13.07)	(13.07)	
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)	

## Notes forming part of the Financial Statements

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, 2020	USD	-	-	NA	-
As at March 31, 2019	USD	-	-	NA	-

### 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, 2020	March 31, 2019
<b>Variable rate instruments</b>		
Borrowings	32,762.04	28,522.85

Interest rate sensitivity on variable rate instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Impact on profit before tax or pre-tax equity		
Increase by 50 basis points		
Decrease by 50 basis points	(164.00)	(143.00)
	<b>164.00</b>	<b>143.00</b>

### 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, 2020 and March 31, 2019.

### 35. I. AUDITOR'S REMUNERATION

Particulars	FY 2019-20	FY 2018-19
Statutory Audit	16.50	16.50
Limited Review	4.00	4.00
Consolidation Audit	5.00	5.00
Certifications	1.00	1.00
Out of pocket expenses	0.63	0.38
<b>Total</b>	<b>27.13</b>	<b>26.88</b>

## Notes forming part of the Financial Statements

### II. DETAILS OF CSR EXPENDITURE

Particulars	FY 2019-20	FY 2018-19
Gross Amount To be spend during the year	107.33	79.79
Amount spend during the year	102.50	79.79

### 36. DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY IND-AS 19 - "EMPLOYEE BENEFITS ARE AS UNDER":

#### 1. Defined contribution plan - Provident fund and other funds

The group has recognized following amounts in the profit & loss account for the year:

Particulars	FY 2019-20	FY 2018-19
Contribution to employee provident fund and other funds	352.88	324.21
<b>Total</b>	<b>352.88</b>	<b>324.21</b>

#### 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.

Change in present value of defined benefit obligation	FY 2019-20	FY 2018-19
Present value of defined benefit obligation at the beginning of the year	948.49	791.70
Current service cost	93.12	83.56
Interest cost	66.43	55.04
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in financial assumptions	53.04	7.85
b) changes in demographic assumptions	(0.50)	
c) experience adjustments	(47.75)	87.92
Past service cost	-	-
Benefits paid	(104.13)	(77.58)
Present value of defined benefit obligation at the end of the year	1,008.70	948.49

Change in the fair value of plan assets	FY 2019-20	FY 2018-19
Fair Value of plan assets at the beginning of the period	440.25	350.86
Interest Income	32.03	24.91
Return on plan assets, excluding interest income	(1.32)	3.87
Contribution by the employer	48.21	138.19
Benefit paid from the fund	(104.13)	(77.58)
Fair Value of plan assets at the end of the period	415.04	440.25

Analysis of defined benefit obligation	FY 2019-20	FY 2018-19
Present value of obligation as at the end of the year	(1,008.70)	(948.49)
Fair Value of Plan Assets at the end of the Period	415.04	440.25
Net asset (liability) recognized in the Balance Sheet	(593.66)	(508.24)
<b>Bifurcation of liability as per Schedule III</b>		
Current Liability	89.87	93.11
Non-Current Liability	503.81	415.13
Net (asset) / liability recognized in the Balance Sheet	593.68	508.24

## Notes forming part of the Financial Statements

Components of employer expenses/remeasurement recognized in the statement of Profit and Loss	FY 2019-20	FY 2018-19
Current service cost	93.12	83.56
Net Interest Cost	34.40	30.13
Past Service Cost	-	-
Expenses recognized in the Statement of Profit and Loss	127.52	113.69

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	FY 2019-20	FY 2018-19
Actuarial loss / (gain)	4.79	95.77
Return on plan assets, Excluding interest income	1.32	(3.87)
Net (income)/expense recognized in the OCI	6.11	91.90

Analysis of defined benefit obligation	FY 2019-20	FY 2018-19
Net opening provision in books of accounts	508.25	440.85
Employee Benefit Expense	127.52	113.69
Amounts recognized in Other Comprehensive Income	6.11	91.90
Contribution by the employer	(48.21)	(138.19)
Net (asset) / liability recognized in the Balance Sheet	593.67	508.25

Composition of the plan assets	FY 2019-20	FY 2018-19
Policy of insurance	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Actuarial Assumptions	FY 2019-20	FY 2018-19
Discount rate	6.80%	7.45%
Salary Escalation	5.50%	5.50%

Withdrawal rates per annum	FY 2019-20	FY 2018-19
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 35 to 45 years	3.00%	3.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

- 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.
- Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.



## Notes forming part of the Financial Statements

### 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 2019-20		FY 2018-19	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	967.47	1,053.06	910.31	989.51
Future salary growth (0.5 % movement)	1,050.37	968.88	987.79	911.01
Attrition rate (1 % movement)	1,012.18	1,004.82	953.53	943.20

### Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	FY 2019-20	FY 2018-19
1 <sup>st</sup> Following year	112.90	113.74
2 <sup>nd</sup> Following year	73.20	53.96
3 <sup>rd</sup> Following year	84.37	79.79
4 <sup>th</sup> Following year	102.85	80.80
5 <sup>th</sup> Following year	59.71	110.72
Sum of years 6 to 10	427.44	437.46

### Weighted average assumptions used to determine net periodic benefit cost

Particulars	FY 2019-20	FY 2018-19
Number of active members	875.00	952.00
Per month salary cost for active members	190.49	210.73
Average monthly salary (₹)	21,771.00	22,135.00
Average age (years)	38.24	37.60
Weighted average duration of the projected benefit obligation (years)	10.36	9.63
Average expected future service (years)	20.15	20.82
Average outstanding term of the obligations (Years)	9.68	9.27
Prescribed contribution for next year (12 Months)	89.86	93.12

### 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.

#### Revenue bifurcation based on geographical areas

Particulars	As at March 31, 2020	As at March 31, 2019
Domestic sales	72,235.23	89,397.47
Export sales	9,893.29	12,920.00
	82,128.52	102,317.47

# Notes forming part of the Financial Statements

## 38. NET DEBT RECONCILIATION

### Position of net debt

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings		
Non-current borrowings	12,217.6	7,009.6
Current borrowings	18,459.1	18,558.3
Current maturities of long term loans	2,085.4	2,955.0
Less		
Cash and cash equivalents	279.6	404.3
<b>Net debt</b>	<b>32,482.5</b>	<b>28,118.5</b>

### Movement in net debt

Particulars	As at March 31, 2020	As at March 31, 2019
Opening net debt	28,118.51	24,136.36
Cash flows	4,363.94	3,982.15
Foreign exchange adjustment	-	-
Opening interest accrued but not due	69.51	77.85
Closing interest accrued but not due	(226.86)	(69.51)
Interest expense	3,636.04	3,152.97
Interest paid	(3,478.69)	(3,161.31)
<b>Closing net debt</b>	<b>32,482.45</b>	<b>28,118.51</b>

## 39. RELATED PARTY DISCLOSURES

### A. Relationship between the related parties:

Relationship	Name of related party
Subsidiary	Alicon Holding - GmbH
Step Down Subsidiary	Illichmann Castalloy - GmbH
Step Down Subsidiary	Illichmann Castalloy - sro
Group company	Atlas Castalloy Limited*

### B. List of Key Management Personnel and their relatives:

Key Management Personnel (KMP)	Name	Designation
	Shailendrajit Rai	Managing Director
	Rajeev Sikand	Chief Executive Officer (CEO)
	Vimal Gupta	Chief Financial Officer (CFO)
	Swapnal Patane (wef 11.03.2019)	Company Secretary
	Pamela Rai	Non-Executive Director
	Anil D Harollikar	Independent Director
	Vinay Punjabi	Independent Director
	Ajay Nanawati	Independent Director
	Veena Mankar	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 2019-20		FY 2018-19	
		Group company	Subsidiaries	Group company	Subsidiaries
1	Sales	3.00	22.64	9.95	38.59
2	Purchases	1,864.36	0.00	1,829.16	44.55
3	Expenses charged to the company	2,440.84		2,262.70	53.38
4	Expenses charged by the company	125.92	28.95	140.33	45.34
5	Balance of investment (includes share application) in subsidiary at the year end	-	1,131.98	-	1,131.98
6	Amount receivable at the end of the year	500.00	14.20	500.00	56.28
7	Amount payable at the end of the year	2,141.51	-	2,375.72	217.02
8	PPE purchased (net)	1,279.82	-	1,421.11	58.67

### D. Transaction with related party of Key Managerial Personnel :

No.	Particulars	FY 2019-20	FY 2018-19
1	Rent paid	2.28	2.28
2	Loan From Director	1,500.00	-
3	Interest on Loan From Director	82.30	-
4	Loan payable at the end of the year	1,582.30	-

### E. Compensation to key management personnel :

No.	Particulars	FY 2019-20	FY 2018-19
1	Short term employee benefits	285.88	279.68
2	Post-employment benefits	5.25	25.50
3	Commission	178.71	240.05
4	Share based payments	506.25	1,606.50
5	Sitting Fees	13.60	10.50
	<b>Total</b>	<b>989.69</b>	<b>2,162.23</b>

#### 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

### Changes in accounting policy

The Company applied Ind AS 116 with a date of initial application of April 1, 2019. The Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at April 1, 2019. The company has opted to measure Right-of-use assets at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 :

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

# Notes forming part of the Financial Statements

## Impact

Ind AS 116 has resulted in recognising a net right-of-use asset of ₹ 1,170.16 Lacs, reversal of prepaid asset of ₹ 175.23 Lacs and a corresponding lease liability of ₹ 979.21 Lacs. The difference of ₹ 109.15 Lacs has been adjusted to retained earnings as at April 1, 2019. In the statement of profit and loss for the year ended March 31, 2020, operating lease expenses which were recognized as other expenses in previous periods are now recognized as depreciation expense for the right-of-use asset and finance cost for interest on lease liability. When measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted-average rate applied is 10.30%.

(₹ in Lacs)	
<b>Lease liabilities included in the balance sheet</b>	<b>March 31, 2020</b>
Current	222.66
Non-current	569.14
<b>Total</b>	<b>791.80</b>

(₹ in Lacs)	
<b>Amounts recognised in the statement of profit and loss</b>	<b>March 31, 2020</b>
Depreciation on right-of-use assets	293.27
Interest on Lease Liabilities	90.42
Expenses relating to short-term leases	433.17
<b>Total</b>	<b>523.59</b>

(₹ in Lacs)	
<b>Contractual cashflows - lease liabilities</b>	<b>March 31, 2020</b>
- Not later than one year	291.72
- later than one year and not later than five years	627.93
- Later than five years	-
<b>Total</b>	<b>919.65</b>

## Operating leases (Ind AS 17)

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:

(₹ in Lacs)	
<b>Particulars</b>	<b>March 31, 2019</b>
Lease obligation	
- Not later than one year	252.00
- later than one year and not later than five years	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 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.

## Notes forming part of the Financial Statements

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 Lacs 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 2019-20		FY 2018-19	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	261,201	124	321,201	124
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	13,556	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	116,697	124	60,000	124
Options outstanding at the end of year	130,948	124	261,201	124
Options exercisable at the end of the year	52,378	124	57,800	124
Weighted average remaining contractual life	4.54 years		4.78 years	

No options are exercised pertaining to ESOP Scheme 2015.

No options are granted in the current year and previous year

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 a net reversal of employee compensation cost of ₹ 381.20 Lacs (on account of lapse of options and other estimates) and provided an expenditure in previous year of ₹ 94.92 Lacs 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 8, 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



## Notes forming part of the Financial Statements

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 2019-20		FY 2018-19	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	405,000	5	675,000	5
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	-	-
Exercised during the year	135,000	5	270,000	5
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	270,000	5	405,000	5
Options exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life		1.84 years		2.35 years

The weighted average market price of the options exercised under Employees Stock Option Scheme -2017 on the date of exercise was ₹ 379.30. (Previous year - ₹ 576.90).

No options granted in the current year and previous year under this scheme

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 ₹ 506.33 Lacs (Previous year ₹ 1232.28 Lacs) 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 2019-20	FY 2018-19
Capital expenditure	-	-
Revenue expenditure	425.15	449.30
<b>Total R&amp;D expenditure</b>	<b>425.15</b>	<b>449.30</b>

### 43. BASIC AND DILUTED EARNINGS PER SHARE

Particulars		FY 2019-20	FY 2018-19
<b>Nominal value per equity share</b>	₹	5.00	5.00
Profit for the year	₹ in Lacs	1,683.45	5,019.08
Weighted average number of basic equity shares	No. of shares	13,721,861	13,471,000
Effect of diluted shares	No. of shares	195,239	440,238
Weighted average number of diluted equity shares	No. of shares	13,917,100	13,911,238
<b>Earnings per share - Basic</b>	No. of shares	12.27	37.26
<b>Earnings per share - Diluted</b>	₹	12.10	36.08

## Notes forming part of the Financial Statements

### 44. DISCLOSURE OF CAPITAL COMMITMENT & CONTINGENT LIABILITIES

#### 1. Capital commitment

(₹ in Lacs)		
Sr. Particulars No.	March 31, 2020	March 31, 2019
1 Estimated amount of contracts remaining to be executed on capital account	1,617.46	31.53
<b>Total</b>	<b>1,617.46</b>	<b>31.53</b>

#### 2. Contingent liabilities not provided for :

(₹ in Lacs)		
Sr. Particulars No.	March 31, 2020	March 31, 2019
1 Stand by Letters of credit issued by Against foreign obligation related to subsidiary/Import	2,906.74	3,440.77
2 Performance and financial guarantees issued by the banks	748.60	743.85
4 Interest On Customs and related duties paid under protest for non fulfilment of export obligation	1,222.49	1,222.49
5 Assessment dues of VAT & CST	553.73	1,340.08
6 Pending cases in local civil court	459.09	459.09
7 Income tax dues including interest	-	18.74

### 45. INCOME TAXES

The income tax expense consists of following:

(₹ in Lacs)		
Particulars	FY 2019-20	FY 2018-19
<b>Tax expense</b>		
Current tax	540.03	1,569.89
Short/ (Excess) of earlier years	(29.54)	172.94
MAT credit entitlement	(122.41)	(155.22)
Deferred tax (benefit) / charge	413.36	677.04
<b>Total tax expense</b>	<b>801.44</b>	<b>2,264.65</b>
<b>Other comprehensive income</b>		
Remeasurements gains and losses on post employment benefits	(2.14)	(32.12)
<b>Income tax expense reported in the statement of other comprehensive income</b>	<b>(2.14)</b>	<b>(32.12)</b>

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 Lacs)		
Particulars	FY 2019-20	FY 2018-19
Profit before tax	2,484.89	7,283.73
Indian statutory income tax rate	34.94%	34.94%
Expected tax expense	869.00	2,546.00
<b>Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Effect of tax on earlier years	(29.54)	172.94
Tax rate difference on book profit as per Minimum Alternate Tax	(332.86)	(975.67)
Tax expenses accounted as no effect of Timing differences on MAT liability	290.95	521.82
Others (net)	3.88	(0.44)
<b>Total tax expense</b>	<b>801.43</b>	<b>2,264.65</b>

# Notes forming part of the Financial Statements

## Deferred Tax

### Item wise movement in deferred tax expense recognised in profit or loss / OCI

Particulars	(₹ in Lacs)	
	FY 2019-20	FY 2018-19
- Property, plant and equipment	458.13	254.79
- Unwinding of enkei payable	-	(194.64)
- Leases	29.92	
- Transaction cost on term loans amortised over the tenure of the loan	16.74	(2.96)
- Provision for doubtful debts and advances	(3.95)	581.88
- Provision allowed on payment basis	(93.79)	5.85
- Fair valuation of security deposit	(34.14)	
<b>Total expenses</b>	<b>372.91</b>	<b>644.92</b>
- Recognised in Profit or Loss	413.36	677.04
- Recognised in Other Comprehensive Income	(2.14)	(32.12)
- Recognised in retained earnings (Refer note no. 40)	(38.31)	-
	<b>372.91</b>	<b>644.92</b>

The gross movement in the deferred tax for the year ended March 31, 2020 and March 31, 2019 is as follows:

Particulars	(₹ in Lacs)	
	FY 2019-20	FY 2018-19
Net deferred tax liability (asset) at the beginning	2,325.22	1,680.30
(Credits) / charge relating to temporary differences	413.36	677.04
Temporary differences on other comprehensive income	(2.14)	(32.12)
Recognised in retained earnings (Refer note no. 40)	(38.31)	-
<b>Net deferred income tax liability (asset) at the end</b>	<b>2,698.13</b>	<b>2,325.22</b>

46. The COVID-19 pandemic has led to unprecedented disruption not only to the global economy, but also to the lives of people all around the world. On account of outbreak of Pandemic Covid-19 and declared nationwide lockdown, Company temporarily suspended its operations from March 23, 2020. With partial opening of lockdown the operations resumed on May 7, 2020, after obtaining necessary permissions from concerned State/Central Government Authorities. To navigate safely through this pandemic, our key priority has been to maintain and secure our Company's operations, while also ensuring safety and well-being of our employees and business partners. We meticulously executed business plans and undertook requisite measures to secure our operations with the objective of preparing ourselves for the 'New Normal'.

The Company is monitoring the situation closely taking into account directives from the Governments. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the net realisable values of other assets. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

As per our report of even date attached

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

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**Place:** Pune

**Date:** June 26, 2020

**S. Rai**

Managing Director

DIN : 00050950

**Rajeev Sikand**

Chief Executive Officer

**A.D. Harollikar**

Director

DIN : 00239460

**Vimal Gupta**

Chief Financial Officer

**Swapnal Patane**

Company Secretary

# Independent Auditor's Report on Consolidated Financial Statements

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 Balance Sheet as at March 31, 2020, 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 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, 2020, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit 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 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 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	<b>Property, Plant &amp; Equipment</b>  Valuation and existence of property, plant and equipment including assessment of useful lives and residual values Property, plant and equipment represents a significant proportion of the Company's asset base. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalize or expense certain costs, and the determination of depreciation charges are material to the Group's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to asset's carrying amounts, expected useful lives or residual value could result in a material impact on the consolidated financial statements and hence considered as key audit matter.	Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over valuation of property, plant and equipment and review of useful lives; Periodic physical verification of property, plant and equipment: <ul style="list-style-type: none"> <li>• Review of CAPEX business process, flow of documents/ information and their control's effectiveness</li> <li>• Substantive Tests on random sampling 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 Holding Company's policy and accounting standards</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>We performed substantive testing for the determination of assets' useful lives and residual values with reference to management's judgments, including the appropriateness of past / existing asset lives and residual values applied in the calculation of depreciation. We also obtain certificates relating to useful lives of assets where, required.</li> <li>We have reviewed the policy and the procedure of physical verification of PPE.</li> <li>As a result of the above procedures, we did not identify any exceptions in relation to the Valuation and existence of property, plant and equipment including assessment of useful lives and residual values which will affect our opinion.</li> </ul>
2	<p><b>Contingent Liability</b></p> <p>The Holding Company is involved in indirect tax and other civil court litigations that are pending with various tax authorities. Whether a liability is recognized or disclosed as a contingent liability in the consolidated financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Group. Determining the amount, if any, to be recognized or disclosed in the consolidated financial statements, is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.</li> <li>Assessed management's discussions held with their legal consultants and understanding precedents in similar cases;</li> <li>Obtained and evaluated the managements representation from the company's internal dedicated team and consultant opinion wherever required representing the Company before the various authorities. Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.</li> </ul>

## 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 Shareholder's Information but does not include the consolidated financial statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (Including other comprehensive income), consolidated changes in equity and consolidated cash flows of the



Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 are responsible for overseeing the financial reporting process of the Group.

### **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.

We communicate with those charged with governance of the Holding Company 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 MATTER

We did not audit the financial statements and other financial information, in respect of subsidiaries, whose financial statements include total assets of ₹ 6,221.59 Lacs as at March 31, 2020, and total revenue of ₹ 10,126.33 Lacs, net loss (including other comprehensive income) ₹ 42.28 Lacs and net cash outflows amounting to ₹ 313.91 Lacs for the year ended on that date respectively, as considered in the consolidated financial statements. These unaudited financial statements 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/information. 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 financial statements and other financial information certified by the Management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 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 so far as it appears from our examination of those books and reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated 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 of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2020 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 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 the 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 foreseeable losses on long-term contracts including derivative contracts.
  - 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  
UDIN: 20117309AAAAGQ1058

Pune, June 26, 2020

# 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, 2020 in conjunction with our audit of the Consolidated financial statements of the Holding Company and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended on that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Holding 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 Consolidated 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 Holding Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, 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 Holding Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020.

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

**Parag Pansare**

Partner

Membership No.: 117309

UDIN: 20117309AAAAGQ1058

Pune, June 26, 2020

# Consolidated Balance Sheet

## as at March 31, 2020

Particulars	Note	(₹ in Lacs)	
		As at March 31, 2020	As at March 31, 2019
<b>Non-current assets</b>			
Property, plant and equipment	3A	35,529.83	33,003.18
Capital work-in-progress		2,347.15	2,117.70
Investment property	3B	251.17	260.28
Intangible assets	3C	358.14	441.56
Right-of-use of asset	3D	877.40	-
Financial assets			
Investments	4	0.58	0.63
Loans	5	549.32	663.70
Income tax assets (net)		865.03	433.07
Other non-current assets	6	929.35	1,153.06
		<b>41,707.97</b>	<b>38,073.18</b>
<b>Current assets</b>			
Inventories	7	10,596.69	11,967.28
Financial assets			
Trade receivables	8	33,826.96	33,971.14
Cash and cash equivalents	9	377.30	815.97
Bank Balances other than Above (9)	10	539.01	427.76
Loans	11	51.27	29.61
Other financial assets	12	8.89	11.08
Other current assets	13	3,033.22	2,126.55
		<b>48,433.34</b>	<b>49,349.39</b>
<b>TOTAL ASSETS</b>		<b>90,141.31</b>	<b>87,422.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	688.77	682.01
Other equity	15	30,804.56	30,144.39
		<b>31,493.33</b>	<b>30,826.40</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	12,217.58	7,009.55
Other financial liabilities	17	569.14	-
Provisions	18	698.68	618.04
Deferred tax liability (net)	19	2,698.14	2,325.23
		<b>16,183.54</b>	<b>9,952.82</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	21,349.35	21,050.45
Trade payables	21		
Due to micro and small enterprises		234.47	1,217.19
Due to other than micro and small enterprises		14,951.03	17,251.56
Other financial liabilities	22	4,920.82	5,413.07
Other current liabilities	23	455.50	994.10
Provisions	24	553.27	501.00
Current income tax liabilities.		-	215.98
		<b>42,464.44</b>	<b>46,643.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>90,141.31</b>	<b>87,422.57</b>
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

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

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**S. Rai**

Managing Director

DIN : 00050950

**A.D.Harollikar**

Director

DIN : 00239460

**Place:** Pune

**Date:** June 26, 2020

**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, 2020

(₹ in Lacs)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	25	95,719.32	118,889.66
Other income	26	278.74	315.70
<b>Total income</b>		<b>95,998.06</b>	<b>119,205.36</b>
<b>Expenses</b>			
Cost of materials consumed	27	43,025.22	63,260.20
Purchase of stock-in-trade		3,296.57	1,321.87
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	2,443.77	(4,632.04)
Employee benefit expense	29	14,303.93	16,504.34
Depreciation and amortization expense	30	4,402.74	3,808.53
Finance costs	31	3,934.39	3,533.72
Other expenses	32	22,059.70	27,789.80
<b>Total expenses</b>		<b>93,466.32</b>	<b>111,586.42</b>
<b>Profit before tax</b>		<b>2,531.74</b>	<b>7,618.94</b>
<b>Tax expense</b>	45		
Current tax		566.99	1,628.96
Deferred tax (benefit)/charge		413.36	677.04
MAT credit entitlement		(122.41)	(155.22)
Short/ (Excess) of earlier years (including MAT Credit)		(29.54)	172.94
<b>Total tax expense</b>		<b>828.40</b>	<b>2,323.72</b>
<b>Profit for the year</b>		<b>1,703.34</b>	<b>5,295.22</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(6.12)	(91.90)
Net (loss) or gain on FVTOCI assets		(0.05)	(0.14)
Income tax on items that will not be reclassified to profit or loss		2.14	32.12
Exchange differences in translating the financial statements of foreign operations		(62.16)	50.16
Income tax on items that will be reclassified to profit or loss			
<b>Total other comprehensive income</b>		<b>(66.19)</b>	<b>(9.76)</b>
<b>Total comprehensive income for the year</b>		<b>1,637.15</b>	<b>5,285.46</b>
<b>Earnings per equity share for continuing operations (face value per share ₹ 5 each)</b>			
Basic	43	12.41	39.31
Diluted	43	12.24	38.06
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

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**S. Rai**

Managing Director

DIN : 00050950

**A.D.Harollikar**

Director

DIN : 00239460

**Place:** Pune**Date:** June 26, 2020**Rajeev Sikand**

Chief Executive Officer

**Vimal Gupta**

Chief Financial Officer

**Swapnal Patane**

Company Secretary

# Consolidated Cash Flow Statement

## for the year ended March 31, 2020

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	2,531.74	7,618.94
Adjustments for:		
Depreciation and amortisation	4,314.67	3,808.53
Employee stock compensation cost	125.13	1,327.20
Interest income	(28.63)	(21.54)
Rent received	(165.35)	(153.82)
Provision for doubtful trade and other receivables	20.00	62.07
Amount written off during the year	(4.86)	(1,806.69)
Finance cost	3,843.97	3,481.76
Unwinding of interest on royalty payable	-	51.96
Unrealised foreign exchange gain or loss	(433.94)	(28.27)
Exchange difference in translating the financial statement of foreign operations	(62.16)	23.16
Impact on account of adoption of leases	(282.87)	-
Others	-	(0.14)
	<b>7,325.96</b>	<b>6,744.22</b>
Operating profit / (loss) before working capital changes	<b>9,857.70</b>	<b>14,363.16</b>
Changes in working capital:		
(Increase) / Decrease in inventories	1,370.59	(2,998.85)
(Increase) / Decrease in trade receivables	581.64	223.58
(Increase) / Decrease in other bank balances	(111.25)	245.02
(Increase) / Decrease in current loans	(21.66)	12.06
(Increase) / Decrease in other current financial asset	2.19	(105.24)
(Increase) / Decrease in other current assets	(817.94)	(629.86)
(Increase) / Decrease in non-current loans	114.38	(30.41)
(Increase) / Decrease in other non-current assets	223.71	301.13
Increase / (Decrease) in trade payables	(3,301.92)	42.28
Increase / (Decrease) in current other financial liabilities	(714.91)	954.72
Increase / (Decrease) in other current liabilities	(538.56)	(188.07)
Increase / (Decrease) in other non-current financial liabilities	-	(682.36)
Increase / (Decrease) in short-term provision	80.63	95.20
Increase / (Decrease) in long-term provision	46.15	13.47
<b>Cash generated from operations</b>	<b>6,770.75</b>	<b>11,615.82</b>
Net income tax (paid) / refunds	(1,062.98)	(1,456.66)
<b>Net cash flow from / (used in) operating activities</b>	<b>5,707.77</b>	<b>10,159.16</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property plant and equipment	(6,776.45)	(9,760.48)
Capital expenditure on intangibles asset	(201.99)	(53.70)
Proceed from sale of asset	-	13.39
Investment in overseas subsidiary - share application	-	(0.01)
Interest received	28.63	21.54
Rent received	165.35	153.82
<b>Net cash flow from / (used in) investing activities</b>	<b>(6,784.46)</b>	<b>(9,625.44)</b>

# Consolidated Cash Flow Statement

## for the year ended March 31, 2020

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>C. Cash flow from financing activities</b>		
Finance costs	(3,843.97)	(3,481.76)
Borrowings / (Repayment) (Net) long term	5,208.03	147.25
Borrowings / (Repayment) (Net) short term	298.90	3,670.36
Dividends	(682.96)	(568.04)
Dividend distribution tax	(140.23)	(116.80)
Interim dividend	(173.00)	(272.81)
Dividend distribution tax On Interim Dividend	(35.40)	(56.08)
Proceeds from issue of equity shares	6.76	13.73
Premium on issue of shares under ESOP scheme	(0.11)	5.58
Share application money pending allotment	-	(5.72)
<b>Net cash flow from / (used in) financing activities</b>	<b>638.02</b>	<b>(664.29)</b>
<b>Net increase / (decrease) in Cash and cash equivalents</b>	<b>(438.67)</b>	<b>(130.57)</b>
Cash and cash equivalents at the beginning of the year	815.97	945.66
Foreign exchange fluctuation		0.88
<b>Cash and cash equivalents at the end of the year</b>	<b>377.30</b>	<b>815.97</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	54.50	24.24
Balances with banks in current accounts	322.80	791.73
	<b>377.30</b>	<b>815.97</b>
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

On behalf of the Board of Directors of **Alicon Castalloy Ltd.**For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**S. Rai**

Managing Director

DIN : 00050950

**A.D.Harollikar**

Director

DIN : 00239460

**Place:** Pune**Date:** June 26, 2020**Rajeev Sikand**

Chief Executive Officer

**Vimal Gupta**

Chief Financial Officer

**Swapnal Patane**

Company Secretary

# Consolidated Statement of Changes in Equity

## for the year ended March 31, 2020

### A Equity share capital

Balance as at April 1, 2018	668.28
Changes in equity share capital during 2018-19	13.73
<b>Balance as at March 31, 2019</b>	<b>682.01</b>
Changes in equity share capital during 2019-20	6.76
<b>Balance as at March 31, 2020</b>	<b>688.77</b>

### B Other equity

Particulars	Share application money pending allotment	Surplus					Exchange difference in translation of the financial statement of foreign Operations	Equity instruments through Other comprehensive income	Total
		Securities premium	Employee stock options outstanding (ESOP)	Capital reserve	General reserve	Surplus			
<b>Balance as on March 31, 2018</b>	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)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	5,235.44	23.16	(0.14)	5,258.46
<b>Transactions with owners recognised directly in equity</b>									
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	-	-	-	-	-	-	-	-	-
<b>Balance as on March 31, 2019</b>	-	8,283.01	1,646.53	411.55	1,240.00	18,376.30	187.13	(0.13)	30,144.39
<b>Impact on account of adoption of Ind AS 116</b>						(70.40)			(70.40)
<b>Restated balance as on April 1, 2019</b>	-	8,283.01	1,646.53	411.55	1,240.00	18,305.90	187.13	(0.13)	30,073.99
Profit for the year	-	-	-	-	-	1,703.34	-	-	1,703.34
Other comprehensive income (net of tax)	-	-	-	-	-	(3.98)	(62.16)	(0.05)	(66.19)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	1,699.36	(62.16)	(0.05)	1,637.15
<b>Transactions with owners recognised directly in equity</b>									
Dividends	-	-	-	-	-	(682.97)	-	-	(682.96)
Dividend distribution tax	-	-	-	-	-	(140.23)	-	-	(140.23)
Interim dividend	-	-	-	-	-	(173.00)	-	-	(173.00)

# Consolidated Statement of Changes in Equity

## for the year ended March 31, 2020

Particulars	Share application money pending allotment	Surplus					Exchange difference in translation of the financial statement of foreign Operations	Equity instruments through Other comprehensive income	Total
		Securities premium	Employee stock options outstanding (ESOP)	Capital reserve	General reserve	Surplus			
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(35.40)	-	(35.40)	
Transfer to general reserve	-	-	-	-	-	-	-	-	
Share based payments to employees	-	-	125.13	-	-	-	-	125.13	
Premium on issue of shares under ESOP scheme	-	657.68	(657.79)	-	-	-	-	(0.11)	
Changes during the year	-	-	-	-	-	-	-	-	
<b>Balance as on March 31, 2020</b>	-	<b>8,940.69</b>	<b>1,113.87</b>	<b>411.55</b>	<b>1,240.00</b>	<b>18,973.66</b>	<b>124.97</b>	<b>(0.18)</b>	<b>30,804.57</b>

- 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.
- 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.
- 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.
- Capital reserve was created on acquisition of casting business of Atlas Castalloy in year 2014-15.
- 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.
- Exchange differences in translating the financial statement of foreign operations Exchange differences 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 recognised 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

Notes referred to above form an integral part of the standalone financial statements

1 - 2  
3 - 47

As per our report of even date attached

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

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**S. Rai**

Managing Director

DIN : 00050950

**A.D. Harollikar**

Director

DIN : 00239460

**Place:** Pune

**Date:** June 26, 2020

**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 June 26, 2020.

#### 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 Lacs 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

## Notes forming part of the Consolidated Financial Statements

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
Other Plant & Machinery	Between 3 to 15 years
Buildings	3, 5 & 30 years
Computers – desktops, laptops	3 years
Electrical Installation and Equipment	Between 3 to 15 years
Factory Equipment	Between 3 to 15 years
Furniture & Fixture	5 & 7 years
Office Equipment	3, 5, 7 & 10 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
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### 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.

# Notes forming part of the Consolidated Financial Statements

## d) Leases

### Accounting policy applicable from April 1, 2019

The Group has applied Ind AS 116 Leases from the accounting periods beginning from April 1, 2019 using the modified retrospective approach. Accordingly, the comparative information for the year ended March 31, 2019 has not been restated and continues to be reported under Ind AS 17 and relevant appendices.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after April 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

### Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising

## Notes forming part of the Consolidated Financial Statements

from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Policy applicable before April 1, 2019

For contracts entered into before April 1, 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

### Under Ind AS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were

measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognized in the Group's balance sheet. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

Assets held under other leases were classified as operating leases and were not recognized in the Group's balance sheet. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

### 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 moving 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. Cost is determined using standard cost which approximates actual cost.

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 Consolidated 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 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 are initially recognized net of transaction cost incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of Profit and Loss over the period of the borrowings using effective interest method.

Interest and other borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Other interest and other borrowing cost are charged to profit and loss account.

### 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.

## Notes forming part of the Consolidated Financial Statements

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.

### I) 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, 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

# Notes forming part of the Consolidated Financial Statements

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 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 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 (E.g. MAT Credit entitlement) 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.

## Notes forming part of the Consolidated Financial Statements

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.

# Notes forming part of the Consolidated Financial Statements

## 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. 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 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 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



## Notes forming part of the Consolidated Financial Statements

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:

- 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 be 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.

### 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

## Notes forming part of the Consolidated Financial Statements

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 and 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

The Ministry of Corporate Affairs (MCA) has not issued any new standards nor amended any existing standards which are effective for reporting periods beginning on or after April 1, 2020.

# Notes forming part of the Consolidated Financial Statements

## 3A. PROPERTY, PLANT AND EQUIPMENT

### Changes in the carrying amount of property, plant and equipment

Particulars	(₹ Lacs)											Total		
	Leasehold land	Freehold land	Buildings (refer note 1)	Factory Equipments	Plant and machinery	Electrical installations	Furniture and fixtures Owned	Computer equipment	Office equipments	Quality control equipment	Motor vehicle		Dies and patterns	Asset given on lease to related parties
<b>Gross carrying amount as at April 1, 2018</b>	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	1,425.86	3.56	8,162.13
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross carrying amount as at March 31, 2019</b>	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	7,174.35	528.23	61,149.23
<b>Accumulated depreciation as at April 1, 2018</b>	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	598.07	37.80	3,708.39
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2019</b>	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	3,842.61	453.77	28,146.05
<b>Carrying amount as at April 1, 2018</b>	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
<b>Carrying amount as at March 31, 2019</b>	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
<b>Gross carrying amount as at April 1, 2019</b>	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	7,174.35	528.23	61,149.23
Additions/ (Adjustment)	-	-	191.10	436.92	3,977.09	129.99	11.63	1.64	25.28	103.28	7.53	1,333.38	32.82	6,443.42
Translation Adjustment	-	-	2.89	46.61	78.70	0.47	3.48	2.61	8.31	5.52	6.75	7.47	34.32	197.13
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross carrying amount as at March 31, 2020</b>	1,265.47	1,860.33	5,056.55	3,177.34	40,376.93	2,403.79	1,970.48	502.04	804.31	683.74	578.23	8,515.20	595.37	67,789.78
<b>Accumulated depreciation as at April 1, 2019</b>	54.79	-	1,363.45	1,866.55	16,396.85	1,402.95	1,047.78	448.48	467.89	390.78	410.20	3,842.61	453.77	28,146.10
Depreciation	13.93	-	204.27	282.97	2,255.74	112.22	144.79	24.36	63.56	59.49	40.56	758.06	46.35	4,006.30
Translation Adjustment	-	-	1.21	278.3	21.54	0.45	3.31	2.16	6.43	3.08	4.98	2.83	33.73	107.55
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	68.72	-	1,568.93	2,177.35	18,674.13	1,515.62	1,195.88	475.00	537.88	453.35	455.74	4,603.50	533.85	32,259.95
<b>Carrying amount as at April 1, 2019</b>	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	153.75	3,331.74	74.46	33,003.13
<b>Carrying amount as at March 31, 2020</b>	1,196.75	1,860.33	3,487.62	999.99	21,702.80	888.17	774.60	27.04	266.43	230.39	122.49	3,911.70	61.52	35,529.83

**Note:**

Refer note 16 and 20 for details of property, plant and equipment pledged as security for borrowings.

## Notes forming part of the Consolidated Financial Statements

### 3B. INVESTMENT PROPERTY

Changes in the carrying amount of Investment property

(₹ in Lacs)

Particulars	Land	Building	Total
<b>Gross carrying amount as at April 1, 2018</b>	<b>109.80</b>	<b>269.08</b>	<b>378.88</b>
Additions	-	-	-
<b>Gross carrying amount as at March 31, 2019</b>	<b>109.80</b>	<b>269.08</b>	<b>378.88</b>
<b>Accumulated depreciation as at April 1, 2018</b>	<b>-</b>	<b>109.50</b>	<b>109.50</b>
Depreciation	-	9.10	9.10
<b>Accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>118.60</b>	<b>118.60</b>
<b>Carrying amount as at April 1, 2018</b>	<b>109.80</b>	<b>159.58</b>	<b>269.38</b>
<b>Carrying amount as at March 31, 2019</b>	<b>109.80</b>	<b>150.48</b>	<b>260.28</b>
<b>Gross carrying amount as at April 1, 2019</b>	<b>109.80</b>	<b>269.08</b>	<b>378.88</b>
Additions	-	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>109.80</b>	<b>269.08</b>	<b>378.88</b>
<b>Accumulated depreciation as at April 1, 2019</b>	<b>-</b>	<b>118.60</b>	<b>118.60</b>
Depreciation	-	9.11	9.11
<b>Accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>127.71</b>	<b>127.71</b>
<b>Carrying amount as at April 1, 2019</b>	<b>109.80</b>	<b>150.48</b>	<b>260.28</b>
<b>Carrying amount as at March 31, 2020</b>	<b>109.80</b>	<b>141.37</b>	<b>251.17</b>

Reconciliation of fair value:

Particulars	Investment property
<b>Fair value as at April 1, 2018</b>	499.27
Fair value difference	27.74
<b>Fair value as at March 31, 2019</b>	527.01
Fair value difference	0.00
<b>Fair value as at March 31, 2020</b>	527.01

The Company obtains independent valuations for its investment property when the company estimates significant change in value of investment property. 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. These valuations are generally based on ready reckoner rates available. All resulting fair value estimates for investment properties are included in Level 3.

The rent received from the investment property is ₹ 165.35 Lacs (Previous year : ₹ 153.82 Lacs).



# Notes forming part of the Consolidated Financial Statements

## 3C. INTANGIBLE ASSETS

### Changes in the carrying amount of other intangible assets

	Software	Total
<b>Gross carrying amount as at April 1, 2018</b>	<b>735.54</b>	<b>735.54</b>
Additions	53.70	53.70
Translation Adjustment	(3.06)	(3.06)
Disposal/retirements/derecognition	-	-
<b>Gross carrying amount as at March 31, 2019</b>	<b>786.18</b>	<b>786.18</b>
<b>Accumulated depreciation as at April 1, 2018</b>	<b>256.27</b>	<b>256.27</b>
Depreciation	91.10	91.10
Translation Adjustment	(2.75)	(2.75)
Disposal/retirements/derecognition	-	-
<b>Accumulated depreciation as at March 31, 2019</b>	<b>344.62</b>	<b>344.62</b>
<b>Carrying amount as at April 1, 2018</b>	<b>479.27</b>	<b>479.27</b>
<b>Carrying amount as at March 31, 2019</b>	<b>441.56</b>	<b>441.56</b>
<b>Gross carrying amount as at April 1, 2019</b>	<b>786.18</b>	<b>786.18</b>
Additions	10.07	10.07
Translation Adjustment	5.82	5.82
Disposal/retirements/derecognition	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>802.07</b>	<b>802.07</b>
<b>Accumulated depreciation as at April 1, 2019</b>	<b>344.62</b>	<b>344.62</b>
Depreciation	94.05	94.05
Translation Adjustment	5.26	5.26
Disposal/retirements/derecognition	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>443.93</b>	<b>443.93</b>
<b>Carrying amount as at April 1, 2019</b>	<b>441.56</b>	<b>441.56</b>
<b>Carrying amount as at March 31, 2020</b>	<b>358.14</b>	<b>358.14</b>

## 3D. RIGHT OF USE ASSET

### Changes in the carrying amount of Investment property

		(₹ in Lacs)
Particulars	Building	Total
<b>Gross carrying amount as at April 1, 2019</b>	<b>1,463.05</b>	<b>1,463.05</b>
Additions	-	-
Disposal/retirements/derecognition	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>1,463.05</b>	<b>1,463.05</b>
<b>Accumulated depreciation as at April 1, 2019</b>	<b>292.39</b>	<b>292.39</b>
Depreciation	293.26	293.26
Disposal/retirements/derecognition	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>585.65</b>	<b>585.65</b>
<b>Carrying amount as at April 1, 2019</b>	<b>1,170.66</b>	<b>1,170.66</b>
<b>Carrying amount as at March 31, 2020</b>	<b>877.40</b>	<b>877.40</b>

Refer note 40 for further disclosures on leases.

## Notes forming part of the Consolidated Financial Statements

### 4. NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Quoted Investments</b>		
<b>Investments in equity instruments of other entities measured at fair value through Other Comprehensive Income</b>		
Bank of Maharashtra 900 equity shares (PY 900) of ₹ 25 each fully paid-up	0.08	0.13
<b>Unquoted Investments</b>		
<b>Investments in equity instruments of other entities measured at fair value through Profit and Loss</b>		
Shamrao Vitthal Co-operative bank* 2000 equity shares (PY 2000) of ₹ 25 each fully paid-up	0.50	0.50
	<b>0.58</b>	<b>0.63</b>
Aggregate book value of quoted investments	0.08	0.13
Aggregate market value of quoted investments	0.08	0.13
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.

### 5. LOANS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
<b>Loans and advances to related parties</b>		
Security deposits.	402.32	500.00
<b>Loans and advances other than related parties</b>		
Security deposits	147.00	163.70
	<b>549.32</b>	<b>663.70</b>

**Note :**

- (i) Loans are measured at amortised cost
- (ii) Refer related party disclosure in note 39.

### 6. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Capital advances	359.68	608.72
Balances with customs, excise and other government authorities	523.44	509.17
Deposits paid against appeal/ assessment	46.23	35.17
	<b>929.35</b>	<b>1,153.06</b>

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

## 7. INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Valued at the lower of cost and net realisable value)		
Finished goods	2,686.73	5,052.66
Semi Finished goods	3,837.84	3,916.26
Raw materials	1,688.64	874.56
Consumables	1,190.80	1,048.93
Packing Material	10.85	22.89
Dies under Development	1,181.83	1,051.98
	<b>10,596.69</b>	<b>11,967.28</b>

finished goods [includes in transit of INR 161.67 Lacs (Previous year : INR 690.86 Lacs)]

## 8. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables (Unsecured) :		
Considered good		
- From others	33,826.96	33,971.14
- From related parties	-	-
Credit Impaired		
- From others	235.22	220.08
	<b>34,062.18</b>	<b>34,191.22</b>
Less: Allowance for Credit Impairment	235.22	220.08
	<b>33,826.96</b>	<b>33,971.14</b>

### Notes:

- (i) Trade receivables from related parties are disclosed in note 39.
- (ii) Trade receivables are measured at amortised cost.
- (iii) Above balances are subject to confirmation & reconciliation if any .

## 9. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash In hand	54.50	24.24
Balances with banks		
- In current accounts	322.80	791.73
	<b>377.30</b>	<b>815.97</b>

## 10. BANK BALANCES OTHER THAN (9) ABOVE

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
- Unpaid dividend account	155.09	92.37
Margin money In FDR With remaining maturity of more than 3 months but less than 12 months	383.92	335.39
	<b>539.01</b>	<b>427.76</b>

## Notes forming part of the Consolidated Financial Statements

### 11. LOAN

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
- Loan to employees	51.27	29.61
	<b>51.27</b>	<b>29.61</b>

**Notes:**

- Loans are measured at amortised cost.
- 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.

### 12. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Interest accrued on term deposits	8.89	11.08
Other receivables - Unbilled Revenue	-	-
	<b>8.89</b>	<b>11.08</b>

**Notes:**

- Other current financial assets are measured at amortised cost.
- 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 Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Advance to suppliers	29.06	112.17
Prepaid expenses	232.33	180.98
Balances with statutory authorities	2,104.78	1,707.37
Advance against expenses/others	644.29	105.33
Other assets	22.76	20.70
	<b>3,033.22</b>	<b>2,126.55</b>

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 Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
1,60,00,000 (Previous year : 1,60,00,000) equity shares of ₹ 5 each fully paid up	800.00	800.00
	<b>800.00</b>	<b>800.00</b>
<b>Issued subscribed and fully paid up:</b>		
1,37,75,121 (Previous year : 1,36,40,121) equity shares of ₹ 5 each fully paid up	688.77	682.01
	<b>688.77</b>	<b>682.01</b>

## Notes forming part of the Consolidated Financial Statements

### 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, 2020		As at March 31, 2019	
	Number of shares	(₹ Lacs)	Number of shares	(₹ Lacs)
<b>Equity shares</b>				
At the beginning of the year	13,640,121	682.01	13,365,510	668.28
Add: Shares issued on exercise of employee stock options	135,000	6.75	274,611	13.73
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>13,775,121</b>	<b>688.76</b>	<b>13,640,121</b>	<b>682.01</b>

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:

Name of the shareholders	As at March 31, 2020	% of shares held	As at March 31, 2019	% of shares held
Nastic Trading LLP	6,762,822	49.09%	6,762,822	49.58%
Shailendra Rai	841,469	6.11%	834,444	6.12%
Enkei Corporation	1,960,000	14.23%	1,960,000	14.37%

### 15. OTHER EQUITY

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Securities premium	8,940.69	8,283.01
Employee stock options outstanding reserve	1,113.87	1,646.53
Capital reserve	411.55	411.55
General reserve	1,240.00	1,240.00
Surplus	18,973.66	18,376.30
Exchange difference in translating the financial statement of foreign operations	124.97	187.13
Equity instruments through Other comprehensive income	(0.18)	(0.13)
	<b>30,804.56</b>	<b>30,144.39</b>

### 16. BORROWINGS

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
<b>Term loans</b>		
- From banks (secured)	8,225.54	4,386.29
- From financial institutions (secured)	4,495.11	5,578.23
Loan From Directors ((Unsecured)	1,582.30	-
	<b>14,302.95</b>	<b>9,964.52</b>
Less : Current maturities of long term borrowing	2,085.37	2,954.97
	<b>12,217.58</b>	<b>7,009.55</b>



## Notes forming part of the Consolidated Financial Statements

### 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 and HDFC Bank Ltd. which are repayable through monthly / Quarterly instalments. However documentation related to securitization of HDFC bank is in process.

Total number of instalments = 715

Number of instalments outstanding as at March 31, 2020 = 337 (PY = 403)

- (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, ₹ 2,085.37 Lacs (PY ₹ 2,954.97 Lacs) are classified as current liabilities being repayable before March 31, 2021. In case of HDFC Bank Ltd, creation of first parri-passu charge along with lead bank (i.e. Bank of Maharashtra) and other consortium member banks/ financial institution by way of registered mortgage on the existing fixed assets except Land at Khed city are in Process.
- (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
- (v) The Management expect that loan from director will be paid after 12 month from the date of balance sheet, according classification has been down.

### 17. OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Lease liability	569.14	-
	<b>569.14</b>	<b>-</b>

### Notes:

Other financial liabilities are measured at amortised cost.

### 18. PROVISIONS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Provision for employee benefits		
- Gratuity (Refer note 36(2))	503.81	415.13
- Compensated Absences	194.87	202.91
	<b>698.68</b>	<b>618.04</b>

### 19. DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Deferred tax liabilities</b>		
- Property, plant and equipment	3,114.70	2,656.57
- Lease	29.92	-
- Transaction cost on term loans amortised over the tenure of the loan	19.32	2.58
	<b>3,163.94</b>	<b>2,659.15</b>
<b>Deferred tax assets</b>		
- Provision for doubtful debts and advances	74.95	71.00
- Provision allowed on payment basis	356.71	262.92
- Fair valuation of security deposit	34.14	-
	<b>465.80</b>	<b>333.92</b>
<b>Net deferred tax liability</b>	<b>2,698.14</b>	<b>2,325.23</b>

Refer note 45 for further disclosures

# Notes forming part of the Consolidated Financial Statements

## 20. BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans repayable on demand</b>		
<b>Working capital loans (secured)(Refer note (i) below)</b>		
- From banks (secured).	12,260.02	11,134.59
- From financial institutions (secured).	5,500.00	5,500.00
<b>Total Working capital loans</b>	<b>17,760.02</b>	<b>16,634.59</b>
<b>Liability from bank against Preshipment / PO funding (unsecured)(Refer note (ii) below)</b>	<b>3,589.33</b>	<b>4,415.86</b>
	<b>21,349.35</b>	<b>21,050.45</b>

### Notes:

- 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.
- 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.
- 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.
- Borrowings are measured at amortised cost

## 21. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	234.47	1,217.19
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>		
- Acceptances	416.07	3,244.83
- Others	14,534.96	14,006.73
	<b>14,951.03</b>	<b>17,251.56</b>
	<b>15,185.50</b>	<b>18,468.75</b>

### Notes:

- Above trade payable include due to related parties included of ₹ 2141.51 and same has been disclosed note no 39
- Trade payables are measured at amortised cost.
- Above balances are subject to confirmation & reconciliation if any .
- 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.

## Notes forming part of the Consolidated Financial Statements

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	234.47	1,217.19
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	10.25	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	4.05	-

### 22. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt	2,085.37	2,954.97
Accrued employee costs	589.94	753.70
Lease liability	222.66	
Interest accrued and not due on borrowings	226.86	69.51
Unclaimed dividend	155.09	92.37
Payables in respect of PPE	597.77	888.92
Payables in respect of services	605.58	425.89
Royalty payable	49.04	59.45
Other liabilities	388.37	168.26
	<b>4,920.68</b>	<b>5,413.07</b>

**Notes:**

- (i) Liabilities are measured at amortised cost.

### 23. OTHER CURRENT LIABILITIES

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Advances from customers	71.16	24.90
Statutory remittances (net)	384.34	969.20
	<b>455.50</b>	<b>994.10</b>

### 24. PROVISIONS

Particulars	(₹ in Lacs)	
	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer note 36(2))	89.86	93.11
- Compensated Absences	110.44	126.58
Provision for bonus	352.97	281.31
	<b>553.27</b>	<b>501.00</b>

# Notes forming part of the Consolidated Financial Statements

## 25. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sale of products</b>		
- Finished Goods	91,721.87	112,162.11
<b>Other operating revenue</b>		
- Scrap sale	3,078.54	5,204.97
- Sale of Services	369.53	793.26
- Export incentive	549.38	729.32
	<b>95,719.32</b>	<b>118,889.66</b>

The entire revenue from operations is recognised at point in time and relates to single operating segment i.e. Aluminium castings. Refer note no. 37 for further disclosures.

The information relating to trade receivables from revenue from operations is disclosed in note no.8.

### Details of products sold

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Manufactured goods</b>		
Castings made from aluminum alloys	87,051.44	107,817.51
Dies	4,670.43	4,344.32
<b>Total manufactured goods</b>	<b>91,721.87</b>	<b>112,161.83</b>
Scrap Sales	3,078.54	5,204.97
<b>Total</b>	<b>94,800.41</b>	<b>117,366.80</b>

## 26. OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Received	28.63	21.55
Rental income	165.35	153.82
Miscellaneous Income	84.76	68.87
Derivative profit	-	71.46
	<b>278.74</b>	<b>315.70</b>

## 27. COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory of materials at the beginning of the year	1,702.72	3,340.45
Purchases	47,489.54	62,944.34
Inventory of materials at the end of the year	2,870.47	1,702.72
	<b>46,321.79</b>	<b>64,582.07</b>

## Notes forming part of the Consolidated Financial Statements

### 28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lacs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At the beginning of the year		
Finished Goods	5,039.20	993.93
Work-in-progress	3,916.26	3,329.49
	<b>8,955.46</b>	<b>4,323.42</b>
At the end of the year		
Finished Goods	2,686.73	5,039.20
Work-in-progress	3,824.96	3,916.26
	<b>6,511.69</b>	<b>8,955.46</b>
	<b>2,443.77</b>	<b>(4,632.04)</b>

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 Lacs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	11,978.74	12,745.19
Contributions to Provident and other Funds	1,177.17	1,163.04
Gratuity and leave encashment	151.25	191.99
Employee share based payments expenses (refer note 41)	125.13	1,327.20
Employee Welfare Expenses	871.64	1,076.92
	<b>14,303.93</b>	<b>16,504.34</b>

### 30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (refer note 3A)	4,012.29	3,713.74
Depreciation on Investment property, (refer note 3B)	9.11	9.10
Amortization of intangible assets (refer note 3C)	88.07	-
Depreciation on Right-of-use of asset (refer note 3D)	293.27	85.69
	<b>4,402.74</b>	<b>3,808.53</b>

### 31. FINANCE COSTS

(₹ in Lacs)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on term loan & working capital (Refer note i)	3,712.27	3,216.10
Interest on payments of Duties & Taxes	4.66	11.07
Other borrowing costs	127.04	254.59
Unwinding of interest on royalty payable	-	51.96
Unwinding of interest on lease liability	90.42	-
	<b>3,934.39</b>	<b>3,533.72</b>

#### Note

(i) Includes amount of ₹ 8.10 Lacs (Previous year : ₹ 8.64 Lacs) pertaining to amortisation of transaction cost



# Notes forming part of the Consolidated Financial Statements

## 32. OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Manufacturing Expenses</b>		
Consumption of stores and spares	4,274.09	5,599.54
Power and fuel	6,688.20	7,752.84
Processing charges	3,875.61	5,561.38
Repairs to Machinery	322.84	519.70
Repairs Maintenance -Others	292.89	507.43
Other Manufacturing Expenses	899.30	793.39
	<b>16,352.93</b>	<b>20,734.28</b>
<b>Administrative Expenses</b>		
Legal and Professional charges	720.75	820.95
Payment to Auditor's (refer note 35 I)	27.13	26.88
Rent	1,155.34	1,110.92
Corporate Social Responsibility Expenses (refer note 35 II)	102.50	79.79
Other Administrative Expenses	1,386.67	2,288.35
	<b>3,392.39</b>	<b>4,326.89</b>
<b>Selling and Distribution Expenses</b>		
Selling and distribution expenses	2,314.38	2,728.63
	<b>2,314.38</b>	<b>2,728.63</b>
	<b>22,059.70</b>	<b>27,789.80</b>

## 33. FINANCIAL INSTRUMENTS

### 33.1 Financial Instruments by category

The carrying value of financial instruments by categories as on March 31, 2020 are as follows:

(₹ in Lacs)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
<b>Assets</b>				
Investments in equity instruments	-	0.50	0.08	0.58
Trade receivables	33,826.96	-	-	33,826.96
Cash and cash equivalents	377.30	-	-	377.30
Other balances with banks	539.01	-	-	539.01
Loans	600.59	-	-	600.59
Other financial assets	8.89	-	-	8.89
<b>Total Assets</b>	<b>35,352.75</b>	<b>0.50</b>	<b>0.08</b>	<b>35,353.33</b>
<b>Liabilities</b>				
Borrowings	33,566.93	-	-	33,566.93
Trade payables	15,185.5	-	-	15,185.50
Other financial liabilities	5,489.96	-	-	5,489.96
<b>Total Liabilities</b>	<b>54,242.39</b>	<b>-</b>	<b>-</b>	<b>54,242.39</b>

## Notes forming part of the Consolidated Financial Statements

The carrying value of financial instruments by categories as on March 31, 2019 are as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	(₹ in Lacs)
				Total carrying value
<b>Assets</b>				
Investments in equity instruments	-	0.50	0.13	0.63
Trade receivables	33,971.14	-	-	33,971.14
Cash and cash equivalents	815.97	-	-	815.97
Other balances with banks	427.76	-	-	427.76
Loans	693.31	-	-	693.31
Other financial assets	11.08	-	-	11.08
<b>Total Assets</b>	<b>35,919.26</b>	<b>0.50</b>	<b>0.13</b>	<b>35,919.89</b>
<b>Liabilities</b>				
Borrowings	28,060.00	-	-	28,060.00
Trade payables	18,468.75	-	-	18,468.75
Other financial liabilities	5,413.07	-	-	5,413.07
<b>Total Liabilities</b>	<b>51,941.82</b>	-	-	<b>51,941.82</b>

### 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, 2020:

Particulars	As at March 31, 2020	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.08	0.08	-	-

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 liability	-	-	-	-

#### 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.

# Notes forming part of the Consolidated Financial Statements

## 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.

#### Trade receivables that were not impaired

Particulars	Carrying amount	
	March 31, 2020	March 31, 2019
Less Than 180 days	33,591.74	33,751.06
More than 180 days	235.22	220.08
<b>Total</b>	<b>33,826.96</b>	<b>33,971.14</b>

#### Movement in allowance For Credit Impairment

Particulars	₹ Lacs
<b>At April 1, 2018</b>	<b>1,964.70</b>
Provided during the year	62.07
Amount written off / written back	(1,806.69)
<b>At March 31, 2019</b>	<b>220.08</b>
Provided during the year	20.00
Amount written off / written back	(4.86)
<b>At March 31, 2020</b>	<b>235.22</b>

#### 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.

## Notes forming part of the Consolidated Financial Statements

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, 2020	March 31, 2019
Cash and cash equivalents	377.30	815.97
Other balances with banks	539.01	427.76
<b>Total</b>	<b>916.31</b>	<b>1,243.73</b>

The following are the remaining contractual maturities of financial liabilities as on March 31, 2020.

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings	21,349.35	2,085.37	12,217.58	35,652.30
Trade payables	-	15,185.50	-	15,185.50
Other financial liabilities	155.09	2,680.22	569.14	3,404.45

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	21,050.45	2,954.97	7,009.55	31,014.97
Trade payables	-	18,468.75	-	18,468.75
Other financial liabilities	92.37	2,365.73	-	2,458.10

### 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.

## Notes forming part of the Consolidated Financial Statements

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>USD</b>				
Trade payables	0.39	0.12	28.80	9.20
Payable for PPE	0.01	0.29	0.48	20.24
Trade receivables	77.09	76.79	5,390.49	5,315.75
Cash and bank balance	0.01	0.01	0.91	0.56
<b>Net liabilities / (assets)</b>	<b>(76.70)</b>	<b>(76.38)</b>	<b>(5,362.11)</b>	<b>(5,286.86)</b>
<b>EUR</b>				
Trade payables	32.10	23.91	2,666.62	1,858.00
Payable for PPE	2.62	3.48	194.63	258.89
Trade receivables	53.34	46.68	4,401.55	3,638.99
Cash and bank balance	0.05	5.30	4.13	411.75
<b>Net liabilities / (assets)</b>	<b>(18.67)</b>	<b>(24.59)</b>	<b>(1,544.43)</b>	<b>(1,933.85)</b>
<b>JPY</b>				
Trade payables	41.31	203.82	24.24	128.87
Payable for PPE	-	-	-	-
Cash and bank balance	1.68	0.05	1.14	0.03
<b>Net liabilities / (assets)</b>	<b>39.63</b>	<b>203.77</b>	<b>23.11</b>	<b>128.85</b>
<b>GBP</b>				
Trade payables	(0.00)	0.00	(0.15)	0.13
Trade receivables	2.84	3.96	261.52	360.54
Cash and bank balance	0.00	0.00	0.01	0.05
<b>Net liabilities / (assets)</b>	<b>(2.84)</b>	<b>(3.96)</b>	<b>(261.69)</b>	<b>(360.47)</b>

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, 2020	EUR	+5%	268.11	268.11	
		-5%	(268.11)	(268.11)	
	USD	+5%	77.22	77.22	
		-5%	(77.22)	(77.22)	
	JPY	+5%	(1.16)	(1.16)	
		-5%	1.16	1.16	
	GBP	+5%	13.08	13.08	
		-5%	(13.08)	(13.08)	
	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)	



## Notes forming part of the Consolidated Financial Statements

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, 2020	USD	-	-	NA	-
As at March 31, 2019	USD	-	-	NA	-

### 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, 2020	March 31, 2019
<b>Variable rate instruments</b>		
Borrowings	35,652.30	31,014.97

Interest rate sensitivity on variable rate instruments

Particulars	March 31, 2020	March 31, 2019
Impact on profit before tax or pre-tax equity		
Increase by 50 basis points		
Decrease by 50 basis points	(179.00)	(155.08)
	<b>179.00</b>	<b>155.08</b>

### 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, 2020 and March 31, 2019.

### 35. I. AUDITOR'S REMUNERATION

Particulars	FY 2019-20	FY 2018-19
Statutory Audit	16.50	16.00
Limited Review	4.00	4.50
Consolidation Audit	9.89	9.89
Certifications	1.00	1.00
Out of pocket expenses	0.63	0.38
<b>Total</b>	<b>32.02</b>	<b>31.77</b>

### II. DETAILS OF CSR EXPENDITURE

Particulars	FY 2019-20	FY 2018-19
Gross Amount To be spend during the year	107.33	79.79
Amount spend during the year	102.50	79.79

## Notes forming part of the Consolidated Financial Statements

### 36. DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY IND-AS 19 - "EMPLOYEE BENEFITS ARE AS UNDER":

#### 1. Defined contribution plan - Provident fund and other funds

The group has recognized following amounts in the profit & loss account for the year:

Particulars	FY 2019-20	FY 2018-19
Contribution to employee provident fund and other funds	1,177.17	1,163.04
<b>Total</b>	<b>1,177.17</b>	<b>1,163.04</b>

#### 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.

Change in present value of defined benefit obligation	FY 2019-20	FY 2018-19
Present value of defined benefit obligation at the beginning of the year	948.49	791.70
Current service cost	93.12	83.56
Interest cost	66.43	55.04
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in financial assumptions	53.04	7.85
b) changes in demographic assumptions	(0.50)	
c) experience adjustments	(47.75)	87.92
Past service cost		-
Benefits paid	(104.13)	(77.58)
Present value of defined benefit obligation at the end of the year	<b>1,008.70</b>	<b>948.49</b>

Change in the fair value of plan assets	FY 2019-20	FY 2018-19
Fair Value of plan assets at the beginning of the period	440.26	350.87
Interest Income	32.03	24.91
Return on plan assets, excluding interest income	(1.32)	3.87
Contribution by the employer	48.21	138.19
Benefit paid from the fund	(104.13)	(77.58)
Fair Value of plan assets at the end of the period	<b>415.05</b>	<b>440.26</b>

Analysis of defined benefit obligation	FY 2019-20	FY 2018-19
Present value of obligation as at the end of the year	(1,008.70)	(948.49)
Fair Value of Plan Assets at the end of the Period	415.05	440.26
Net asset (liability) recognized in the Balance Sheet	<b>(593.65)</b>	<b>(508.23)</b>
<b>Bifurcation of liability as per Schedule III</b>		
Current Liability	89.87	93.11
Non-Current Liability	503.81	415.12
Net (asset) / liability recognized in the Balance Sheet	<b>593.68</b>	<b>508.23</b>

## Notes forming part of the Consolidated Financial Statements

Components of employer expenses/remeasurement recognized in the statement of Profit and Loss	FY 2019-20	FY 2018-19
Current service cost	93.12	83.56
Net Interest Cost	34.40	30.13
Past Service Cost	-	-
Expenses recognized in the Statement of Profit and Loss	127.52	113.69

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	FY 2019-20	FY 2018-19
Actuarial loss / (gain)	4.79	95.77
Return on plan assets, Excluding interest income	1.32	(3.87)
Net (income)/expense recognized in the OCI	6.11	91.90

Analysis of defined benefit obligation	FY 2019-20	FY 2018-19
Net opening provision in books of accounts	508.24	440.84
Employee Benefit Expense	127.52	113.69
Amounts recognized in Other Comprehensive Income	6.11	91.90
Contribution by the employer	(48.21)	(138.19)
Net (asset) / liability recognized in the Balance Sheet	593.66	508.24

Composition of the plan assets	FY 2019-20	FY 2018-19
Policy of insurance	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Actuarial Assumptions	FY 2019-20	FY 2018-19
Discount rate	6.80%	7.55%
Salary Escalation	5.50%	5.50%

Withdrawal rates per annum	FY 2019-20	FY 2018-19
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 35 to 45 years	3.00%	3.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

- 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.
- Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

# Notes forming part of the Consolidated Financial Statements

## 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 2019-20		FY 2018-19	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	967.47	1,053.06	910.31	989.51
Future salary growth (0.5 % movement)	1,050.37	968.88	987.79	911.01
Attrition rate (1 % movement)	1,012.18	1,004.82	953.53	943.20

## Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	FY 2019-20	FY 2018-19
1 <sup>st</sup> Following year	112.90	113.74
2 <sup>nd</sup> Following year	73.20	53.96
3 <sup>rd</sup> Following year	84.37	79.79
4 <sup>th</sup> Following year	102.85	80.80
5 <sup>th</sup> Following year	59.71	110.72
Sum of years 6 to 10	427.44	437.46

## Weighted average assumptions used to determine net periodic benefit cost

Particulars	FY 2019-20	FY 2018-19
Number of active members	875	952.00
Per month salary cost for active members	190.49	210.73
Average monthly salary (₹)	21,771.00	22,135.00
Average age (years)	38.24	37.60
Weighted average duration of the projected benefit obligation (years)	10.36	9.63
Average expected future service (years)	20.15	20.82
Average outstanding term of the obligations (Years)	9.68	9.27
Prescribed contribution for next year (12 Months)	89.86	93.12

## 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.

### Revenue bifurcation based on geographical areas

Particulars	As at March 31, 2020	As at March 31, 2019
India Sales	72,235.23	89,397.47
Rest of world Sales	19,486.64	29,492.19
	91,721.87	118,889.66

## Notes forming part of the Consolidated Financial Statements

### 38. NET DEBT RECONCILIATION

#### Position of net debt

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings		
Non-current borrowings	12,217.58	7,009.55
Current borrowings	21,349.35	21,050.45
Current maturities of long term loans	2,085.37	2,954.97
Less		
Cash and cash equivalents	377.30	815.97
<b>Net debt</b>	<b>35,275.00</b>	<b>30,199.00</b>

#### Movement in net debt

Particulars	As at March 31, 2020	As at March 31, 2019
Opening net debt	30,199.00	26,837.92
Cash flows	5,076.00	4,177.05
Foreign exchange adjustment	-	-
Opening interest accrued but not due	69.51	77.85
Closing interest accrued but not due	(226.86)	69.51
Interest expense	3,712.27	3,216.10
Interest paid	(3,554.92)	(3,363.46)
<b>Closing net debt</b>	<b>35,275.00</b>	<b>31,014.97</b>

### 39. RELATED PARTY DISCLOSURES

#### A. Relationship between the related parties:

Relationship	Name of related party
Subsidiary	Alicon Holding - GmbH
Step Down Subsidiary	Illichmann Castalloy - GmbH
Step Down 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)	Name	Designation
	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 Harollikar	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 2019-20	FY 2018-19
		Group company	Group company
1	Sales	3.00	9.95
2	Purchases	1,864.36	1,829.16
3	Expenses charged to the company	2,440.84	2,262.70
4	Expenses charged By the company	125.92	140.33
5	Amount receivable at the end of the year	500.00	500.00
6	Amount payable at the end of the year	2,141.51	1,875.72
7	PPE purchased (net)	1,279.82	1,421.11

### D. Transaction with related party of Key Managerial Personnel :

No.	Particulars	FY 2019-20	FY 2018-19
1	Rent paid	2.28	2.28
2	Loan From Director	1,500.00	-
3	Interest on Loan From Director	82.30	-
4	Loan payable at the end of the year	1,582.30	-

### E. Compensation to key management personnel :

No.	Particulars	FY 2019-20	FY 2018-19
1	Short term employee benefits	285.88	279.67
2	Post-employment benefits	5.25	25.50
3	Commission	178.71	240.05
4	Share based payments	506.25	1,606.50
5	Sitting Fees	13.60	8.05
	<b>Total</b>	<b>1,434.62</b>	<b>2,159.77</b>

#### 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

### Changes in accounting policy

The Group applied Ind AS 116 with a date of initial application of April 1, 2019. The Group applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at April 1, 2019. The company has opted to measure Right-of-use assets at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

The Group used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 :

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

## Notes forming part of the Consolidated Financial Statements

### Impact

Ind AS 116 has resulted in recognising a net right-of-use asset of ₹ 1,170.16 Lacs, reversal of prepaid asset of ₹ 175.23 Lacs and a corresponding lease liability of ₹ 979.21 Lacs. The difference of ₹ 109.15 Lacs has been adjusted to retained earnings as at April 1, 2019. In the statement of profit and loss for the year ended March 31, 2020, operating lease expenses which were recognized as other expenses in previous periods are now recognized as depreciation expense for the right-of-use asset and finance cost for interest on lease liability.

When measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted-average rate applied is 10.30%.

(₹ in Lacs)	
Lease liabilities included in the balance sheet	March 31, 2020
Current	222.66
Non-current	569.14
<b>Total</b>	<b>791.80</b>

(₹ in Lacs)	
Amounts recognised in the statement of profit and loss	March 31, 2020
Depreciation on right-of-use assets	293.27
Interest on Lease Liabilities	90.42
Expenses relating to short-term leases	1,155.34
<b>Total</b>	<b>1,245.76</b>

(₹ in Lacs)	
Contractual cashflows - lease liabilities	March 31, 2020
- Not later than one year	291.72
- later than one year and not later than five years	627.93
- Later than five years	-
<b>Total</b>	<b>919.65</b>

### Operating leases (Ind AS 17)

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:

(₹ in Lacs)	
Particulars	March 31, 2019
- Not later than one year	291.72
- later than one year and not later than five years	627.93
- 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 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.

## Notes forming part of the Consolidated Financial Statements

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 Lacs 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 2019-20		FY 2018-19	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	261,201	124	321,201	124
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	13,556	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	116,697	124	60,000	124
Options outstanding at the end of year	130,948	124	261,201	124
Options exercisable at the end of the year	52,378	124	57,800	124
Weighted average remaining contractual life	4.54 years		4.78 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 and previous year

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 a net reversal of employee compensation cost of ₹ 381.20 Lacs (on account of lapse of options and other estimates) and provided an expenditure in previous year of ₹ 94.92 Lacs 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 8, 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

## Notes forming part of the Consolidated Financial Statements

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year

Particulars	FY 2019-20		FY 2018-19	
	No. of shares	Weighted average exercise price	No. of shares	Weighted average exercise price
Options outstanding at the beginning of the year	405,000	5	675,000	5
Granted during the year	-	-	-	-
Forfeited / surrendered during the year	-	-	-	-
Exercised during the year	135,000	5	270,000	5
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	270,000	5	405,000	5
Options exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	1.84 years		2.35 years	

The weighted average market price of the options exercised under Employees Stock Option Scheme -2017 on the date of exercise was ₹ 379.30. (Previous year - ₹ 576.90).

No options granted in the current year and previous year under this scheme

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 ₹ 506.33 Lacs (Previous year ₹ 1232.28 Lacs) 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 2019-20	FY 2018-19
Capital expenditure	-	-
Revenue expenditure	425.15	449.30
<b>Total R&amp;D expenditure</b>	<b>425.15</b>	<b>449.30</b>

### 43. BASIC AND DILUTED EARNINGS PER SHARE

Particulars		FY 2019-20	FY 2018-19
<b>Nominal value per equity share</b>	₹	5.00	5.00
Profit for the year	₹ in Lacs	1,703.34	5,295.22
Weighted average number of basic equity shares	No. of shares	13,721,861	13,471,000
Effect of diluted shares	No. of shares	195,239	440,238
Weighted average number of diluted equity shares	No. of shares	13,917,100	13,911,238
<b>Earnings per share - Basic</b>	₹	12.41	39.31
<b>Earnings per share - Diluted</b>	₹	12.24	38.06

# Notes forming part of the Consolidated Financial Statements

## 44. DISCLOSURE OF CAPITAL COMMITMENT & CONTINGENT LIABILITIES

### 1. Capital commitment

(₹ in Lacs)		
Sr. Particulars No.	March 31, 2020	March 31, 2019
1 Estimated amount of contracts remaining to be executed on capital account	1,617.46	31.53
<b>Total</b>	<b>1,617.46</b>	<b>31.53</b>

### 2. Contingent liabilities not provided for :

(₹ in Lacs)		
Sr. Particulars No.	March 31, 2020	March 31, 2019
1 Stand by Letters of credit issued by Against foreign obligation related to subsidiary/Import	2,906.74	3,440.77
2 Performance and financial guarantees issued by the banks	748.60	743.85
4 Customs and related duties for non fulfilment of export obligation	1,222.49	1,222.49
5 Assessment dues of VAT & CST	553.73	1,340.08
6 Pending cases in local civil court	459.09	459.09
7 Income tax dues including interest	-	18.74

## 45. INCOME TAXES

The income tax expense consists of following:

(₹ in Lacs)		
Particulars	FY 2019-20	FY 2018-19
<b>Tax expense</b>		
Current tax	566.99	1,628.96
Short/ (Excess) of earlier years	(29.54)	172.94
MAT credit entitlement	(122.41)	(155.22)
Deferred tax (benefit) / charge	413.36	677.04
<b>Total tax expense</b>	<b>828.40</b>	<b>2,323.72</b>
<b>Other comprehensive income</b>		
Remeasurements gains and losses on post employment benefits	(2.14)	(32.12)
<b>Income tax expense reported in the statement of other comprehensive income</b>	<b>(2.14)</b>	<b>(32.12)</b>

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:



## Notes forming part of the Consolidated Financial Statements

Particulars	(₹ in Lacs)	
	FY 2019-20	FY 2018-19
Profit before tax	2,531.74	7,618.94
Indian statutory income tax rate	34.94%	34.94%
Expected tax expense	885.00	2,662.36
<b>Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Effect of tax on earlier years	(29.54)	172.94
Tax rate difference on book profit as per Minimum Alternate Tax	(339.13)	(1,008.17)
Tax expenses accounted as no effect of Timing differences on MAT liability	290.95	521.82
Effect of differential overseas tax rate	17.24	(24.79)
Others (net)	3.88	(0.44)
<b>Total tax expense</b>	<b>828.40</b>	<b>2,323.72</b>

### Deferred Tax

#### Item wise movement in deferred tax expense recognised in profit or loss / OCI

Particulars	(₹ in Lacs)	
	FY 2019-20	FY 2018-19
- Property, plant and equipment	458.13	254.79
- Unwinding of enkei payable	-	(194.64)
- Leases	29.92	
- Transaction cost on term loans amortised over the tenure of the loan	16.74	(2.96)
- Provision for doubtful debts and advances	(3.95)	581.88
- Provision allowed on payment basis	(93.79)	5.85
- Fair valuation of security deposit	(34.14)	
<b>Total expenses</b>	<b>372.91</b>	<b>644.92</b>
- Recognised in Profit or Loss	413.36	677.04
- Recognised in Other Comprehensive Income	(2.14)	(32.12)
- Recognised in retained earnings (Refer note 40)	(38.31)	
	<b>372.91</b>	<b>644.92</b>

#### The gross movement in the deferred tax for the year ended March 31, 2020 and March 31, 2019 is as follows:

Particulars	(₹ in Lacs)	
	FY 2019-20	FY 2018-19
Net deferred tax asset (liability) at the beginning	2,324.22	1,679.30
(Credits) / charge relating to temporary differences	413.36	677.04
Temporary differences on other comprehensive income	(2.14)	(32.12)
Recognised in retained earnings (Impact of Ind AS 116)	(38.31)	-
<b>Net deferred income tax asset at the end</b>	<b>2,697.13</b>	<b>2,324.22</b>

46. The COVID-19 pandemic has led to unprecedented disruption not only to the global economy, but also to the lives of people all around the world. On account of outbreak of Pandemic Covid-19 and declared nationwide lockdown, Company temporarily suspended its operations from March 23, 2020. With partial opening of lockdown the operations resumed on May 07, 2020, after obtaining necessary permissions from concerned State/Central Government Authorities. To navigate safely through this pandemic, our key priority has been to maintain and secure our Company's operations, while also ensuring safety and well-being of our employees and business partners. We meticulously executed business plans and undertook requisite measures to secure our operations with the objective of preparing ourselves for the 'New Normal'.

The Company is monitoring the situation closely taking into account directives from the Governments. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the net realisable values of other assets. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

## Notes forming part of the Consolidated Financial Statements

47. For disclosure mandated by schedule III of companies Act 2013, by way of additional information in, refer 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
<b>Parent</b>								
Alicon Castalloy Limited	100.27%	31579.26	98.83%	1,683.45	6.09%	(4.03)	34.04%	1,679.42
<b>Subsidiaries</b>								
Alicon Holding GmbH	-0.20%	(63.94)	0.00%	0.04	2.28%	(1.51)	-0.03%	(1.47)
Illichmann Castalloy S.R.O	-0.93%	(292.70)	-2.55%	(43.37)	56.55%	(37.43)	-1.64%	(80.80)
Illichmann Castalloy GmbH	0.86%	270.71	3.71%	63.22	35.08%	(23.22)	0.81%	40.00

As per our report of even date attached

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

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Regn No: 105215W/W100057

**Parag Pansare**

Partner

Membership No. 117309

**S. Rai**

Managing Director

DIN : 00050950

**A.D.Harolikar**

Director

DIN : 00239460

**Place:** Pune

**Date:** June 26, 2020

**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 30<sup>th</sup> Annual General Meeting of the Members of Alicon Castalloy Limited will be held at 11:00 a.m. on Wednesday, the August 26, 2020 through Video Conference / Other Audio Visual Means, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the –
  - a) Audited standalone Balance Sheet as on March 31, 2020 and Statement of Profit & Loss for the year ended on that date together with the Cash Flow Statement, the reports of the Board of Directors and the Auditors thereon; and
  - b) Audited consolidated Balance Sheet as on March 31, 2020 and Statement of Profit & Loss for the year ended on that together with the Cash Flow Statement, the report of Auditors thereon.
2. To consider and approve Interim Dividend as Final Dividend for the FY 2019 -20
3. To appoint a Director in the place of Mrs. Pamela Rai (DIN: 00050999), who retires by rotation and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS:

4. **Re-appointment of Mr. Ajay Nanavati (DIN: 02370729) as an Independent Director**

To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”) (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV

to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Ajay Nanavati (DIN: 02370729), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five (5) consecutive years with effect from April 30, 2020 to April 29, 2025 and shall not be liable to retire by rotation.

5. **Appointment of Mrs. Veena Mankar (DIN: 00004168) as an Independent Director.**

To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mrs. Veena Mankar (DIN: 00004168), who was appointed as an Additional Director by the Board of Directors in its meeting held on October 15, 2019 and who holds the office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold the office for a term of five (5) consecutive years up to October 14, 2024.”

By Order of the Board of Directors

**Place:** Pune  
**Date:** June 26, 2020

**Shailendrajit Rai**  
Managing Director

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto.
2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 30th AGM of the Company shall be conducted through VC / OAVM. National Securities Depository Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 9 below and is also available on the website of the Company at [www.alicongroup.co.in](http://www.alicongroup.co.in).
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, on email id of [scrutinizer2020@alicongroup.co.in](mailto:scrutinizer2020@alicongroup.co.in).
5. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, August 20, 2020 to Wednesday, August 26, 2020 (both days inclusive) for the purpose of Annual General Meeting.

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

6. In accordance with, the General Circular No. 20/2020 dated May 05, 2020 issued by MCA and Circular No.

SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the RTA of the Company on the email id of [gamare@uniseq.in](mailto:gamare@uniseq.in) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to RTA of the Company on the email id of [gamare@uniseq.in](mailto:gamare@uniseq.in).
8. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at [www.alicongroup.co.in](http://www.alicongroup.co.in), on the website of BSE Limited and National Stock Exchange of India Limited and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM**

9. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. Members are encouraged to join the Meeting through Laptops for better experience.
12. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
13. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
14. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

16. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020.

**PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

17. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/ send their queries in advance mentioning their name demat account number / folio number, email id, mobile number @ investor.relations@alicongroup.co.in. Questions / queries received by the Company till 5.00 p.m. on August 21, 2020 shall only be considered and responded during the AGM.
18. Members who would like to express their views or ask questions during the AGM may use chat facility to raise questions to moderator. The moderator then will ask one by one question during the meeting.
19. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
20. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on Saturday, August 22, 2020, at 10:00 A.M. and ends on Tuesday, August 25, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on [NSDL e-Voting system](#).**



Details on Step 1 is mentioned below:

#### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

1. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on join the website address
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail @scrutinizer2020@alicongroup.co.in with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Mr. Abhijeet Gunjal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**21. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :**

- i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), and AADHAR (self-attested scanned copy of Aadhar Card) by email to [gamare@uniseq.in](mailto:gamare@uniseq.in).
- ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [gamare@uniseq.in](mailto:gamare@uniseq.in).
- iii. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

**22. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the /AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## GENERAL INFORMATION

23. 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 and no claim shall lie against the Fund or the Company after the transfer of Unpaid or Unclaimed Dividend amount to the Government.

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 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
July 26, 2019	2018 - 2019	September 01, 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.

24. 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.
25. 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.

26. Members of the Company had approved the appointment of M/s. Kirtne & Pandit LLP, Chartered Accountants, as the Statutory Auditors at the Twenty Seventh AGM of the Company which is valid till Thirty Second AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
27. 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.
28. 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 three (3) days 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 scrutinizer's report shall be placed on the Company's website [www.alicongroup.co.in](http://www.alicongroup.co.in) and on the NSDL website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## PROCEDURE FOR INSPECTION OF DOCUMENTS

29. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, for which the request being sent on and before August 21, 2020.
30. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.

By Order of the Board of Directors

Place: Pune  
Date: June 26, 2020

**Shailendrajit Rai**  
Managing Director

**EXPLANATORY STATEMENT:****Pursuant to Section 102 of the Companies Act, 2013.****Item No. 4:**

Mr. Ajay Nanavati (DIN: 02370729) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. His office as an Independent Director of the Company was to expire on April 29, 2020 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribed that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for an another term of five consecutive years. The Board of Directors in its meeting held on March 12, 2020 based on the recommendation of the Nomination & Remuneration Committee had subject to approval of the members of the Company re-appointed Mr. Ajay Nanavati as an Additional Director (Independent).

The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Ajay Nanavati (DIN: 02370729) as an Independent Director for second term of 5 (five) consecutive years i.e. from April 30, 2020 to April 29, 2025 on the Board of the Company. The performance evaluation of Mr. Nanavati along with other Directors was done during each year of his current tenure.

Some of the performance indicators based for such evaluation were – attendance in the Board & Committee meetings, quality of participation/preparation, ability to provide leadership, work as team player etc.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination & Remuneration Committee, considers that given his background, experience and contributions made by him during his first tenure, the continued association of Mr. Ajay Nanavati would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Accordingly, the Board of Directors in its meeting held on March 12, 2020, had approved the re-appointment of Mr. Ajay Nanavati as an Independent Director for a second term of 5 (five) consecutive years i.e. from April 30, 2020 to April 29, 2025 subject to passing of a special resolution by the shareholders of the Company, not liable to retire by rotation.

Mr. Ajay Nanavati is not disqualified from being appointed as Director in terms of Section 164 of the Act and gave his consent to act as Director.

The Company has also received necessary declarations from him that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Regulation 16 (1) (b) of the Listing Regulations.

In the opinion of the Board, Mr. Ajay Nanavati fulfill the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Mr. Ajay Nanavati is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Copy of draft letter of appointment proposed to be issued to Mr. Ajay Nanavati, setting out the terms and conditions of the respective appointment is available for inspection by the Members at the registered office of the Company and also at the Company's website [www.alicongroup.co.in](http://www.alicongroup.co.in).

Mr. Ajay Nanavati and his respective relatives may be deemed to be interested to the extent of his appointment as an Independent Director and his shareholding interest if any, in the Company. Save and except, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way concerned or interested in the proposed Resolution.

Brief resume of Mr. Ajay Nanavati, nature of his experience in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between director inter-se are provided in the annexure 'A' to the notice.

Copy of the documents, if any, referred to in the above mentioned Resolution and explanatory statement are available for inspection by the Members at the Registered Office of the Company during 11:00 am to 1:00 p.m. on all working days except on Saturday, Sunday and public holidays, up to and including the date of Annual General Meeting.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board recommends the Special Resolution as set out at Item No. 4 of the Notice for approval by the Members.

**Item No. 5:**

The Board of Directors in its meeting held on October 15, 2019 based on the recommendation of the Nomination & Remuneration Committee had appointed Mrs. Veena

Mankar as Additional Director (Independent). Pursuant to the provisions of Section 160 of the Companies Act, 2013, Mrs. Manakar would be vacating the office of Director in ensuing 30<sup>th</sup> Annual General Meeting.

Mrs. Veena Mankar has over four decades of experience in financial services, with banks, non-banking financial institutions and as a strategy consultant. She has worked in India and abroad. Her expertise has been in trade and structured finance, including factoring and forfaiting, finance for SMEs and microfinance.

Mrs. Mankar started her corporate career with ICICI Limited (the project finance institution and pre-cursor to ICICI Bank Limited) and she has worked with leading Indian and international financial institutions during the course of her career. These include Emirates Bank in Dubai, as head of the Indian representative office of the WestLB group, Germany and set up a factoring NBFC for the latter in India as a JV. As a consultant, she has advised several international financial institutions including Standard Bank of South Africa, Banque Indo Suez Aval, West LB, Germany and FIMBank in Malta.

She is a co-founder of Swadhaar FinAccess, a non profit organisation, and a microfinance entity Swadhaar FinServe Private Limited ( now acquired by RBL Bank and renamed RBL FinServe Limited) both engaged in Financial Inclusion.

She serves as a Director on the Boards of RBL Bank Limited, RBL FinServe Limited, IDFC Foundation and Swadhaar FinAccess. She is the Chairperson of RBL FinServe Limited. In the past, she has served as an Independent Non-executive Chairperson of IDFC Bank Limited, as a Director on Liberty General Insurance Limited and on the Governing Board of Sa-Dhan, the micro-finance industry association.

She holds a BA in Economics from Lady Shree Ram College, University of Delhi, followed by a post-graduation in Business Administration from the Indian Institute of Management in Ahmedabad. She has travelled extensively as a trainer and speaker at several national and international forums.

In view of her wide enlightened experience in business and management, the Board of Directors is of the view that associating Mrs. Veena Mankar as Director, would benefit the Company immensely. Hence, in compliance with the provisions of Section 149 of the Companies Act, 2013 and Listing Regulations, it is proposed to appoint Mrs. Veena Mankar as an Independent Director of the Company to hold office for a consecutive term of five years commencing from October 15, 2019.

The Company has received from Mrs. Mankar (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Sub-Section (2) of Sec. 164 of the Companies Act, 2013; and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-Section 6 of Sec. 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mrs. Veena Mankar, proposed to be appointed as an Independent Directors, fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the management. A copy of the draft letter of appointment proposed to be issued to Mrs. Veena Mankar on her appointment as an Independent Director, setting out the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working days till the date of Annual General Meeting.

Brief resume of Mrs. Veena Mankar, nature of her experience in specific functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations with the Stock Exchanges are provided in the annexure ' A ' to the notice.

Mrs. Veena Mankar and her relatives may be deemed to be interested to the extent of her appointment as an Independent Director and their shareholding interest if any, in the Company. Save and except, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way concerned or interested in the proposed resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board recommends the Ordinary Resolution as set out at Item Nos. 5 of the Notice for approval by the Members.

By Order of the Board of Directors

**Place:** Pune  
**Date:** June 26, 2020

**Shailendrajit Rai**  
Managing Director



**Annexure - A**

Details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting to be held on August 26, 2020 as required under Secretarial Standard on General Meetings [SS-2] and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

<b>Name of the Director</b>	<b>Mrs. Pamela Rai</b>	<b>Mr. Ajay Nanavati</b>	<b>Mrs. Veena Mankar</b>
Date of Birth	July 28, 1956	April 25, 1956	January 01, 1953
Age	63 Years	64 Years	67 Years
Date of Appointment	September 29, 2014	April 30, 2014	October 15, 2019
Qualification	B.A. (Psychology)	BS (Chemical Engineering), VirginiaTech, USA	BA in Economics from Lady Shree Ram College, Delhi University, followed by a post-graduation in Business Administration from the Indian Institute of Management in Ahmedabad.
Relationship with Director/Manager/KMP	Wife of Managing Director	No	No
Brief Profile	She has vast experience in H.R. and CSR activities	Mr. Nanavati has about 30 years of global general management experience.  He had occupied various provisions in 3M including as MD of 3M India, 3M Lanka P. Ltd. and Director-Global Chanel Service & US Atlantic Pacific Operations of 3M Innovative Properties Co., St. Paul.	Veena Mankar has over 4 decades of experience in financial services, with banks, non-banking financial institutions and as a strategy consultant. Her expertise is in trade and structured finance, including factoring and forfaiting, finance for SME's and financial inclusion. She started her career with ICICI Ltd (the erstwhile project finance institution and pre cursor to the Bank), worked with Emirates Bank in Dubai, headed the Indian representative office of the West LB group, Germany and set up a factoring NBFC for the latter in India, as a JV.  As a consultant, she has advised several international financial institutions including Standard Bank of South Africa, Banque Indo-Suez Aval, West LB, Germany and FIM Bank Malta.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	Two • Atlas Castalloy Ltd. • Silicon Meadows Engineering Services Ltd.	One • Syndicate Bank	Two • RBL Bank Ltd. • RBL Finserve Limited
Memberships/ Chairmanship of committees of other companies (includes only Audit & Members/ Investors Grievance/ Stakeholders Relationship Committee)	NIL	NIL	NIL
Shareholding in the Company (Equity)	NIL	NIL	NIL





**ALICON CASTALLOY LIMITED**

CIN: L99999PN1990PLC059487

IF UNDELIVERED, PLEASE RETURN TO:

**REGISTERED OFFICE:**

GAT NO.1426, VILLAGE - SHIKRAPUR,  
TALUKA - SHIRUR, DISTRICT PUNE - 412 208

**WWW.ALICONGROUP.CO.IN**