22nd ANNUAL REPORT 2011 - 2012

DIVERSIFYING.
DE-RISKING.
SEIZING OPPORTUNITIES.

ALICON CASTALLOY LIMITED | TS 16949 | ISO 9001 | ISO 14001 | OHSAS 18001 Certified

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. S. RAI
Managing Director

MR. JUNICHI SUZUKI

MR. ASIS RAY

MR. A. D. HAROLIKAR

MR. OSAMU OHASHI (Alternate to Mr. J. Suzuki till 30. 05. 2012)

MR. MASKATSU UCHIYAMA (Alternate to Mr. J. Suzuki w.e.f 30. 05. 2012)

MR. VINAY PANJABI

REGISTERED OFFICE & WORKS

Registered Office & works
Gat No. 1426,
Village - Shikrapur, Taluka - Shirur,
District - Pune 412 208
Maharashtra INDIA
T: +91 2137 677100
F: +91 2137 677130
Email: marketing@alicongroup.co.in

Works
57 -58 km. Mile Stone, Delhi Jaipur,
NH 8, Industrial Area, Village - Binola,
District - Gurgaon, Haryana INDIA

SHARE TRANSFER AGENT

M/s. Universal Capital Securities Pvt. Ltd.
21 Shakil Niwas, Opp Sai Baba Temple,
Mahakali Caves Road, Andheri (E),
Mumbai - 400093

AUDITORS

M/s. Asit Mehta & Associates

BANKERS

Bank of Maharashtra,
IFB Branch, Pune

ING Vysya Bank Ltd.,
F. C. Road, Pune.

State Bank of India,
IFB Branch, Pune.

Axis Bank Ltd.,
J. M. Raod, Pune.

CONTENT

DIVERSIFYING.

DE-RISKING.

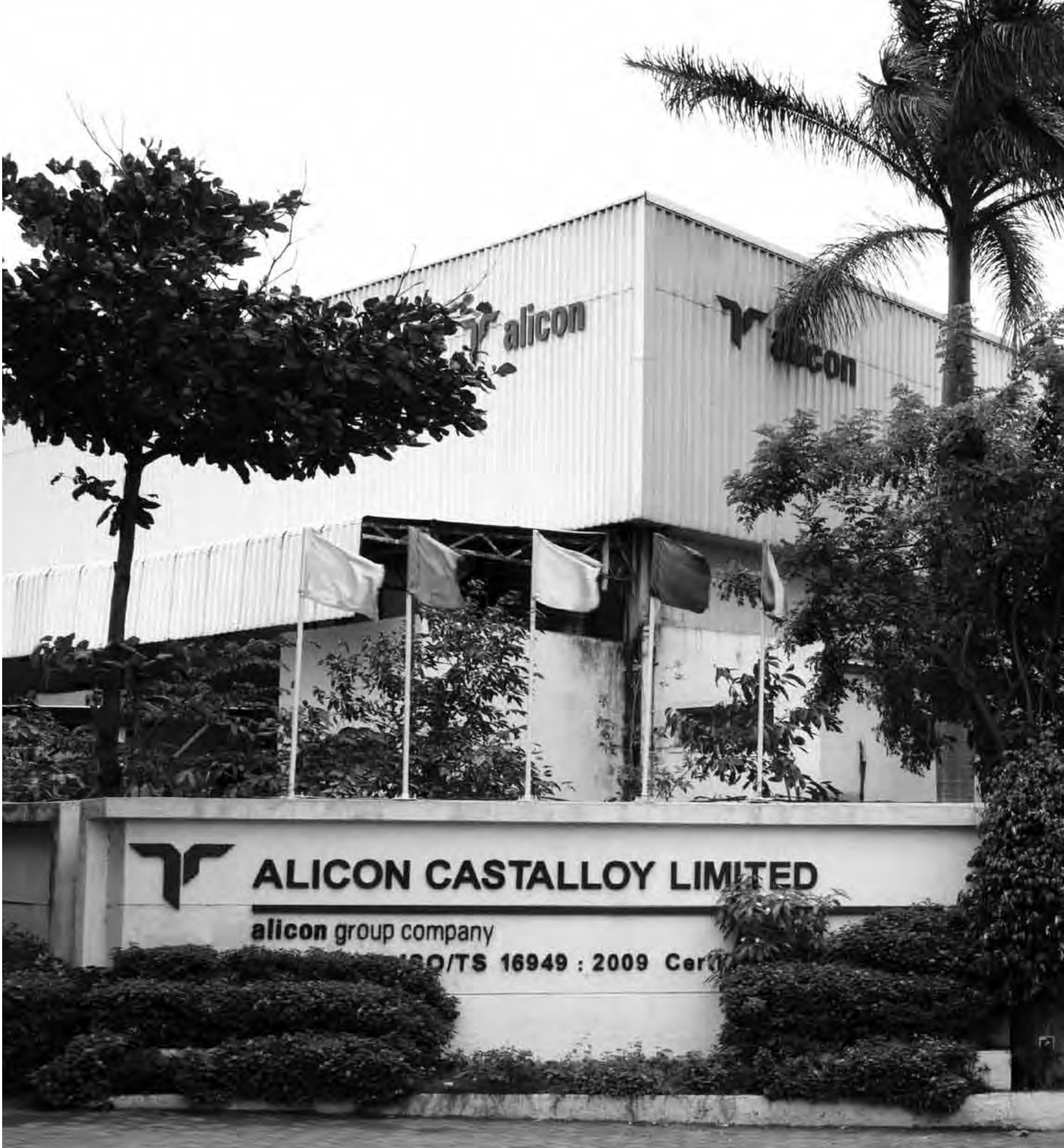
SEIZING OPPORTUNITIES.

THE THREE WORDS THAT SUM UP THE CORE OF OUR WELL-PLANNED HOLISTIC BUSINESS STRATEGY.

A STRATEGY THAT WILL ENABLE US TO EMBRACE THE WORLD OF HUMUNGOUS OPPORTUNITIES SPREAD ACROSS DIVERSE INDUSTRIES USING OUR CORE STRENGTHS.

OPPORTUNITIES THAT ENABLE US TO DE-RISK OUR BUSINESS FROM CYCLICALITY OF ANY ONE SECTOR AND IS IN LINE WITH OUR VISION TO EMERGE AS A PREFERRED SUPPLIER FOR LIGHT ALLOY CASTING SOLUTIONS AROUND THE GLOBE.

A STRATEGY THAT PROMISES TO USHER A PARADIGM SHIFT IN OUR STATURE FROM AN ENTITY DELIVERING VOLUME BASED TO VALUE-BASED SOLUTIONS ACROSS DIVERSE INDUSTRIES, A MOVE THAT WILL ULTIMATELY OPTIMISE RETURNS FOR ALL OUR STAKEHOLDERS.



ALICON CASTALLOY LIMITIED IS THE FLAGSHIP COMPANY OF THE ALICON GROUP

ALICON CASTALLOY LTD.
ATLAS CASTALLOY LTD.
SILICON MEADOWS DESIGN LTD.
SILICON MEADOWS ENGINEERING SERVICES LTD.

ILLICHMANN CASTALLOY GmbH, AUSTRIA
ILLICHMANN CASTALLOY s.r.o. SLOVAKIA

alicon

A GLOBAL CONSORTIUM OF COMPANIES, ALICON GROUP IS AN INTEGRATED ALUMINIUM CASTING GROUP WITH THE LARGEST ALUMINIUM FOUNDRY IN INDIA, AUSTRIA AND SLOVAKIA OFFERING FRUGAL ENGINEERING SOLUTIONS.

BY VIRTUE OF THEIR SYNERGISTIC CAPABILITIES, THE ALICON GROUP OFFERS END-TO-END INTEGRATED SOLUTIONS ACROSS THE VALUE CHAIN RIGHT FROM DESIGNING, ENGINEERING, CASTING TO MACHINING, TESTING AND SUB-ASSEMBLY, PAINTING AND SURFACE TREATMENT OF ALUMINIUM CASTINGS.

ALICON DNA

We Create Decisive Leaders At All Lelvels.
We Encourage Leaders To Nurture Their Teams.
We Empower Our People And Always Maintain A Positive Environment.
We Approach Everything We Do With Sincerity And Integrity.
We Greet Everyone With Smile And In High Spirit.
We Follow The Alicon Vector.
We Practice LDD (Light, Direct And Deep Communication)
We Believe In Continuous Improvement And Benchmarking.
We Aim At Delighting Our Customers With Innovation.
We Are Flexible And Adapt To Shifts In The Market.
We Are Visionary And Set High Targets For Ourselves.
We Use DIS – BEP To Establish Lucrative Goals And Practices.
We Create An Organic Environment And Give Back To Our Society.
We Imbibe 5S As A Way Of Life.
We Are Agile, Disciplined And Decisive In Our Work.
We Advocate Ownership And Accountability.
We Encourage Perseverance In Case Of Failures.
We Stay True To Our Purpose.

8th Sept 2012 SHAILENDRAJIT RAI, Managing Director

MESSAGE FROM MD

The net revenue for the year under review touched an all-time high of ₹ 3818.85 million, an increase of over 48% year-on-year.

I write this letter in the backdrop of a difficult year for the economy which was weighed down by high interest rates at home and uncertainty on several accounts around the globe. The challenging economic scenario in our country was further aggravated by the policy logjam and deficient rainfall. Several leading research houses expect the pace of economic growth in the forthcoming fiscal year to be less than 6%, the worst in a decade. Both industrial output and exports have already fallen from the earlier levels in three out of the last four months.

I AM PLEASED TO SAY THAT DESPITE THIS SCENARIO OF GLOOM, THE YEAR 2011-12 HAD BEEN A BUSY ONE AT ALICON. THE NET REVENUE FOR THE YEAR UNDER REVIEW TOUCHED AN ALL-TIME HIGH OF ₹ 3808.24 MILLION, A PHENOMENAL INCREASE OF OVER 48% YEAR-ON YEAR. PROFIT AFTER TAX FOR THE YEAR ENDED 31ST MARCH, 2012 TOUCHED 220.09 MILLION AS AGAINST ₹ 146.31 MILLION IN THE SAME PERIOD OF THE PREVIOUS YEAR.

These positive numbers are a clear indication of the strength of our business model and the value-proposition we bring to the table. We continue to serve various industry stalwarts from the automobile sector and beyond. Our ability to offer complete integrated solutions, international quality standards, along with the excellent long-term relations that we have nurtured, played a key role in this performance. Our capabilities enabled us to keep pace with the new product developments for several new vehicles launched during the year.

Our revenue from the automotive sector currently accounts for nearly 95% of our Total Revenue. However, our focussed de-risking policy has ensured that no single customer accounts for more than 20% of our Total Revenue.

As a part of our strategic business plan, we aspire to steadily expand our offerings to a diverse mix of sectors beyond automobiles. The opportunity present for the aluminium casting sector is large.

Estimates indicate that the Indian industry consumes around 0.45 million tons of castings of which 60% (0.25 million tons) is attributed to die casting. Within this large opportunity basket, we continue to aggressively target the healthcare and energy sector. In fact, endorsing our value proposition in these sectors is our ability to service reputed customers like Philips Medical, GE Medical, Areva, Enercon Services, Siemens & Crompton Greaves. We have made inroads into several distinguished OEMs in the country and we are confident of steadily achieving a broader range of diverse customers in the next five years.

Quality and speed plays a critical role in servicing new industries. Our ability to provide a faster turnaround of prototypes, designs and offer end-to-end integrated solutions across the value chain provides us an edge and gives us the confidence to expand our customer portfolio.

Integration of technology and process excellence from our European subsidiary Illichmann Castalloy continued during the year, adding to our strength in servicing our customers and giving us the required impetus in our strategic push into the non-auto sector.

To infuse higher operational efficiencies and as a measure of prudence, we chose to consolidate our overseas operations into the more cost-efficient Slovakian facilities. Austria will continue to provide the required marketing support as we explore opportunities to expand our global footprint in the future. Our overseas acquisition provides us with a well-established customer base and we will capitalise on this advantage in the years to come.

I would like to touch on our Research & Development activities, which is a key initiative for us. Over the years, we have invested in building our R&D infrastructure that includes state-of-the-art testing laboratories, design centre, tooling prototypes, and facilities for pilot testing. These centres are well-equipped with modern equipment and the latest simulation and engineering softwares. We also have a dedicated team of domain experts and experienced engineers for developing innovative solutions here. This centre of excellence has now been recognised by the Government of India and we have received the coveted certificate of recognition during this financial year. We remain committed to sustaining and building further on our R&D strengths.

In addition to the ability to maintain quality and reliability, we believe that a strong customer focus plays an invaluable role in our business. It is our endeavour to successfully establish and nurture relationships with our valued customers. This is only possible thanks to the excellent support we receive from our employees, who share our passion for excellence. I take this opportunity to thank all of them for their dedication and commitment.

I would also like to take this opportunity to thank all members of the Board and our senior management team for their valuable industry insights. The management team has developed a new vision, and charted a course to build a strong and diversified company. We have achieved much in the past, and I am confident that in the next five years we can scale even greater heights.

BEFORE I CONCLUDE, I SPECIFICALLY WOULD LIKE TO EXPRESS MY GRATITUDE TO ALL OUR CUSTOMERS, BUSINESS ASSOCIATES, BANKERS AND ALL STAKEHOLDERS FOR THE TRUST REPOSED IN THE ALICON GROUP. I SOLICIT YOUR CONTINUED SUPPORT IN THE YEARS TO COME.

Thank you,

Shailendrajit Rai
Managing Director

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of Alicon Castalloy Limited will be held at 12.30 p.m. on Friday, the 28th September, 2012 at Gat No. 1426, Taluka Shirur, District Pune 412 208, Maharashtra, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet and Profit & Loss Account for the year ended on 31st March, 2012.
2. To consider and declare dividend.
3. To appoint a Director in place of Mr. A. D. Harolikar, who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vinay Panjabi, who retires by rotation, but being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

ON BEHALF OF THE BOARD OF DIRECTORS
Shailendrajit Rai
Managing Director

Place: Shikrapur
Date: 30th July, 2012

Registered Office:
Gat No.1426, Village - Shikrapur, Taluka - Shirur, District - Pune, Maharashtra.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY OR PROX(IES) SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Share Transfer Register and Register of Members will be kept closed from 26th September, 2012 to 28th September, 2012 (both days inclusive).
3. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividend over a period of 7 years have to be transferred by the Company to the Investors Education & Protection Fund constituted by the Central Government under Section 205(A) and 205(D) of the Companies Act, 1956.

   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	Divided for the year	Due date of transfer to the Government
30th September, 2005	2004-2005	28th October, 2012
30th September, 2006	2005-2006	28th October, 2013
29th September, 2007	2006-2007	27th October, 2014
27th September, 2008	2007-2008	25th October, 2015
29th September, 2010	2009-2010	27th October, 2017
28th September, 2011	2010-2011	26th October, 2018

   It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

   In view of the above, the shareholders are advised to send all the un-encashed dividend warrants to the Company's Share Transfer Agents for revalidation and encash them before the due date for transfer to the Investor Education & Protection Fund.
4. As required under Clause 49 of the Listing Agreement, profile of Directors being re-appointed is mentioned in Corporate Governance Report.
5. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.

ON BEHALF OF THE BOARD OF DIRECTORS
Shailendrajit Rai
Managing Director

Place: Shikrapur
Date: 30th July, 2012

Registered Office:
Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune, Maharashtra.

THE PRINCIPLE IS COMPETING AGAINST YOURSELF. IT'S ABOUT SELF-IMPROVEMENT, ABOUT BEING BETTER THAN YOU WERE THE DAY BEFORE ~ STEVE YOUNG

DIVERSIFYING TO EXPAND OUR HORIZON

OUR REPERTOIRE OF STRENGTHS ADDS TO OUR ABILITY TO DEVELOP RAPID SOLUTIONS FOR NEW INDUSTRIES AND IS VINDICATED IN OUR ABILITY TO SERVICE WORLD RENOWNED AUTOMOBILE MAJORS AND GROWING CLIENTS IN OTHER INDUSTRIES.

When you are achieving robust year-on-year growth, servicing world renowned global OEMs, when you have amalgamated the best of European engineering, Japanese quality and Indian ingenuity to produce exceptional and innovative aluminium castings, the question we asked ourselves; can we go beyond?

We choose to retrospect and look beyond, servicing the automobiles sector; we choose to expand our horizons using our core strengths to tap deeper into other promising sectors. Die casting as an industry has immense potential as compared to other manufacturing techniques mainly because it is an efficient, economical process and can deliver a broad range of casting in various shapes and sizes suitable for different applications. In addition, die designs can be customised to complement the visual appeal of the final end-user product. Estimates indicate that the Indian industry consumes around 0.45 million tons of castings of which die casting accounts for about 60% (0.25 million tons) and the demand is spread across several sectors such as Railways, Healthcare, Energy, Infrastructure & Construction (Earthmoving machinery), Industrial & Agro Machinery, Textile, Cement, Machine tools & Engineering Industries, Sanitary castings, Electrical and White goods. Our strategy is to explore and strengthen our presence in these diverse sectors where demand is ever expanding. Further, it is a natural extension of our core capabilities while smartly hedging the business against the crest and troughs associated with any one sector.

WE ARE ONE OF THE LARGEST INTEGRATED ALUMINIUM CASTING MANUFACTURING GROUP IN INDIA.

We offer end-to-end solutions across the entire value chain and deliver best-in-class Gravity & Low Pressure aluminium casting (Gravity Die Casting & Low Pressure Die Casting) to our customers at the most optimal costs. We are also pioneers of the unique Pie system for low pressure die casting – a system which enhances productivity with minimum utilisation of resources like machines, space and manpower.

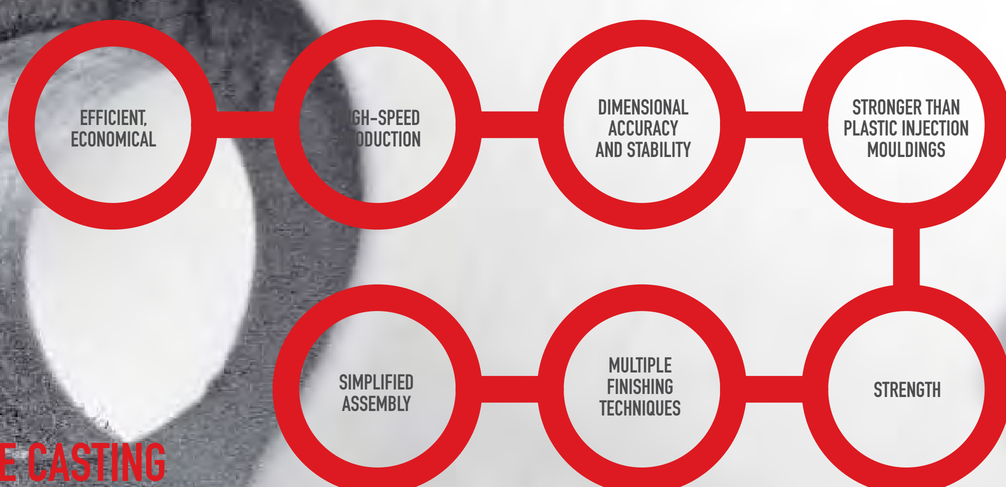
STRENGTHS THAT STEM FROM THE BASICS

We use aluminium which is lightweight and possesses high dimensional stability and is suitable to manufacture complex shape as well as thin wall castings. Aluminium is also corrosion resistance and has mechanical properties, high thermal and electrical conductivity, and has the ability to retain strength at high temperatures. As compared to steel or other ferrous alloys, aluminium castings help OEMs design and manufacture cleaner, safer, better performing vehicles, equipment and machinery.

STATE-OF-THE-ART INFRASTRUCTURE

We have invested in building state-of-the-art facilities that match world class standards along with modern technology centre, globally competent tool rooms, quality and testing labs and full-fledged machine shop (including sub-assembly facility).

ADVANTAGES OF DIE CASTING



PILLARS OF STRENGTH ENABLING DIVERSIFICATION

CORE BUSINESS	STRENGTH	COMMITMENT & PRESENCE
DESIGN ENGINEERING	ONE OF THE BIGGEST FOUNDRY INFRASTRUCTURE IN INDIA. ROBUST INFRASTRUCTURE & MODERN TECHNOLOGY	PROVIDE VALUE-ADDED SOLUTION THROUGH KNOWLEDGE SHARING BETWEEN GROUP COMPANIES
GRAVITY & LOW PRESSURE ALUMINIUM CASTING	ABILITY TO HANDLE BOTH LOW & HIGH VOLUMES	COMMITTED INVESTMENT IN R&D, MODERN TECHNOLOGY ENABLING RAPID DEVELOPMENT OF NEW PRODUCTS
VALUE-ADDED SERVICES LIKE MACHINING, PAINTING & SURFACE TREATMENT	BACKWARD & FORWARD INTEGRATION – TOTAL SOLUTION UNDER ONE ROOF	LARGEST FOOTPRINT IN INDIA WITH PRESENCE IN INDIA & EUROPE
	OVERSEAS ACQUISITION WITH RAPID PROTOTYPING CAPABILITY	

Our globally at par manufacturing facilities in India enjoy the Japanese technological edge acquired through our past association with Enkei Japan. With an annual installed capacity of 24,000 metric tons per annum for India & Euro 20 mn installed capacity in Europe, coupled with state-of-the-art heat treatment, machining and quality infrastructure, we are the ideal partner to serve diverse industries.

CORE COMPETENCIES

Our core competencies facilitating our foray into diverse sectors include:

- DIE DESIGNING & TOOL MANUFACTURING (CAD / CAM)
- GRAVITY DIE CASTING
- LOW PRESSURE DIE CASTING
- MACHINING & ASSEMBLY

DIE DESIGNING & TOOL MANUFACTURING

Our services include: Conceptual designing 3D modelling, Tool designing, CAM programming, CNC machining, Manufacture of tools and dies and Data conversion.

Alicon Group uses modern technology and software (CAD, CAM, CAE, PDM, Simulation etc.) in the die designing process. Our tool room deploys state-of-the-art machines that use 3D modelling data to manufacture precision tools as per precise requirements of customers.

We have more than 100 engineers dedicated to 3D modelling and design services, tool design and validation along with design & engineering services at customer's site.

GRAVITY DIE CASTING

The machines used for gravity die casting are manufactured as per specific requirements from our customers. Furthermore, our design and processes enable us to manufacture critical parts such as intake manifolds having a wall thickness of 2 mm or components having lengths of 1200 mm - a strength that favours our acceptance in diverse industries.

LOW PRESSURE DIE CASTING

Similarly, we also design and deploy our own machines for Low Pressure Die Casting process. The machines are fully automatic with PLC control enabling flawless precision and accuracy. Our innovative Pie system ensures higher productivity with minimum utilisation of resources like machines, space and manpower. Again, the advantage of precision and efficiency is an attractive proposition for the industry.

MACHINING-CAPABILITY

To value-add and offer better services to our customers, we have set up modern machining centres with 60 CNC hi-end machines (VMCs and HMCs) which infuse greater speed and turnaround. Further, our systems have the inbuilt flexibility to deliver fully machined or semi-finished castings depending upon our customer's requirement.

INTEGRATED VALUE CHAIN

PROTOTYPE, DIE DESIGN, MANUFACTURE

TOOL DESIGN & SIMULATION

TOOL MANUFACTURING

FIXTURE DESIGN & MANUFACTURING

CASTING MANUFACTURING

MACHINING & ASSEMBLING

PAINTING

The ability to carry out both the pre-production (of developing prototypes, die designing, tooling) and post-production (of testing, assembly and painting) stages is the key to precision, accuracy and perfect castings and provides us a sharply competitive edge in the industry.

Clear collaboration between the die designing and tool development which is possible only in integrated facilities eliminates likely issues of shape, size and finishing mismatch. Strong backward integration ensures faster prototypes which is especially useful in case of new product launches by customers. For OEMs, the integrated chain ensures that the final product will be a best fit for the end user.

COLLABORATIONS & ACQUISITION

By means of our recent acquisition of Illichmann Castalloy, we add a world class facility in Europe for rapid prototyping, a key requirement to service diverse industries.

R&D

Our strength for model construction, rapid prototype development finds its roots in our dedicated R&D facilities which provide us a strong footing as we venture into diverse industry spaces.

In fact, our ability to be a part of the product development cycle of new products across industries stems for our R&D and technology - a strength that enables us to be involved right from planning, product development, process designing, product & process validation to finally enabling the actual production and quality testing. Our infrastructure facilitating innovation includes research laboratories, design centres, tool improvement labs and two facilities for pilot testing. These centres are well-equipped with modern, international machinery, equipment for testing (with the latest engineering software) & simulation facilities. We have also invested in building a dedicated team of domain experts and experienced engineers for developing innovative solutions.

QUALITY

We are committed to ensuring quality and reliability in every action. For every product and service we render, we strive for continuous improvement in all our processes to achieve total customer satisfaction. With stringent process control measures at casting stage and machining stage, our defect rate at customer end is less than 100 ppm.

Our quality standards and processes match international standards through TS 16949:2009, ISO 9001:2008, ISO 14001:2004 & BS OHSAS 18001:2007. The Group consortium is working closely through the principles of PQCDDMSE (Productivity, Quality, Cost, Delivery, Development, Management, Safety and Environment) to serve our customers better. Our adaptation of best global practices, keeps us abreast with the latest technology and quality standards, a essential requirement to attract global conglomerates and industry leaders to partner with us for their diverse requirement.

LOCATION ADVANTAGE

The core facilities are strategically located at the country's automotive hub at Pune (Maharashtra) and Gurgaon (Haryana) offering a geographical advantage. Some of the largest engineering, power and energy sector companies are located in and around these locations. Further, the overseas acquisition will in future provide the operational base for expansion in the European market.

HUMAN RESOURCES

We have a talented pool of professionals and employees whose experience and expertise enable us to win the trust of new customers.

DE-RISKING WITH DIVERSIFIED CLIENTS

WE FORESEE THE POTENTIAL TO EXPAND OUR PRESENCE SLOWLY AND STEADILY IN THE NON-AUTO SEGMENT OVER THE NEXT 5 YEARS. THIS WILL ENABLE DIVERSIFICATION AND ALSO DE-RISKING OF OUR BUSINESS FROM THE CYCLICALITY OF ANY ONE SECTOR. WE ARE CONFIDENT THAT OUR CORE BUSINESS STRENGTHS ALONG WITH OUR CUSTOMER-ORIENTED APPROACH WILL PLAY A SIGNIFICANT ROLE ENABLING US TO ACHIEVE MORE IN THE FUTURE.

WE CONTINUE TO REMAIN AT THE FOREFRONT OF THE ALUMINIUM CASTING INDUSTRY AND ENJOY THE DISTINCTION OF BEING A SINGLE SOURCE SUPPLIER OF MANY CRITICAL CASTINGS TO SOME OF INDIA'S LARGEST OEMS IN THE AUTOMOBILE SECTOR.

We are already servicing some of the largest and biggest names in healthcare and energy. Our focussed diversification strategy has also enabled the de-risking of our business as we have ensured that no customer accounts for more than 20% of our total revenue for the year 2011-12. Further, even within the automobile sector, the Group has won the trust of diverse auto brands which cater to different segments of the society (brands which manufacture mass appeal vehicles to the most premium vehicles; vehicles for the agro sector to commercial transport; segments where the demand drivers and sentiments pushing demands are not directly related). By virtue of the international acquisitions, Alicon Group also aims to make inroads into the European market and achieve geographic diversification and even greater de-risking.

Together, the strategy to build presence in both customer-centric and different end-user industry segments cushions the adverse impact of sector and economic cycles. Building presence in different economies also provides a natural currency hedge to the business.

Our prestigious customers in the automobiles space (4-wheeler segment) include Audi, Honda, Volkswagen, Piaggio, Maruti, Eicher, Fiat, TATA, VOLVO, Mahindra and Ashok Leyland.

Our key customers in the 2-wheeler segment include: BMW, Bajaj Auto Ltd., Hero MotoCorp Ltd., Honda Motorcycle & Scooters India Pvt. Ltd., KTM Sportmotorcycle AG, Suzuki Motorcycle India Pvt. Ltd. and India Yamaha Motor Pvt. Ltd.

In the medical equipment industry, our core integrated strength and flawless quality has already won us marquee customers like Philips Medical and GE Medical. In the power sector, the Company's customer base includes Areva, Enercon Services, Siemens and Crompton Greaves.

Some of our non-auto sector customers include Crompton Greaves, Greaves Cotton, Ingersoll-Rand PLC, Cummins India, Bosch, JCB India Limited, Royal Philips Electronics, Knorr-Bremse AG (Locomotives), Doppelmayr Seilbahnen GmbH, amongst others.

SEIZING OPPORTUNITIES

AT ALICON, LOOKING AND PLANNING AHEAD IS A WAY OF LIFE. ABILITY TO INVEST ON CONSTANT PRODUCT DEVELOPMENT AT THE SAME PACE OF OEMS IS A CRITICAL ELEMENT OF SUCCESS FOR OUR BUSINESS ESPECIALLY AS WE EXPAND OUR PRESENCE IN DIVERSE SECTORS.

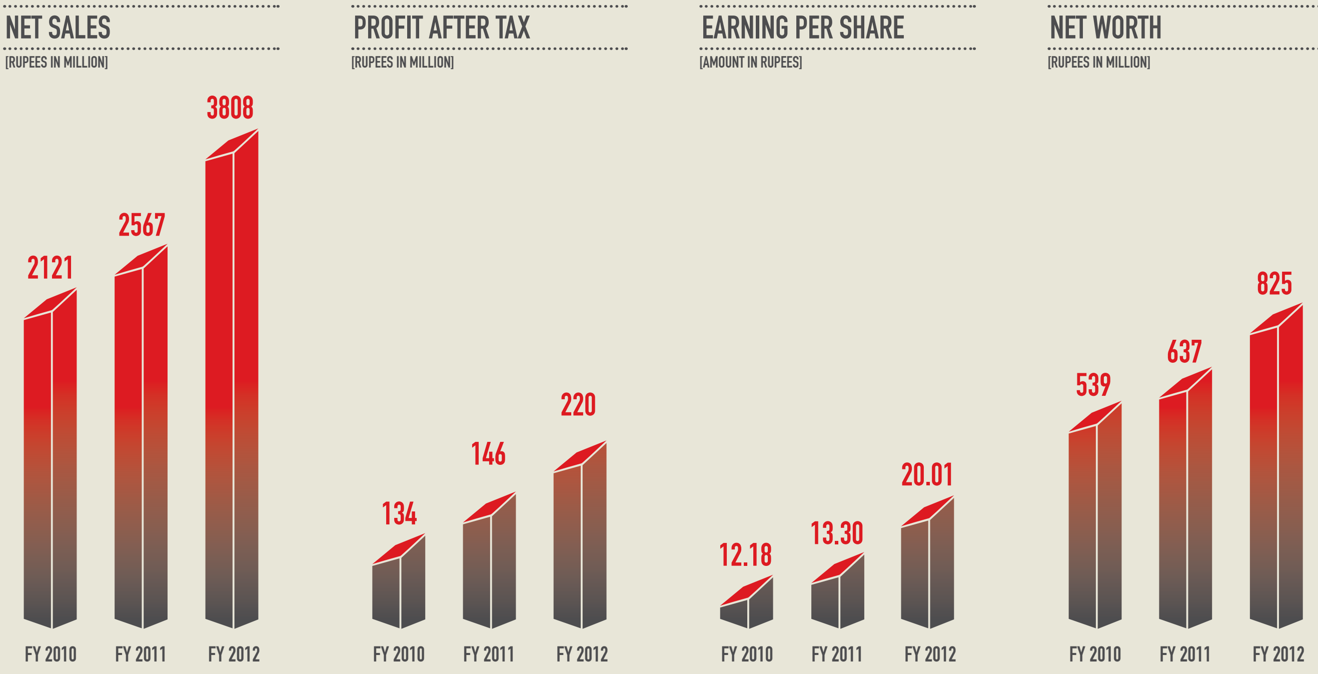
INDIA'S RAPIDLY INCREASING POPULATION OF 1.2 BILLION PEOPLE, THE EXPANDING ECONOMY, RISING INCOME LEVELS, INCREASING PURCHASING POWER, GROWING CONSUMER ASPIRATIONS, RISING URBANISATION AND CHANGING LIFESTYLES HAS USHERED SLOW AND STEADY TRANSFORMATION ACROSS INDIAN CITIES.

This in turn has fuelled the demand for a variety of consumer products, automobiles, white goods and also accelerated the pace of overall industrial development. It has brought to fore the need to build modern infrastructure.

The expanding demand scenario percolates down to a variety of industries including the aluminium castings sector. Rising income levels, health-consciousness, affordability and growth of insurance sector, penetration of the healthcare sector in rural areas and the proliferation of the international standard of early detection and diagnosis of lifestyle diseases rather than mere treatment has promoted the demand of modern diagnostic equipments.
As these equipments become critical to effectively serve customers, hospitals and clinical diagnostic labs, universities, research institutions and government agencies push the demand for modern equipment. In the medical segment, castings are used in various medical equipments including hospital beds, dental X-ray units, portable medical monitors, ultrasound equipment and hand-held medical devices. As several international companies are expanding their market share in the Indian healthcare segment, it is in turn providing us an expanding opportunity horizon.

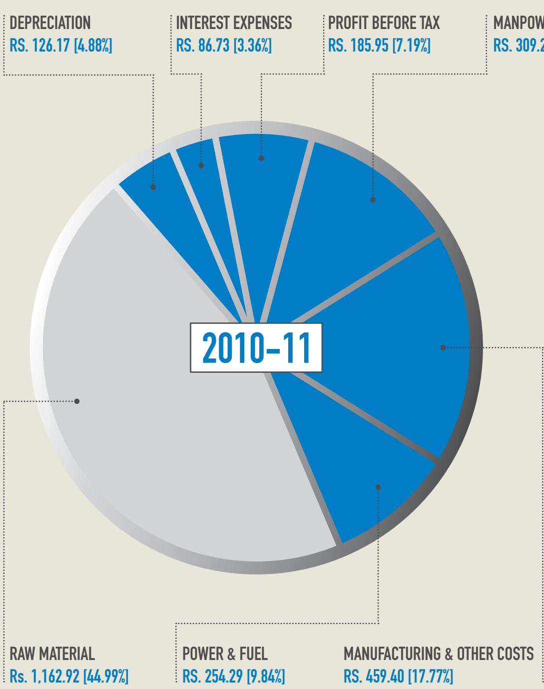
Infrastructure development like power and energy sectors are key developmental areas which will continue to receive tremendous thrust from the Government and are core sectors whose growth is critical for our country's expansion. These growth catalysts together open new vistas of opportunities for the die casting industry.

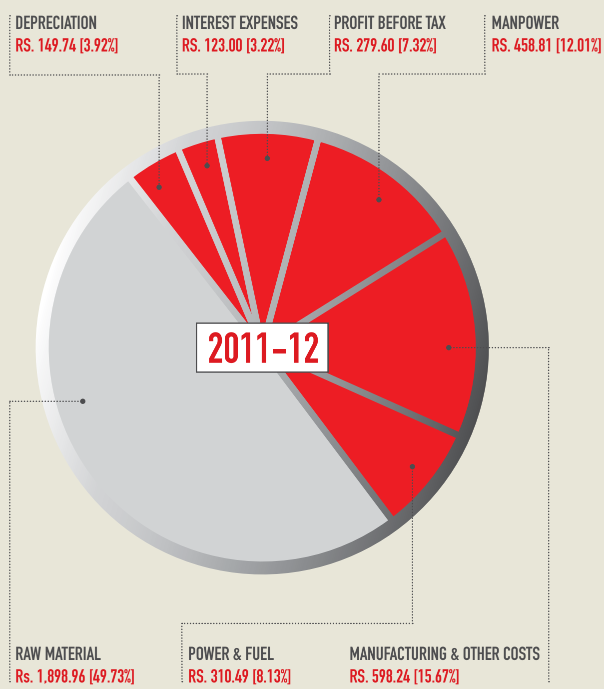
NUMBERS THAT DEFINE US



COST & PROFIT AS A PERCENTAGE OF TOTAL INCOME

[Rs. IN MILLION]





ALICON CASTALLOY IS COMMITTED TO ENSURING A CONTINUOUS SUSTAINABLE CONTRIBUTION TO OUR NATION'S DEVELOPMENT. THROUGH OUR CSR WORK WE STRIVE TO ENRICH THE LIVES OF OUR EMPLOYEES. WHILE ENHANCING THEIR INDIVIDUAL SENSE OF RESPONSIBILITY AND ENGAGING WITH SOCIETY, WE POSITIVELY CONTRIBUTE TO LOCAL COMMUNITIES.

BEYOND BUSINESS

Most of our work is implemented through The Bansuri Foundation (BF) who partner with various other NGOs and trusts to provide specific on-the-ground knowledge which is critical in ensuring the success and sustainability of our projects. Bansuri's work is centred on enhancing social engagement of people from all walks of life. They specifically focus on working with parents, educators and others involved in the lives of under privileged children to foster the holistic development of children.

In contrast to certain other CSR programmes, Alicon ensures continued support to the communities with whom we work. This is in the form of monitoring and evaluation, employee participation and general guidance both during implementation and upon completion of any programmes.

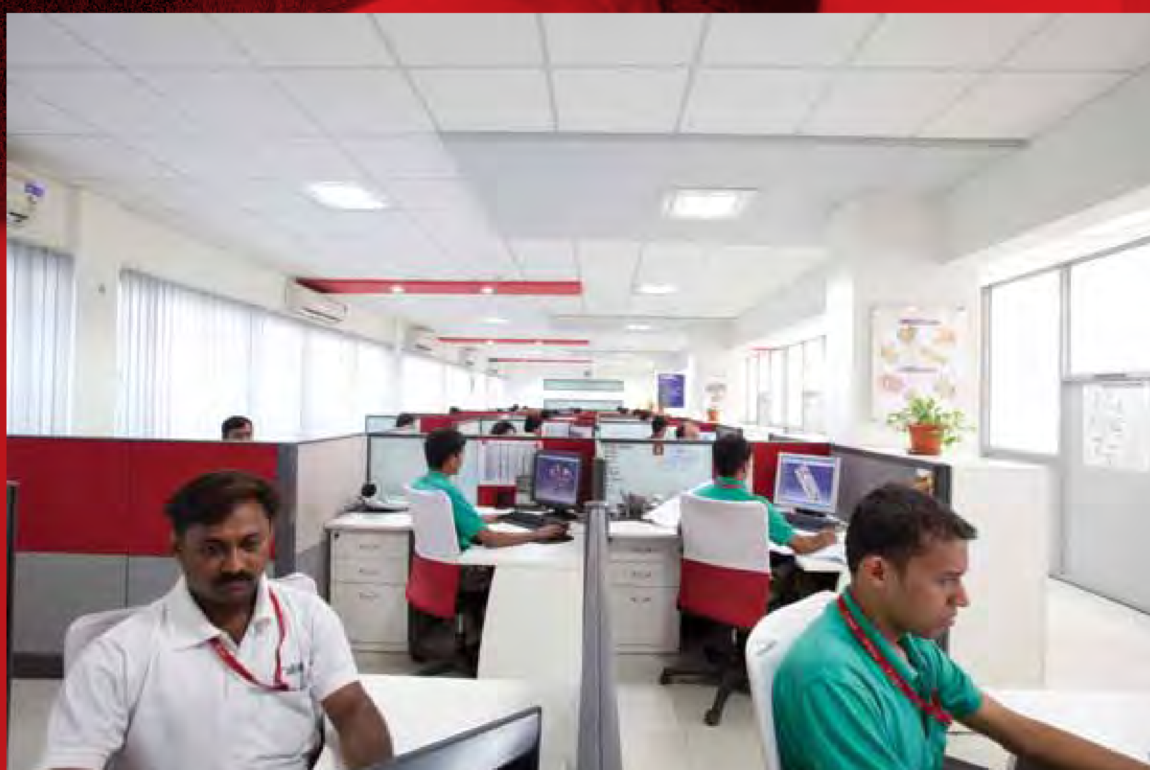
Our dairy project in Sone Sanghvi (Shirur Taluka, Maharashtra) was established a couple of years ago through BF and in partnership with Ashta No Kai (a local NGO) and a women's Self Help Group (SHG) from the village. Our involvement was financing some of the infrastructure, dairy cows and training in dairy management for the women. We are glad to see that the farm is still operating well, with more women queuing up to join the SHG. Our regular interaction with the community and monitoring of the project has lead to identifying further problems like water security that are hindering the community development and the dairy project's sustainability. Alicon is now working on ways in which we can resolve this issue and ensure access to water for the community.

We also support the Bansuri Foundation's work with Sevadham's Ashramshala in Malegaon. Sevadham, a local NGO, operates a residential school for children from remote tribal regions of Maharashtra. So far this programme has focussed on working with the teachers and trustees of the school to develop and harmonise their vision for the school and its students, improve communication and conflict resolution skills and positively influence the children's education and development. More recently, we have expanded our scope to include conducting "Vision Workshops" with the children at the school. We are also currently working with BF and other parties to proceed developing the infrastructure to address the urgent need for toilets at the school.

We have a long standing relationship with Maher, an organisation dedicated to improving the quality of life of poor and abandoned women, children and men. Through BF we have conducted vision and communication workshops with the youth and staff and supported the refurbishment of the kitchen at Maher's residential home in Pune.

One of the most recent projects involved developing infrastructure of the paediatric malnourishment ward at Sassoon Hospital (Pune). Our support is now focused on working with the staff and parents of admitted children to raise awareness about nutrition and health and effective preventive measures in resource poor settings. While we continue to explore new and innovative ways in which we can contribute to community development we are equally focussed on continuing our existing partnerships and ensuring their continued success and sustainability.

MANAGEMENT DISCUSSION & ANALYSIS



ECONOMIC OVERVIEW

IN THE BACKDROP OF A SLUGGISH GLOBAL ECONOMIC ENVIRONMENT, THE YEAR 2011-12 SAW THE DOMESTIC DEMAND DRIVEN ECONOMY HIT HARD BY HIGH INFLATION, INTEREST RATES, RISING GLOBAL COMMODITY PRICES, LACK OF REFORMS AND DELAY IN IMPLEMENTATION OF PROJECTS. INDIA'S GROWTH IN 2011-12 STOOD AT 6.5%, MUCH LOWER THAN 8.4% IN THE PREVIOUS YEAR MAINLY DUE TO POOR PERFORMANCE OF THE MANUFACTURING AND AGRICULTURAL SECTOR. THE MANUFACTURING SECTOR CLOCKED A FEEBLE 2.5% IN 2011-12 COMPARED TO 7.6% IN 2010-11. THE AGRICULTURE, FORESTRY AND FISHING SECTOR STRUGGLED WITH GROWTH OF 2.8 % LAST FISCAL, AS AGAINST 7 % IN 2010-11. MOVING FORWARD THE OUTLOOK FOR THE COUNTRY REMAINS CLOUDED DUE TO A COMBINATION OF HIGH INFLATION AND POOR DEMAND, BOTH EXTERNALLY AND INTERNALLY, WITH PRICE PRESSURES EXPECTED TO PERSIST. THE DEFICIENT RAINS HAVE AGGRAVATED THE PROBLEMS BEFORE INDIA.

IN THE FACE OF GLOBAL HEADWINDS PARTICULARLY FLOWING FROM FURTHER TURBULENCE IN EUROPE, THE INTERNATIONAL MONETARY FUND SCALED DOWN ITS ESTIMATE OF GLOBAL GROWTH IN 2012 TO 3.5% AND ALSO REVISED THE PROJECTION FOR INDIA'S GROWTH IN CALENDAR 2012 TO 6.1% FROM 6.8% IN THE JULY 2012 UPDATE TO ITS WORLD ECONOMIC OUTLOOK RELEASED IN APRIL 2012.

INDUSTRY OVERVIEW

A fundamental industry, metal casting is critical to the success of the manufacturing sector mainly due to the production of high quality castings which supports several Original Equipment Manufacturers (OEMs) across the globe. The die-casting industry in India traces it origin way back to late 50s when it catered primarily to the automobile and the electric fan industry. Due to a combination of adverse policies and restrictions on import of machinery, growth in the castings industry was limited until early 90s. Post 1991-following the liberalisation, rapid growth of the two-wheeler and electrical industry the opportunity for the die casting industry rapidly expanded. Later, the entry of global automobile and white goods majors accelerated the growth of the die casting industry. It is estimated that India currently has about 400 die casting companies out of which barely two dozen players have the production capacity of over 12,000 tons per annum and out of this meagre number just a handful around 8-10 players including Alicon Group dominate the market.

It is estimated that India produces around 1.2 million tons of aluminium annually. The Indian industry consumes around 0.45 million tons of castings of which 60 percent (0.25 million tons) is die casting. The main industries being served are the passenger car industry, commercial vehicle and two and three wheeler industry. Die castings also has its presence in the electrical and white goods industries and several other diverse sectors like healthcare, energy, locomotives, etc. As per the North American Die Casting Association, castings are used in nearly 90% of all finished manufactured products.

Aluminium castings due to the advantage of its lower weight (as compared to steel) are used extensively by OEMs in various other sectors such as automobiles, locomotive, medical, energy & agricultural segments. It is estimated that the usage of aluminium in cars at the present level is 75 kg per car in passenger cars. The world average is 125 kg and the total aluminium content (Chassis & other BIW parts) is expected to go up to 150 - 175 kg in the near future, indicative of the scope of increase in the die castings in the near future for use in the Indian automobile industry. It is estimated that die casting would account for about 50% of this usage and in future low pressure die casting including cylinder head will account for 7 – 12 kg and compressor housing and brackets for about 2-3 kg.

The performance of the casting industry is linked to the overall performance of various end user industries. During the year 2011-12, like all industries, even the castings industry was challenged as OEMs across the auto (2-wheeler and 4-wheeler) and other manufacturing and industrial sectors faced challenging times due to the poor economic environment and high interest rates which severely dampened demands.

However, to push the demand momentum, the industry players continued with new launches comprising of a mix of hatchbacks, new variants of older popular models and SUVs in 2011-12 with a special focus on improvising fuel efficiency and enhancing performance. Some of the launches in 2011-12 included Toyota's Liva in June, French premium sedan Renault Fluence in May, Volkswagen's Jetta, Honda Brio, M&M premium SUV XUV 500, Renault's Koleos in September and Hyundai Eon in October. A similar pace of aggressive model refurbishment and new model launches were seen in the two-wheeler segment too.

Sales of cars and utility vehicles grew by 4.7% in 2011-12 in which car sales grew by a mere 2.2% on account of increase in vehicle price, rising fuel prices and hike in interest rates which has made ownership dearer than the past. Production troubles caused by labour issues at few major player's plants affected production, severely limiting growth already battling a slowdown. Further, the industry witnessed a huge shift of demand towards diesel vehicles owing to the widening gap between petrol and diesel prices. Limited availability of diesel engines restricted growth in sales.

In the 4-wheeler segment, Alicon's esteemed clientele includes Audi, Honda, Volkswagen, Piaggio, Maruti, Eicher, Fiat, TATA, VOLVO, Mahindra, Ashok Leyland and many more. The demand from castings from OEM in the segment continued at a steady pace and the ability to keep pace with the new product developments which were launched during the years pushed demands.

Alicon's key customers in the 2-wheeler segment include: BMW, Bajaj Auto Ltd., Hero MotoCorp Ltd., Honda Motorcycle & Scooters India (Pvt.) Ltd., KTM Sportmotorcycle AG, Suzuki Motorcycle India Pvt. Ltd., and Yamaha Motor Pvt. Ltd. The demand from castings from OEM in this segment continued at a steady pace.

Castings also find applications in the healthcare sector especially in medical segment. Castings are used in various medical equipments including hospital beds, dental X-ray units, portable medical monitors, ultrasound equipment, hand held medical devices.

During the year, the healthcare sector continued to generate steady demand and the Alicon castings found acceptance with various tier I and global majors such as GE, Siemens and Philips medical system. Rising incomes, increasing health consciousness, affordability, and penetration of health insurance has promoted the growth of the healthcare sector in India. In fact, medical practice is undergoing a paradigm shift from "treating" to "early detection and prevention" which requires the production of various medical equipments. The wide opportunity potential provided an excellent cushion to the difficult conditions witnessed in the auto sector for the casting business.

Another key area where castings sector contributes largely is the power or energy sector. In order to sustain its growth momentum in the long run, India requires its power supply to be ramped up by more than four times of the current levels. Renewable energy will play a key role for the sector indeed. From 2011 to 2016, the overall power generation capacity of India is projected to increase by an annual average rate of 6.76%, which indicates towards the level of 1,316 terawatt hours of power generation. The growth in this sector ultimately percolates to a demand push for the castings sector.

BUSINESS OVERVIEW

In a year, where achieving break-even levels was a struggle for many, the Company recorded impressive numbers and continued to outperform the industry. The sustained revenue momentum over the past three years showcases the success of the Alicon's integrated business model. Further, the results also showcase the ability not just to survive after the de-merger of Enkei Wheels but rather push the boundaries of success to new levels. The technical expertise from Enkei has enabled Alicon to establish globally competent manufacturing facilities and processes in India for aluminium die casting. Well established quality control systems, cost and record of timely delivery paved the path to developing a prestigious customer portfolio.

Alicon continued to remain at the forefront of the aluminium casting industry and enjoys the distinction of being a single source supplier of many critical castings to some of India's largest OEMs. The company continued to serve its prestigious customer base while focusing on the development of new products and value-additions through ongoing R&D. During the year, the company's in-house R&D initiatives were recognised by the Department of Scientific and Industrial Research, Ministry of Science & Technology, Government of India.

The ability to offer castings for different variety of vehicles (2-wheelers, cars, buses, tractors, infrastructure equipments) provides a broader access to diverse target audiences (retail consumers – both urban and retail, farm and non-farm sectors, private corporate sector and public sector including defence). This provides a cushion in an adverse environment as visible in the Company's performance (both standalone and consolidated) during the year.

During the year under review, the Company remained focused on making further inroads into non-auto segments including healthcare, energy, agriculture, aviation and defence. As rapid product development plays a critical role in these sectors, the Company remained focused on rapid pro-typing, designing and developing new castings for these identified sectors.

The migration of the technology and process excellence learning from the European subsidiary Illichmann Castalloy, specifically for the non-auto sector, provided the company a business edge as flexibility in our production management improved significantly. The ability to provide precision aluminium casting for both small quantity as well as large volumes for a variety of applications in the industrial space has played an important role in attracting new customers.

Some of Alicon's non-auto sector customers include Crompton Greaves, Greaves Cotton, Ingersoll-Rand plc., Cummins India, Bosch, General Electric, Siemens, JCB India Limited, Enercon Services, Royal Philips Electronics, Knorr-Bremse AG, Doppelmayr Seilbahnen GmbH, amongst others.

Exports accounted for 10 % of the total revenue and mainly to USA, the impact of the turbulence in EU was insignificant to the business.

THE COMPANY PLACED SPECIAL EMPHASIS ON ACHIEVING HIGHER EFFICIENCIES ACROSS ITS OPERATIONS. KEEPING THIS KEY FOCUS IN MIND, ALICON CHOSE TO CONSOLIDATE ITS OVERSEAS OPERATIONS. THE OPERATIONS IN AUSTRIA HAVE BEEN CONSOLIDATED TO THE MORE COST-EFFICIENT SLOVAKIAN FACILITIES. AUSTRIA WILL CONTINUE TO PROVIDE THE REQUIRED MARKETING SUPPORT TO ACCESS NEW MARKETS. DUE TO THIS RESTRUCTURING, THE MANPOWER AND MANUFACTURING COST WILL COME DOWN IN BIG WAY. THE RESTRUCTURING PROCESS WILL BE FINISHED BY END OF CALENDAR YEAR 2012.

FINANCIAL REVIEW

The Company's Total Revenue for 2011-12 stood at as Rs. 3818.85 million against Rs. 2584.68 million in 2010-11 registering a growth of 47.75%. The increase is driven primarily by sustained demand in domestic automotive industry as major global players have set up their manufacturing facilities in India for the domestic market as well as for exports.

The Company's revenues in the automotive sector accounted for 97.60% of the total revenue with the non – automotive business growing steadily.

The key raw material for the Company business is aluminium which witnessed prices volatility. Average price increase for aluminium during 2011-12 was in the range of 10% in comparison with previous year average price. However, the Company through long term arrangement with its major customers has a clause for external non business cost escalation and passes the price differential on to the customers, therefore raw material prices did not have any absolute impact on the Company's earnings.

Manpower cost increased by Rs. 149.58 million for the year ended March 31, 2012 compared to the previous year, primarily as the result of growth in the business and salary rationalisation.

Energy cost increased by Rs. 56.20 million for the year ended March 31, 2012 compared to the previous year. This is 22% increase against increase in sales by 48% in spite of substantial increase in petroleum prices.

The Profit Before Interest Depreciation and Tax (PBIDT) increased to Rs. 552.34 million from Rs. 398.85 million during 2010-11, a significant growth of 38.48%.

Interest expense (net) increased by Rs. 36.27 million for the year ended March 31, 2012 compared to the previous year, primarily as the result of growth in the business and new investments.

Profit before Tax (PBT) amounted to Rs. 279.60 million as against Rs. 185.95 million during previous year, recording an increase of 50.37%. The increase in profit was driven primarily by increased volume, better margin in non-auto segment and cost reductions achieved from various operational efficiencies measures implemented during the year.

The Net Profit was Rs. 220.09 million as compared to Rs. 146.31 million in the previous fiscal representing an increase of 50.44%.

STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS.

STRENGTHS

The die-casting industry is an important supplier to various sectors that play an important role in the growth, development and modernisation of India. Some of these sectors include Automobiles and auto components, Railways, Power sector, Agricultural industry, Earth moving machinery, Industrial & Agro machinery sector (Pumps, compressors, valves, pipes and pipe fittings, electrical), Textile, Cement, Machine tools & other engineering industries.

The key strength of the aluminium die-casting industry is the ability to design, manufacture and supply international standard, high quality, precise and flawless casting solutions customised to the diverse usage of various industries at cost-competitive rates. This strength is a result of the investments made by the casting industry in modern technology and research and adherence to internal standards of quality across the entire value chain right from rapid pro-types to the final product.

The country's strong engineering pool of talented professionals with deep experience and sound skill act as important sources of growth. Key industry players have also adopted and certified plants with global best practices and evolved modern shop floor practises including 5-S, 7-W, Kaizen, TQM, TPM, 6 Sigma and Lean Manufacturing.

From the demand side;, India's huge population, a growing economy, rise income levels, increasing purchasing power, growing consumer aspirations, increasing urbanisation and lifestyle changes have led to a slow but steady transformation of the Indian cities and fuelled the demand for a variety of consumer products, automobiles, white goods, etc. The ability of these industries to deliver world-class products at cost competitive strength is derived from equally cost-competitive and quality conscience OEMs vendors. The Government's thrust on core infrastructure development is an important growth catalyst.

The ability to service these fast growing sectors, which constantly innovate and evolve new products and casting solutions at the same rapid pace, vindicates the robust designing, engineering and manufacturing strength of the casting industries. The industry today services not only leading Indian corporate but industrial global giants who set the global benchmark for quality and excellence. By virtue of serving the global industry stalwarts across a spectrum of industries has increased the investments in technology, engineering, manufacturing and R&D. The ability to year-on-year meet the timely requirement also evolved the core supply chain management ability of the industry which is also it key strength today.

WEAKNESSES

The Indian casting industry traditionally suffered from poor quality and high cost and was dominated by fragmented unorganized players. Several industry players have equipment and machinery which is over a decade old.

However, over the years the organised sector has graduated to an industry with a global outlook, be it in design and development or with respect to cost effectiveness and flexible production. Across the organized industry, key players have invested in globally at par technology and have adopted stringent international standards across each key process ensuring precision, flawless quality and timely delivery.

OPPORTUNITIES

The opportunities for the castings sectors are dependent on the dynamics of the diverse sectors which will play an important role in maintaining the business momentum.

AUTO

Slower income growth and subdued consumer sentiment are key constraints to short-term growth prospects over a high base. Rural demand (40 % of the total demand) is expected to slow in 2012-13 given the sluggish growth in the agricultural sector. Growth for 2012-13 is expected at around 10-12 %, in line with the long-term growth trajectory of the industry. Incremental capacity of 6.5 - 7 million units accounting for almost 35-40% of the industry wide capacity is expected to come on stream in the next two years. (Source: Crisil Report. March 2012)

However, supply-side impetus in the form of improving finance scenario (stable or lower interest rates), entry of new players and product launches in high-volume segments is expected to provide some buoyancy to the demand by end of the year. Major new launches in the executive motorcycles and scooters segment will drive growth along with a turning interest rate cycle and better finance availability.

As per a Crisil report the domestic passenger vehicle sales is expected to grow by 10-13% in 2012-13 with a rise in small car sales. Increase in cost of ownership and inflation is expected to be lower in 2012-13 as compared to 2011-12 which will aid car purchases. While slower growth in income will seek to limit growth, low base effect (due to production problems during 2011-12) and increase in diesel engine availability will aid growth.

Further, the current duty structure is favourable for those OEMS who have opted for localisation. Therefore there is a possibility of higher growth of the casting industry.

In the long term, India has several growth drivers in place:

- India today is the second largest producers of two wheelers in the world. By 2015-2016 the industry's output is expected to be twice the current level. This reflects a real and significant opportunity potential for the die casting industry.
- A huge opportunity is also emerging as more multinational automotive manufacturers find their way into India.
- The country also has an excellent potential to emerge as the global sourcing hub for the world automobile market.
- Dollar – Rupee exchange rates will provide a boost to export.
- Improvement in infrastructure will lead to better roads, improve connectivity across various cities and states and in long run push the demand for automobiles. As per a KPMG report, vehicle penetration in India is quite small, even in comparison to other Asian countries. In passenger vehicles, for example, India has 8 vehicles per 1000 people, which is lower than countries like China and Thailand.

HEALTH CARE

The estimated size of the Indian healthcare sector comprising hospitals, pharmaceuticals, diagnostics, medical equipment and supplies and medical insurance industry was pegged at USD 50 billion in 2010 and is expected to touch USD 79 billion by 2012 and USD 280 billion by 2020. Medical equipment and supplies contribute about 9% of the total healthcare revenues in the country. Some of the most promising sub-sectors in the healthcare and medical equipment sector include Medical Infrastructure, Surgical Instruments, Medical Imaging, Electro medical equipment, Orthopedic and Prosthetic Appliances, Ophthalmic Instruments and and many others.

Growth of the sector is fuelled by the rising income levels, health-consciousness, affordability, penetration of the healthcare sector and the proliferation of the international standard of early detection and diagnosis of lifestyle diseases and their detection rather than mere treatment. Medical diagnostic products and services help accelerate the pace of scientific discovery and solve analytical challenges. These products are increasingly necessary as they have led to a paradigm shift in treatment of infectious diseases (such as Hepatitis, Cholera, Tuberculosis, etc.), genetic DNA testing for genetic disorders, transplantation of organs, Neurodegeneration (Alzheimer's diseases amongst others), Oncology and Life style diseases (Diabetes, Cardiovascular Diseases).

The opportunity horizon can be gauged from the fact that several renowned international players have entered the diagnostic and surgical equipment market in India (Baxter International Inc., GE Healthcare, Johnson & Johnson Services Inc and Boston Scientific Corporation).

The company supplies casting components to the medical equipment industry and some of its key customers include Philips Medical System, GE Medical and Siemens who are expanding their market share in the Indian health care segment.

POWER

India has emerged as one of the fast growing economies in the world after having recorded an annual average growth rate of 8% during the last four years. The energy sector will play an important role in supporting India's economic growth trajectory. The rapidly growing industrial base, urbanisation, as well as improvement in the standard of living have widened the gap between energy demand and supply. The Government of India has ambitious plans of augmenting the power sector growth and has set a target of adding 78,000 MW in the 11th Plan, a capacity growth rate of nearly 9.73%. To accelerate the power development equal emphasis has been paid to the development of renewable green energy (wind, solar, hydro). Wind energy is already a significant contributor to the power generation in the country. With a capacity of 10,464 MW, India has the fifth largest wind power installed capacity in the world. The solar insulation in the country is one of highest in the world and major technology breakthrough in solar could be the catalyst for the development of large solar farms in India. Incentives and pro-industry policies through the National Solar Mission are expected to boost the development of solar power generation capacity. Hydro power generation too being a renewable and environmentally benign source of energy has witnessed rapid growth with several mega plans underway across the country.

Leading PSUs and private sectors players have planned to enhance their manufacturing capacity to cater to the increasing demand. Several private players have formed joint ventures with global equipment manufacturers and the domestic power equipment manufacturing capacity is slated to reach at least 25,000 MW in next 3-4 years. Given the need to secure reliable power, the sector receives both Government and private sector investment and this trend continues during the year.

The Company's customer base in this sector includes Enercon, Crompton Greaves, Areva, Siemens ,Wipro and GE who will be benefitted by the growth in the power sector. As they are growing and diversifying in renewable energy fields and nuclear energy, Alicon Group stands to gain from the sector growth.

THREATS & CONCERNS

Unlike the swift V-Shaped recovery from 6.8 per cent growth in the worst phase of the global financial crisis in 2008-09, economic growth will remain flat in 2012-13, the level of 6.5 per cent achieved in 2011-12. This will make fiscal year 2012-13 the second consecutive year of lowest growth, in the past decade. Industry growth is projected to improve to 5 per cent over a very weak base of 3.4 per cent growth in 2011-12. A global slowdown can derail the prospects of the industry.

Other threats and concern to the industry that may have to be confronted include:

- Volatility in the prices of metals and other inputs could erode the industry's cost competitiveness. Further, global OEMs expect a commitment of 2-5% reduction in prices every year.
- Tier I manufacturers taking up green field projects overseas.
- Intense competition from counterparts in other emerging economies may add pressure on margins of manufacturers.
- Dependence on technological advancement on west, Non-existent of R&D
- Dependence for high end and efficient equipment from Europe.

BUSINESS OUTLOOK

A combination of long term strategic planning and streamlined tactical planning has enabled the Alicon Group to clock almost robust year-on-year growth over the past three years. The Company remains committed to sustaining this and will devote its energy to aggressively expand its foothold across diverse sectors. The Company through its focused de-risking aims to build an amicable mix across the auto and non-auto segment.

A foundation entrenched in world class technology and commitment to ongoing R&D will play a critical role in both achieving entry into new segments and also addressing the challenges faced across the casting industry.

The overseas acquisitions have provided a ready and well-established platform of business relations with more global majors and the Company is well poised to capitalise on this advantage at the right time.

RISKS & CHALLENGES

Risks & Concerns

ABILITY TO INVEST ON CONSTANT PRODUCT DEVELOPMENT AT THE SAME PACE OF OEMS.

Risk Mitigation

The Company is consciously working to increase the speed of development and orienting the overall organisation focus to deliver new casting solutions at a faster pace to keep up with the development of various OEMs. Ability to offer integrated castings using in-house backward and forward value-added services provides the Company an edge in achieving a faster turnaround. The technological tie-up with international majors and the acquisition in Europe will provide further access to modern technology which will enable faster development of castings. The Company remains confident of delivering world class casting solutions while accelerating the production of new castings to always exceed customer satisfaction.

Risks & Concerns

ATTRACTING THE RIGHT SHOP FLOOR TALENT IN A HARDCORE INDUSTRIAL SET UP.

Risk Mitigation

The Company is committed to making the core manufacturing facilities even safer, cleaner and less hazardous to health by ensuring the foundries are green. The concept of "Green Foundry" involves not only greening of the surrounding facilities but through various well planned and well maintained ambient air quality, reducing pollution and wastes and others means to develop a people friendly working environment.

Alicon Group's Safety, Health & Environmental management system is at par with all applicable Statutory and Regulatory requirements, including OHSAS 18001 & ISO 14001. Furthermore, the Alicon Group has incorporated environmental safeguards in all its activities and has made working in harmony with nature and maintaining a Green environment, an essential part of the core business commitment.

Risks & Concerns

MEETING STRINGENT EMISSION CONTROL NORMS.

Risk Mitigation

The Company is working towards meeting the Euro VI and the BS notification beyond BS IV. The Company will utilise both in house expertise and if required may also partner with the right organisations to ensure its products are compliant with required norms.

Risk & Concerns

PREDICTING THE ACCEPTABILITY OF NEW MODELS DEVELOPED BY OEMS IN THE AUTOMOBILES SECTOR.

Risk Mitigation

While the Company partners with leading OEMs in the product development across the value chain, it is virtually impossible to predict the acceptability of a new model as demand is consumer driven. For Alicon Group highest value is derived and long term sustainable value is achieved when demand is generated over the long run as that compensates the true value for the time and money invested in new product development process. The Company continues to partner and maintain long-term relationships with major OEMs which have multiple product offerings across diverse target consumer bases.

HUMAN RESOURCE

Alicon Group is committed to developing policies that enable employees hone their personal as well as professional skills, upgrade their knowledge and capabilities. The Company's policies have been evolved to nurture employees keeping their overall interest in mind. To enable this the Company regularly organises employee training programs both domestically and overseas across all levels which are focused on improving competence, productivity, enhancing safety and imbibing values and adopting sustainability as a way of life. The Company also has well defined inbuilt mentoring systems for key professional jobs.

Alicon Group seeks high performance with integrity while ensuring that employees maintain a positive team spirit and keep the motivational levels high. This is in keeping with its overall policy to encourage the leadership approach at all levels while advocating ownership, responsibility and discipline.

We have a well defined performance management system for the employee's career growth. The Company has a clearly defined DNA policy which acts as a blueprint to all employees across the organisation as it clearly spells out the organisation's focus, lays down the priorities for employees, spells out the expected performance standards and the key methods to achieve these goals. Employees are educated on each of these aspects regularly through co-ordinated internal communication systems. Illustratively, to optimise productivity through maintaining an orderly workplace and reduce waste Alicon Group follows the "5S" workplace organisational methodology as part of continuous improvement or lean manufacturing processes.

The management of the Company continued to enjoy cordial relations with its employees at all levels. As on March 31st 2012, the number of employees in the Company were 1729.

INTERNAL CONTROL SYSTEMS

Alicon Group has adequate system of internal controls commensurate with its size and nature of business to ensure adequate protection of the Company's resources, efficiency of operations, check on cost structure and compliance with the legal obligations and the Company's policies and procedures.

The Group has engaged the services of M/s. Phoenix Consulting Group to audit and review various relevant business operations and submit its report to the Internal Audit Committee. The Audit Committee analytical reviews these reports and the reports submitted by the internal Auditors and further works to enable and facilitate the implementation of recommendations made by the Audit Committee to further improve the efficiency and address any possible lacunae.

To facilitate better operational and managerial control, Alicon Group has set up an advanced ERP System, which will further improve the Internal Controls.

Cautionary Statement

Certain statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified in this report, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on 'risks and concerns'. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.

AWARDS & ACCOLADES

WE STARTED OUR TRYST ON THE STRONG PLATFORM OF EXCELLENCE AND INNOVATION AND THE JOURNEY HAS ENABLED US TO BE AT THE FOREFRONT OF THE INDUSTRY. DURING THE YEAR, OUR R&D INITIATIVES WERE RECOGNISED BY THE GOVERNMENT OF INDIA AND ALICON CASTALLOY RECEIVED THE PRESTIGIOUS CERTIFICATE RECOGNISING OUR INHOUSE DEDICATED R&D UNIT IN OCTOBER 2011. WE WERE ALSO RECOGNISED AS THE NO. 1 SUPPLIER TO HONDA SIEL OUT OF 128 SUPPLIERS FOR QUALITY & DELIVERY.

We have also received the following awards and recognition during the year:

AWARD FOR
CAPACITY ENHANCEMENT FROM MARUTI SUZUKI LIMITED

AWARD FOR
THE SUCCESSFUL DEVELOPMENT OF CYLINDER HEADS FROM HONDA MOTORCYCLE AND SCOOTER INDIA

AWARD FOR
THE SUCCESSFUL COMPLETION OF A QUALITY IMPROVEMENT PROJECT FROM HERO MOTO CORP

AWARD FROM
SUZUKI MOTORCYCLE IN THE AREA OF DELIVERY

DIRECTOR'S REPORT

TO,
THE MEMBERS,
YOUR DIRECTORS HAVE PLEASURE IN PRESENTING THEIR TWENTY SECOND ANNUAL REPORT TOGETHER WITH THE AUDITED STATEMENTS OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.

FINANCIAL HIGHLIGHTS

(Rs. in Millions)

PARTICULARS	Standalone Year Ended March 31, 2012	Standalone Year Ended March 31, 2011	Consolidated Year Ended March 31, 2012
Gross Sales	4216.33	2886.74	5095.28
Net Sales	3808.24	2566.70	4687.19
Profit before Depreciation, Interest & Tax	552.34	398.84	502.60
Less: Depreciation & Prior Period adjustments	149.74	126.17	170.76
Less: Interest	123.00	86.73	128.91
Profit before Tax	279.60	185.94	202.93
Provision for Tax	59.51	39.64	58.77
Profit after Tax	220.09	146.30	144.16
Add: Balance brought forward	332.02	213.55	340.38
Net Profit Available for appropriation	552.11	359.85	484.54

Dividend

Enthused with the commendable results, your Directors have recommended a higher dividend of 27.5% (Re1.38 per share of Rs.5/- each) as against 20% for the previous year. In the hands of shareholders the dividend will be free of tax. The total payout on account of Dividend and tax thereon for the year will be Rs. 17.64 million.

OPERATIONS:

EVEN IN ODD ECONOMIC SITUATION, YOUR COMPANY TURNED OUT ONE MORE YEAR OF RECORD ACHIEVEMENTS. ON A STANDALONE BASIS, THE COMPANY RECORDED A NET SALE OF RS.3,808.24 MILLION AS AGAINST RS.2,566.70 IN THE PREVIOUS YEAR, A JUMP OF 48%. THE TOTAL INCOME FOR THE YEAR WAS RS.3,818.84 MILLION AS AGAINST RS.2,584.68 MILLION A YEAR AGO. INSPITE OF HIGHER PROVISION FOR DEPRECIATION AND FINANCIAL COST, THE PRE-TAX PROFIT GREW BY 48%. PRE-TAX PROFIT WAS RS.279.60 MILLION AS AGAINST RS.185.94 MILLION IN THE LAST YEAR.

On consolidated basis (inclusive of working of the overseas subsidiaries), the net sales for the year was Rs. 4,687.19 million and pre-tax profit was Rs.202.93 million. In the previous year, consolidated net sales was Rs. 3,191.20 million and pre-tax profit was Rs. 197.75 million.

FINANCE

During the year, the Company spent Rs. 324.45 million for expansion of its plant and machinery on stand alone and Rs. 374.76 million on consolidation basis. The entire expansion was funded from the internal accruals and term loan.

FUTURE PROSPECTS

The Company is continuously developing new products for other engineering and infra related industries. This will enable the Company to sustain the growth in years to come. A detailed review of the future outlook is given under the head Management Discussion and Analysis Report, which forms part of this report.

SUBSIDIARY COMPANIES:

To consolidate the European business, the operations in Austria are being shifted to Slovakia. Though presently, the overseas operations are incurring loss, after completing the consolidation exercise, the same is expected to become profitable.

A statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies is attached to the accounts.

Consolidated Financial Statement pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants, are annexed.

In terms of the general exemption granted by the Ministry of Corporate Affairs vide circular No. 02/2011 dated 8th February, 2011 for not attaching the annual accounts of subsidiaries and in compliance with the conditions enlisted therein, the report and annual accounts of the subsidiary companies for the financial year ended 31st March, 2012 have not been attached to the Company's Accounts.

The annual accounts of the subsidiary companies and the related information are kept open for inspection by any shareholders at the Registered Office of the Company and of the concerned Subsidiary Company. Any shareholder, who wishes to obtain a copy of the said documents of any of the subsidiary companies, may send a request in writing at the Registered Office of the Company.

CORPORATE GOVERNANCE

Your Company is committed to adhere to Corporate Governance guidelines set out by SEBI and has complied with all the mandatory provisions of Clause 49 of the Listing Agreement. A separate section on Corporate Governance together with Certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

MANAGEMENT DISCUSSION & ANALYSIS

A detailed review of the industrial growth vis-à-vis the growth of the Company and the future outlook is given under the head Management Discussion and Analysis Report, which forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to information and explanations provided to them, your Directors make the following statement, pursuant to Section 217(2AA) of the Companies Act, 1956 that:

In the preparation of annual accounts, the applicable accounting standards have been followed and that no material departure have been made from the same;

Appropriate accounting policies have been selected and applied consistently and 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 financial year March 31, 2012 and of the profit of the Company for the year ended on that date;

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing, detecting fraud and other irregularities;

The annual accounts have been prepared on a 'going concern' basis.

DIRECTORS

On 30th May, 2012 Mr. Maskatsu Uchiyama was appointed as an Alternate Director to Mr. Junichi Suzuki. Consequent upon his appointment, Mr. Osamu Ohashi ceased to be the Alternate Director.

To comply with the requirement of the Companies Act, 1956 Mr. A.D. Harolikar and Mr. Vinay Panjabi, Directors, shall retire by rotation and being eligible, they offer themselves for reappointment. Details of Directors seeking re-appointment are included in the Corporate Governance Report.

EMPLOYEES

Information as required in pursuance of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is annexed and forms part of this report.

CONSERVATION OF ENERGY, ETC:

Information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 217(1(e) of the Companies Act, 1956 is set out in the Annexure forming part of this report.

AUDITORS:

The observations made in the Auditors' Report and details provided in Notes to the Accounts are self-explanatory and therefore, do not call for any further comments under the Companies Act, 1956.

Asit Mehta & Associates, Statutory Auditors of the Company shall retire at the forthcoming Annual General Meeting and are eligible for reappointment. Members are requested to appoint Auditors for the current financial year and fix their remuneration.

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 WISH TO PLACE ON RECORD THEIR DEEP SENSE OF APPRECIATION FOR THE COMMITTED SERVICES BY EMPLOYEES AT ALL LEVELS. YOUR DIRECTORS TAKE THIS OPPORTUNITY TO EXPRESS THEIR GRATITUDE FOR UNSTINTED SUPPORT EXTENDED BY CUSTOMERS, SUPPLIERS, BANKERS AND OTHER BUSINESS ASSOCIATES, AND AT LAST BUT NOT LEAST THE SHAREHOLDERS FOR THE CONFIDENCE REPOSED IN THE MANAGEMENT.

On behalf of the Board of Directors

(S. Rai) Managing Director	(A.D. Harolikar) Director

Place: Shikrapur, Pune
Date: July 30, 2012

ANNEXURE
TO DIRECTOR'S REPORT

Annexure 'A'

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

During the year ISO 14001 surveillance Audit was carried out by M/s TUV Reinland and auditors recommended continuation of the ISO 14001 for the year.

The various steps taken for energy conservation during the year were:

• Installation of capacitor banks to improve power factor • Installation of automatic voltage regulators
• Energy efficient compressor system • Utilization of natural light for factory lighting during day time

Details of energy consumption: FORM 'A'

(Amount in Rupees)

A. POWER AND FUEL CONSUMPTION:			
1. ELECTRICITY		**FOR THE YEAR ENDED 31.3.2012**	**FOR THE YEAR ENDED 31.3.2011**
a. Purchased Quantity	Units	25,814,066	20,092,628
Total Amount	Rs.	155,955,886	106,855,620
Average Rate Per Unit	Rs.	6.04	5.32
b. Generated Quantity	Units	2,929,524	3,124,042
Total Amount	Rs.	35,156,961	40,466,471
Average Rate Per Unit	Rs.	12.00	12.95
2. LDO / FURNACE OIL			
Quantity	Litre	2,514,574	3,451,344
Total Amount	Rs.	100,531,792	92,863,572
Average Rate Per Unit	Rs.	39.98	26.91
B. CONSUMPTION PER UNIT OF PRODUCTION			
1. Electricity	Units	3.21	3.73
2. LDO / Furnace Oil	Litre	0.28	0.56

The Company is producing a variety of castings and the consumption of electricity and fuel for the same is not uniform. Hence, allocation of energy per unit of production may not be relevant.

B. TECHNOLOGY ABSORPTION

FORM 'B', Form for disclosure of particulars with respect to -

RESEARCH AND DEVELOPMENT

Expenditure on R&D for the year ended 31st March, 2012

(Rupees In Lacs)

PARTICULAR	2011 - 2012	2011 - 2010
A. Capital Expenditure	157.76	203.88
B. Recurring Expenditure	450.89	498.27
TOTAL	**608.65**	**702.15**
Total R&D expenditure as a percentage of total income	1.59%	2.72%

Technology absorption, adoption and innovation

The Company has successfully absorbed technology obtained from the foreign collaborators for aluminium die castings.

RESEARCH & DEVELOPMENT

THE R&D TEAM AT ALICON HAS A FOCUSED VISION: “TO INNOVATE, ENHANCE AND CO-CREATE OUR R&D CAPABILITIES TO PRODUCE LIGHT ALUMINIUM ALLOY CASTINGS.”

THE OBJECTIVES THE COMPANY HAS SET IN THE FIELD OF R&D IN ORDER TO COMPLIMENT THE VISION:

TO DEVELOP LIGHT ALUMINIUM CASTINGS FOR A GREEN & CLEAN ENVIRONMENT.

DEVELOP BEST TECHNOLOGY ACROSS THE GLOBE FOR LOW PRESSURE & GRAVITY DIE CASTINGS AND INCREASE PRODUCTIVITY IN BOTH ROUTES.

ADVANCED RESEARCH IN CASTING SIMULATIONS TO ENHANCE THE CASTING PROCESS AND DETECT ANY ERRORS AT AN EARLY STAGE.

RECOMMENDING DESIGN CHANGES FROM A CASTING PERSPECTIVE WHICH WILL SUBSTANTIALLY REDUCE THE DELIVERY TIME.

REDUCE THE USE OF SAND IN CASTING WHICH IN TURN WILL REDUCE POLLUTION AND SAFEGUARD THE ENVIRONMENT.

India is emerging as one of the fastest growing consumer market. Almost every global OEM has set up a strong base in India for global manufacturing of their products. This has created numerous opportunities in the manufacturing domain. The casting industry has benefited by the entry of these international players who wish to be globally cost competent. Hence Research & Development in all areas of casting in order to innovate new products, increase quality and reduce overall cost and weight has become a priority. These R&D activities keep an organization abreast with the latest in Technology and help to gain an edge over competitors.

In the previous fiscal year, the Company's in-house R&D Unit was recognized by the Department of Scientific and Industrial Research, Ministry of Science & Technology, Government of India. This achievement has boosted the Group's R&D morale and has increased the confidence of the customers in the Group's capabilities.

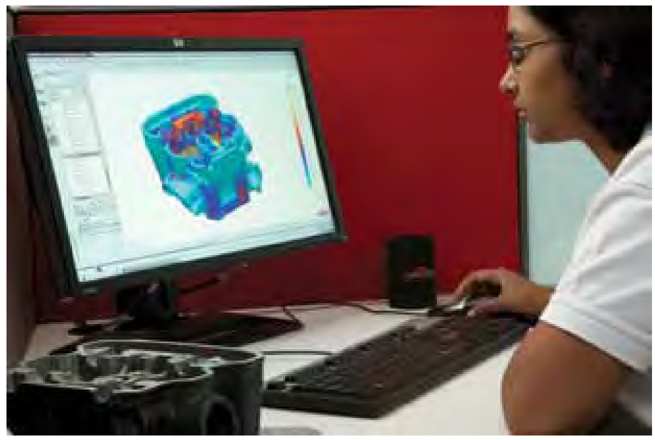
CASTING DEVELOPMENT – GDC & LPDC

The Company is constantly aiming to bring about innovative solutions in the casting routes (GDC & LPDC) to yield higher output. A dedicated team monitors the output levels against the planned (scheduled) levels and prepares a concise solution to bridge the gap between the two.

Innovations in the LPDC route include the Pie System. This LPDC system is a completely enclosed system with a pressurized furnace. In order to have negligible moisture contamination, the system is isolated from the atmosphere. This is an advanced technology with latest feature for temperature control, pressure control and metal quality round the clock. This system ensures high productivity, low rejection and process repeatability.

DEVELOPMENT & TESTING

The Company's R&D team is highly skilled and competent to take up the challenges in the field of Development & Testing. The Company has a set of skilled professionals who carry immense work experience in this domain. Improvements in the casting process are a constant endeavour to reduce the final lead out time, enhance quality and raise customer satisfaction.



The Company realizes that the best product can be delivered to the customer when care is taken from the design stage up to the manufacturing stage. Hence the Company identifies the possibilities of probable failures/setbacks at the design stage and works aggressively in a cross functionality team to cohesively understand the development of a new product. A virtual simulation environment helps to comprehend the casting flow process and considerably aids the Company to understand any defects that may arise and hence counter measures are taken immediately.

WAY FORWARD

The Company is progressively aiming towards building a strong and cohesive research and development facility which is an inspiration for all within the casting industry. The Company aims to simulate the sand casting flow process and is striving to attain excellence in this field in order to conserve the environment. Procurement of advance testing machine, like the Bench Flow testing, gives the Company a superior edge and inclines the confidence of the customers more towards the Company.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned:	Rs. 407.11 Million
Total foreign exchange used:	Rs. 223.23 Million

Detailed information on foreign exchange earning and outgo is also furnished in the notes to accounts.

Annexure 'B'

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31.03.2011.

Sr. No.	Name	Remuneration Gross Rs. million	Designation	Qualification	Date of Employment	Total Experience Years	Age in Years	Particulars of Last Employment	Last Designation
1.	Mr. Rajeev Sikand	8.10	Group CEO	MBA	03.12.2005	30 yrs	51 yrs	Motherson Sumi Systems Ltd.	Head- International Business

NOTES:

- Employment in the Company is non-contractual.
- Remuneration includes salary, allowances and value of perquisites.
- Employee mentioned above does not hold (by himself or along with his spouse & dependent children) more than two percent of equity shares of the Company.
- The employee mentioned above is not related to any of the directors of the Company.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT
PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, A REPORT ON CORPORATE GOVERNANCE IS GIVEN BELOW :

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to good corporate governance in order to achieve its long-term corporate goals and enhance shareholders' value. In this pursuit, the Company is committed to conduct the business in accordance with the highest legal and ethical standards. The Company follows the principles of transparency, disclosure, fairness, independent supervision, healthy competition, provision of equal opportunity in employment, promotion of health, safety and welfare, production of quality products and services, compliance with all relevant laws, rules and regulations, improvement in quality of life and meeting social responsibility.

2. BOARD OF DIRECTORS

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

a. Composition, Status, Attendance at the Board Meetings & the last AGM :

NAME OF DIRECTOR	Status i.e. Executive/ Non-Executive/Independent	No. of Board Meetings Attended	Attendance at the last AGM
Mr. S. Rai	Managing Director	4	Yes
Mr. A. D. Harolikar	Independent	4	Yes
Mr. J. Suzuki	Non-Executive	0	No
Mr. Asis Ray	Non-Executive	1	No
Mr. Vinay Panjabi	Independent	4	No
Mr. S. C. Khanna *	Alternate Director	1	No
Mr. Osamu Ohashi **	Alternate Director	4	Yes

Number of Public Limited Companies or Committees in which the Director is a Director/Chairman

NAME OF DIRECTOR	No. of other Directorship held#	No. of Committees of other Companies in which member/chairman	No. of Shares held in the Company as at March 31st, 2012
Mr. S. Rai	5	0	28000
Mr. A. D. Harolikar	0	0	200
Mr. J. Suzuki	1	0	0
Mr. Asis Ray	1	0	0
Mr. Vinay Panjabi	1	0	0
Mr. S. C. Khanna Upto *	0	0	2724
Mr. Osamu Ohashi **	1	0	0

No Director is related to any other Director on the Board in terms of the provisions of the Companies Act, 1956. During the year ended March 31, 2012 four Meetings of the Board of Directors were held on 13/05/2011, 29/07/2011, 31/10/2011 and 31/01/2012.

Excluding Directorship in Foreign Companies and Companies under Section 25 of the Companies Act,1956.
* Mr. S. C. Khanna, ceased as an Alternate Director, from the Board w.e.f. 13/05/2011.
** Mr. Osamu Ohashi was appointed as an Alternate Director to Mr. Junichi Suzuki, Director, w.e.f. 13/05/2011.

b. Board Procedure

All the Directors on the Board are informed the date and venue of each Board Meeting at least fifteen days in advance along with the Agenda. A detailed Agenda folder is sent to each Director in advance of the Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director and Chief Financial Officer appraises the Board the overall performance of the Company, followed by the presentation by Chief Executive Officer.

The Board reviews the strategy, business plan, annual operating and capital expenditure budgets, projections, compliances of all laws applicable to the Company as well as the steps taken to rectify instances of non-compliances, taking on record of unaudited quarterly/half yearly/annual results, minutes of the meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level including that of the Compliance Officer.

c. Code of Conduct

The Board has laid down Codes of Conduct for the Board Members and senior management and employees of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Codes of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report. In addition to this, a separate code of conduct for dealing in equity shares of the Company is also in place.

3 AUDIT COMMITTEE

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 292A of the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd..

The Audit Committee comprises of Mr. A.D. Harolikar, Chairman of the Committee, Mr. Vinay Panjabi, both being Independent Directors and Mr. Asis Ray, Non-Executive Director. Mr. S.C. Khanna, ceased to be Member of the Committee w.e.f 13/05/2011. Mr. Asis Ray, Non-Executive Director, was appointed as a member of the Committee, w.e.f. 31/10/2011.

The Chief Financial Officer, CEO, Internal Auditors and the partner of Asit Mehta & Associates, the statutory Auditors are the permanent invitees to the Audit Committee meetings.

During the year ended March 31, 2012 four meetings of the Audit Committee were held namely 13/05/2011, 29/07/2011, 31/10/2011 and 31/01/2012.

While Mr. A. D. Harolikar and Mr. Vinay Panjabi attended all meetings, Mr. S. C. Khanna, who ceased to be a member w.e.f. 13/05/2011, attended one meeting only.

4 REMUNERATION COMMITTEE

The Remuneration Committee comprises of three Directors. Mr. A. D. Harolikar (Chairman of the Committee), Mr. Vinay Panjabi, Independent Director and Mr. S. C. Khanna, Non-Executive Director (upto 13/05/2011). Mr. Asis Ray, Non-Executive Director, was appointed as the member of the Committee w.e.f. 13/05/2011. During the year under review no meeting was held. The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director and retirement benefits.

The Company has no pecuniary relationship for transaction with its Non-Executive Directors except payment of sitting fees for attending the Board and Committee Meetings.

Remuneration Policy:

The Remuneration of the Managing Director is recommended by the Remuneration Committee based on the responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organizations and is decided by the Board of Directors.

a. Details of remuneration paid to Managing Director:

NAME	Salary	Perquisites	Commission	Total
Mr. S. Rai	20,80,592/-	-	933,997/-	30,14,589/-

b. Details of sitting Fees paid to the Non-Executive Directors for attending the Board and Committee Meetings during the financial year 2011-2012 :

S/NO.	Name of Director	Sitting Fees Paid (Rs.)
1	Mr. A. D. Harolikar	20,000/-
2	Mr. S. C. Khanna	2,000/-
3	Mr. Asis Ray	5,000/-
4	Mr. Vinay Panjabi	20,000/-
5	Mr. Osamu Ohash	12,000/-

5 INVESTORS/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Committee functions under the Chairmanship of Mr. A.D. Harolikar, an Independent Director, Mr. S. Rai and Mr. S.C. Khanna (upto 13/05/2011) as members. Mr. Vinay Panjabi, Independent Director, was appointed as a member w.e.f.13/05/2011.

The Compliance Officer is Mr.Vimal Gupta, Chief Financial Officer.

There were four complaints received from the shareholders during the year and all have been duly addressed.

All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2012.

6 GENERAL BODY MEETINGS

The location and time of the Annual General Meetings held during the last three years are as below:

DATE	Venue	Time	No. of Special Resolutions passed
28.09.2011	Gat No.1426, Village Shikrapur, Taluka Shirur, District Pune	12.30 pm	Nil
29.09.2010	- do -	10.30 am	One

09.01.2010 (Court convened Meeting)	- do -	11.30 pm	One
23.09.2009	- do -	12.30 pm	One

7 NOTES ON DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT ARE GIVEN BELOW

MR. A. D. HAROLIKAR	
Name of Director	Mr. A. D. Harolikar
Date of Birth	04.12.1949
Date of Appointment	29.01.2003
Qualification	Metallurgical Engineer
Special Expertise	Industrial Finance
Other Directorship (Public Ltd.)	NIL
Chairman/Member of Committee of other Companies	NIL

MR. VINAY PANJABI	
Name of Director	Mr. Vinay Panjabi
Date of Birth	19.01.1966
Date of Appointment	24.04.2005
Qualification	Chartered Accountant
Special Expertise	Tax & Investment Consultant
Other Directorship Incorpo. in India	Enkei Wheels (India) Ltd.
Chairman/Member of Committee of other Companies	Nil

8 DISCLOSURES

a. CEO & CFO Certificate: The Managing Director and Chief Financial Officer have given certificate to the Board as contemplated in Clause 49 of the Listing Agreement and the same was placed before the Board.

b. Transactions with related parties are disclosed under Clause no. XII of section 26, notes forming part of financial statement. All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the audit committee and that may have a potential conflict with the interest of the Company. The register of contracts containing the transactions in which Directors are interested is placed before the Board for its approval.

c. All accounting standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

d. All pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company have been disclosed in item no: 4(b) of this report.

e. In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive code of conduct for prevention of insider trading for its designated employees. The code lays down the guidelines, which advise them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

f. During the last three years, there were no strictures or penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

9 MEANS OF COMMUNICATION

i. Half yearly report sent to each household of shareholders/ Quarterly Results:	No
ii. Newspapers in which results are normally published in	The Economic Times (English), The Free Press Journal, Business Standard, (English) Nav Shakti, Marathi Daily.
iii. Any website where displayed	www.alicongroup.co.in [The Company regularly maintains and updates its website.]
iv. Presentation made to institutional investors or to Analyst	No
v. Whether Management Discussion and Analysis Report is a part of Annual Report or not	Yes

10 GENERAL SHAREHOLDER INFORMATION

I. ANNUAL GENERAL MEETING	
Date	Friday, September 28, 2012
Time	12.30 pm
Venue	Gat No. 1426, Village Shikrapur Taluka Shirur, District Pune, Maharashtra, India

II. FINANCIAL CALENDAR	**APRIL 2012 TO MARCH 2013**
a. First Quarter results	Fourth week July, 2012
b. Second Quarter results	Fourth week October, 2012
c. Third Quarter results	Fourth week January, 2013
d. Results for year ending March 2012	July, 2013

III. DATE OF BOOK CLOSURE	**26.09.12 TO 28.09.12** (both days Inclusive)

IV. DIVIDEND PAYMENT DATE	12TH OCTOBER, 2012

V. LISTING ON STOCK EXCHANGE

a. The Bombay Stock Exchange Ltd., Mumbai

b. The National Stock Exchange of India Ltd.

Listing Fees has been paid to the Stock Exchange for the financial year 2012-13

VI. STOCK CODE

The Bombay Stock Exchange Ltd.	531147
The National Stock Exchange of India Ltd.	ALICON
Demat ISIN No. for NSDL and CDSL	INE062D01024

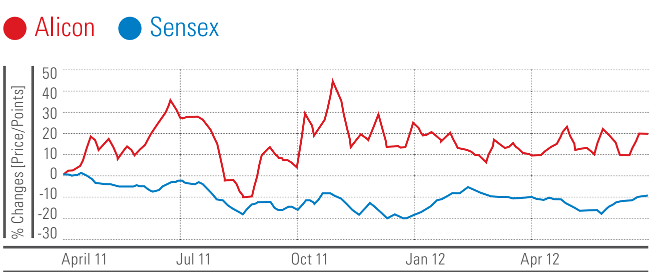
VII. MARKET PRICE DATA

Monthly High and Low of Market Price in the Company's shares traded during the period April, 2011 to March, 2012 on The Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd., Mumbai

	BSE		NSE	
Month	High	Low	High	Low
April, 2011	67.50	52.00	63.40	50.90
May, 2011	67.70	57.10	64.45	56.15
June, 2011	74.00	59.90	73.30	59.85
July, 2011	75.00	65.10	74.00	66.80
August, 2011	73.90	48.05	72.00	46.90
September, 2011	62.35	49.25	63.30	53.90
October, 2011	72.45	54.00	74.95	52.50
November, 2011	79.65	60.10	80.85	65.00
December, 2011	71.90	59.25	70.40	59.50
January, 2012	70.00	62.10	73.90	60.40
February, 2012	66.65	55.00	69.80	54.25
March, 2012	67.90	54.55	71.25	56.50

(Source: BSE/NSE website)

Stock Price Performance – Alicon Vs BSE Sensex, Year 2011-12



VIII. REGISTRARS AND SHARE TRANSFER AGENTS

M/s. Universal Capital Securities Pvt. Ltd.
21 Shakil Niwas, Opp Sai Baba Temple,
Mahakali Caves Road, Andheri (E), Mumbai – 400093

IX. SHARE TRANSFER SYSTEM

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of documents; provided that documents are valid and complete in all respects. With a view to expedite the process of share transfers, Mr. S. Rai, Managing Director, has been authorized by the Board to approve the transfer of shares in physical form.

Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within fifteen days.

DISTRIBUTION AND SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012

No. of Equity Shares	No. of Folios	%	No. of Shares	% of Shareholding
01-500	1891	77.84	307491	2.79
501-1000	208	9.33	173857	1.58
1001-2000	110	5.40	211108	1.92
2001-3000	39	2.15	134475	1.22
3001-4000	24	0.97	83150	0.76
4001-5000	17	0.68	71928	0.65
5001-10000	60	1.98	349331	3.18
10001 & Above	42	1.65	9668660	87.90
TOTAL	**2391**	**100.00**	**11000000**	**100.00**
In Physical Mode				1.33%
In Electronic Mode				98.67%

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012

Category	No. of Shares	% of Shareholding
Indian Promoters	6890880	62.64
Foreign Collaborators	1100000	10.00
Mutual Funds & UTI	504621	4.59
Private Corporate Bodies	543283	4.94
Indian Public	1802462	16.39
Directors & Relatives (other than Promoter Directors)	200	0.00
N.R.Is.	158554	1.44
FIIs	NIL	0.00
TOTAL	11000000	100.00

XI. DEMATERIALISATION SHARES AND LIQUIDITY

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). As on March 31, 2012, 1,08,54,138 Equity Shares of the Company, forming 98.67% of total shareholding stands dematerialized and the balance are in physical form.

As on 31st March, 2012, the promoter's and promoter's group holding of 68,90,880 shares are in 100% dematerialized form.

XII. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATES AND LIKELY IMPACT ON EQUITY.

Not issued

XIII. PLANT LOCATION

a. Gat No. 1426, Village Shikrapur, Taluka Shirur, District Pune, Maharashtra. India

b. 57-58 Km Stone, Delhi - Jaipur, NH-8, Industrial Area, Village Binola, District Gurgaon, Haryana. India

XIV. ADDRESS FOR CORRESPONDENCE

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

M/s. Universal Capital Securities Pvt. Ltd.
21 Shakil Niwas, Opp Sai Baba Temple,
Mahakali Caves Road, Andheri (E), Mumbai – 400093

ii. Shareholders holding shares in Electronic Mode should address all their correspondence to their respective depository participant.

B NON-MANDATORY REQUIREMENTS

1. Shareholders rights

As the Company's quarterly/half-yearly results are published in English and Marathi newspaper having wide circulation, the same is not being sent to the shareholders household.

2. Postal Ballot

No Resolution was passed by the Company through Postal Ballot.

3. Training of Board Members

There is no formal policy at present for training of the Board members of the Company as the members of the Board are eminent and experience professional persons.

4. Whistle Blower Policy

The Company has not established any formal whistle blower policy. However, the Company has set up an internal union of the workers and employees, whose representatives are regularly invited by the management for discussion, on their grievances.

Place: Shikrapur
Date: July 30, 2012

ANNEXURE -I

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

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

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, 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 Codes of Conduct.

S. Rai
Managing Director

Place: Shikrapur
Date: May 30, 2012

CERTIFICATION ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

To
The Members,
Alicon Castalloy Ltd.

We have examined the compliance of conditions of Corporate Governance by Alicon Castalloy Ltd. for the year the ended 31st March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing Agreement .

We state that in respect of investor grievances received during the year ended 31st March 2012, no investor grievances were pending for a period exceeding one month against the company as per the records maintained by the shareholders and investors' Grievance Committee and further certified by the registrars & share transfer agents of the Company.

We further state the compliance 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.

For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
Partner
Membership No 100374

Place: Shikrapur
Date: May 30, 2012

AUDITORS' REPORT

To,
The Members,
Alicon Castalloy Limited

1.
We have audited the attached Balance Sheet of Alicon Castalloy Limited (the Company) as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2.
We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3.
As required by the Companies (Auditor's Report) Order, 2003, (as amended by DCA Notification G.S.R. 766(E), dated November 25, 2004) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4.
Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit unless stated otherwise;

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

c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply in all material respects with the Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, unless stated otherwise in statement of significant accounting policies and notes to accounts;

e. On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with and subject to the significant accounting policies and notes thereon, give the information required by the Companies Act,1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
ii. In the case of the Statement Profit and Loss, of the profit of the Company for the year ended on that date; and
iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane
Partner
Membership No. 100374

Place: Shikhrapur,
Date: May 30, 2012

ANNEXURE TO THE AUDITOR'S REPORT
(Referred to in paragraph 3 of our report of even date)

On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we state that: (reference of the phrase 'during the year' hereinafter should be read and understood as 'during the year ended March 31 2012')

I.
a. The Company has maintained records showing details and situation of fixed assets. However, asset numbering exercise is stated to be under completion.

b. As informed to us, the Company has a phased programme of verification of its fixed assets by which all assets get physically verified by the management over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed on such physical verification.

c. The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.

II.
a. The inventories comprising semi-finished goods, raw materials, stores and spares etc. have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c.The Company needs to improve its inventory records so as to contain all details of each transaction and for each item of the stock. The closing inventory is established on the basis of year-end physical verification.

III.
a. In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loan, secured or unsecured, to companies,firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

b. In our opinion and according to the information and explanations given to us, during the year, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

IV.
In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

V.
a. In our opinion and according to information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been entered.

According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, to the extent that such comparative prices are available and where items purchased/ sold are of special nature for which suitable alternative sources do not exist.

VI.
In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. We are informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

VII.
The Company has an internal audit system commensurate with its size and nature of its business.

VII.
In our opinion and according to the information and explanations given to us, the cost records required to be maintained under section 209(1)(d) of the Companies Act, 1956 have been made and maintained. We, however, have not made detailed examination of the records.

IX.
a. According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of statutory dues including Provident Fund, Investor Education and

Protection Fund, Workmen Compensation, Income-tax, Wealth-tax Sales-tax, Value Added Tax, Custom Duty, Excise Duty and any other statutory dues applicable to it.

b. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period more than six months from the date those became payable.

According to the informatieon and explanations given to us, there are no dues, to the extent applicable, of Sales-tax,/ Income-tax// Customs Duty/ Wealth Tax / Excise Duty /Cess, which have not been deposited on account of any dispute, except assessment dues of Rs.80,94,557/- for the year 2007-08 under MVAT Act against which, we are informed, the Company has preferred the appeal with the Joint Commissioner of Sales Tax (Appeals-F-002), Pune

X.

The Company does not have any accumulated losses as at the end of the financial year under audit. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

XI.

Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks and the financial institutions. The Company has not borrowed money in the form of debentures.

XII.

Based on our examination of records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII.

The Company is not a chit/nidhi/mutual benefit fund/society and therefore provisions of clause 4 (xiii) of the Order are not applicable to the Company.

XIV.

The Company is not dealing or trading in shares, securities, debentures and other investments.

XV.

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

XVI.

In our opinion and according to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that, the term loans have prima-facie been applied for the purpose for which they were obtained.

XVII.

According to the information and explanations given to us and on overall examination of the balance sheet of the Company read with notes theupon, we are of the opinion that no funds raised on short-term basis have prima facie been used for long-term investment.

XVIII.

During the year under audit, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

XIX.

The Company has not issued debentures during the year. The Company did not have any outstanding debentures as at the end the year.

XX.

The Company has not raised any money by way of public issues during the year.

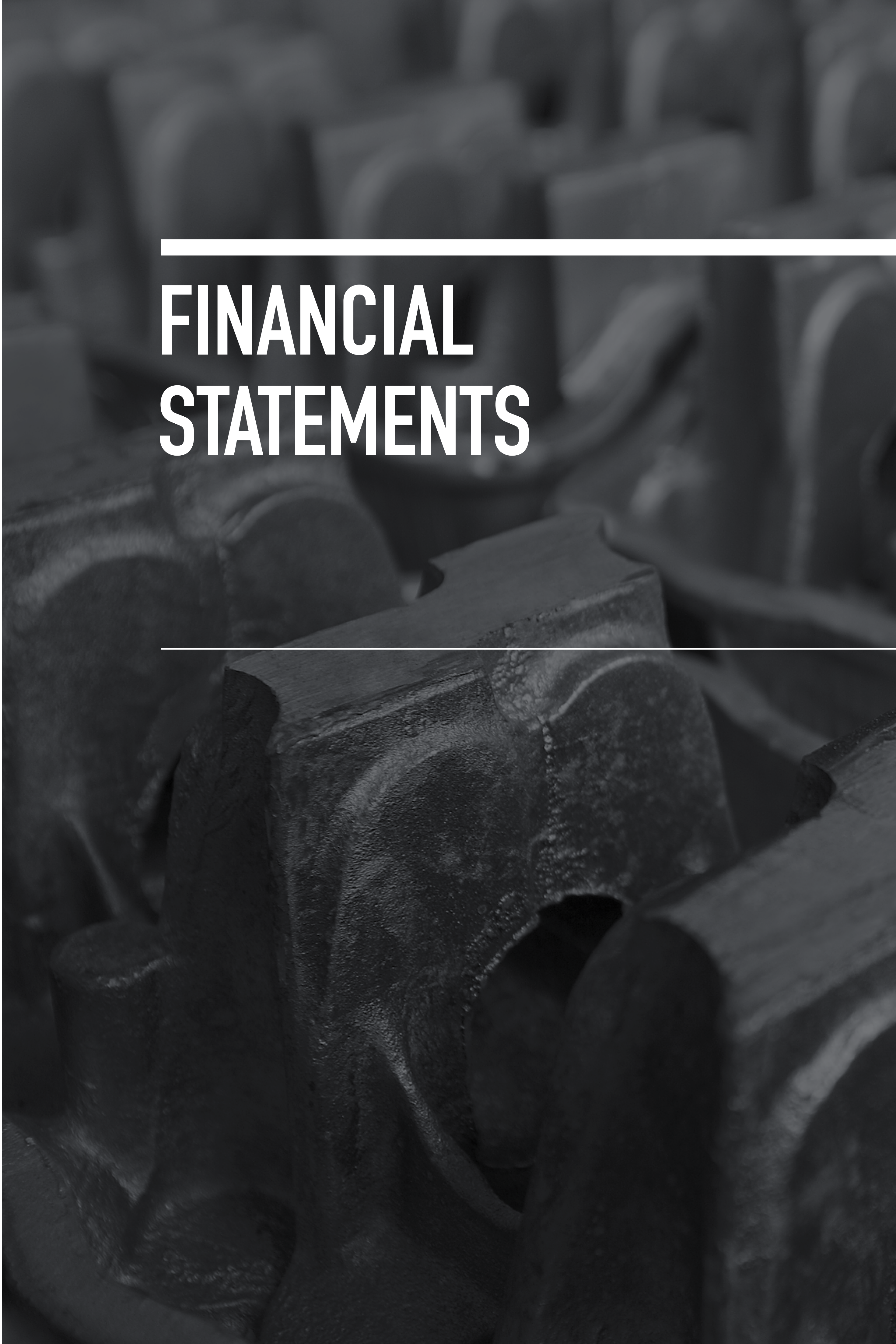
XXI.

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Asit Mehta & Associates**
Chartered Accountants
Firm Regn No. 100733W

Sanjay Rane
Partner
Membership No 100374

Place: Shikrapur
Date: May 30, 2012



FINANCIAL STATEMENTS

(Amount In Rupees)

BALANCE SHEET	Note No.	March 31, 2012	March 31, 2011
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	1	55,000,000	55,000,000
b. Reserves and surplus	2	769,811,034	581,685,108
c. Money received against share warrants		-	-
2. SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3. NON-CURRENT LIABILITIES			
a. Long-term borrowings	3	235,674,138	299,657,811
b. Deferred tax liabilities (Net)	4	28,692,573	25,127,315
c. Other Long term liabilities		-	-
d. Long-term provisions	5	9,918,036	8,016,350
4. CURRENT LIABILITIES			
a. Short-term borrowings	6	576,234,501	276,661,906
b. Trade payables	7	560,056,209	341,559,637
c. Other current liabilities	8	447,729,403	417,936,865
d. Short-term provisions	9	19,722,059	12,986,811
TOTAL		**2,702,837,953**	**2,018,631,803**
II. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets	10		
i. Tangible assets	10 (a)	1,283,927,960	1,110,966,418
ii. Intangible assets	10 (b)	6,244,004	7,165,786
iii. Capital work-in-progress	10 (c)	6,556,177	3,887,829
iv. Intangible assets under development		-	-
b. Non-current investments	11	106,249,200	106,249,200
c. Deferred tax assets (net)		-	-
d. Long-term loans and advances	12	14,642,272	13,733,165
e. Other non-current assets		-	-
2. CURRENT ASSETS			
a. Current investments		-	-
b. Inventories	13	195,952,412	162,671,307
c. Trade receivables	14	861,143,193	467,495,914
d. Cash and bank balances	15	108,181,830	67,713,875
e. Short-term loans and advances	16	118,118,478	77,471,362
f. Other current assets	17	1,822,427	1,276,947
TOTAL		**2,702,837,953**	**2,018,631,803**
Significant accounting policies & other disclosures	26		

The notes are an integral part of these financial statements.

As per our Report attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner), M. No. 100374

Place: Shikrapur
Date: May 30, 2012

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

(Amount In Rupees)

STATEMENT OF PROFIT AND LOSS ACCOUNT	Note No.	March 31, 2012	March 31, 2011
I. REVENUE FROM OPERATIONS (GROSS)	18	4,216,333,372	2,886,741,894
Less: Excise Duty		408,091,848	320,040,605
Revenue from operations (net)		3,808,241,524	2,566,701,289
II. OTHER INCOME	19	10,604,396	17,978,465
III. TOTAL REVENUE (I + II)		3,818,845,921	2,584,679,754
IV. EXPENSES			
a. Cost of materials consumed	20	1,899,375,047	1,180,537,750
b. Purchases of stock-in-trade		-	-
c. Changes in inventories of finished goods, semi-finished goods & stock-in-trade	21	(412,216)	(17,618,665)
d. Employee benefits expense	22	458,805,185	309,222,904
e. Finance costs	23	123,002,853	86,728,000
f. Depreciation and amortization expense	24	149,739,955	126,172,719
g. Other Expenses	25	908,733,349	713,691,059
Total expenses		3,539,244,172	2,398,733,767
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		279,601,749	185,945,986
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		279,601,749	185,945,986
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX (VII-VIII)		279,601,749	185,945,986
X. TAX EXPENSE			
1. Current tax		55,942,408	37,085,313
2. Deferred tax		3,565,258	2,555,414
TOTAL TAX EXPENSE		**59,507,666**	**39,640,727**
XI. PROFIT FOR THE PERIOD (IX-X)		**220,094,083**	**146,305,259**
XII. EARNINGS PER EQUITY SHARE:			
1. Basic earnings per share of face value of Rs. 5/- each		20.01	13.30
2. Diluted earnings per share of face value of Rs. 5/- each		20.01	13.30
Significant accounting policies & other disclosures	26		
The notes are an integral part of these financial statements.			

As per our Report of even date attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner), M. No. 100374

Place: Shikrapur
Date: May 30, 2012

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

(Amount In Rupees)

STATEMENT OF CASH FLOW ACCOUNT	March 31, 2012	March 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXATION	279,601,749	185,945,986
Adjustments for:		
Depreciation & Amortisation	149,739,955	126,172,719
Loss on sale of tangible assets (net)	-	-
Profit on sale of investments (net)	-	-
Provision for diminution in the value of investments	-	-
Interest and dividend received	(2,011,971)	(2,079,354)
Dividend Income	-	-
Finance costs	123,002,853	86,728,000
Unrealised foreign currency losses	(4,292,379)	149,748
Sample sales written off	14,709	53,880
Operating profit before working capital changes	546,054,914	396,970,980
CHANGES IN WORKING CAPITAL		
Increase / (Decrease) in trade payables	218,496,572	50,255,385
Increase / (Decrease) in long-term provisions	1,901,686	(5,179,519)
Increase / (Decrease) in short-term provisions	6,735,249	(109,455)
Increase / (Decrease) in other current liabilities	29,792,538	(15,853,380)
Increase / (Decrease) in other long term liabilities	-	-
(Increase) / Decrease in trade receivables	(393,647,279)	(76,707,162)
(Increase) / Decrease in inventories	(33,281,105)	(23,886,548)
(Increase) / Decrease in long term loans and advances	(909,107)	(21,584,624)
(Increase) / Decrease in short term loans and advances	(51,841,778)	(140,000)
(Increase) / Decrease in other current assets	779,692	1,804,828
Cash Generated from Operations	324,081,382	301,960,849
Taxes paid (net of refunds)	(45,612,009)	(37,004,914)
NET CASH GENERATED FROM OPERATIONS BEFORE EXTRAORDINARY ITEMS	278,469,373	264,955,935
Extraordinary items	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	278,469,373	264,955,935
B CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to fixed assets	(324,448,052)	(203,793,889)
Investment in subsidiaries	-	(106,178,900)
Interest and dividend received	2,011,971	2,079,354
Margin money deposits	(15,847,257)	1,070,690
	-	
NET CASH FROM INVESTING ACTIVITIES	(338,283,337)	(306,822,745)

(Amount In Rupees)

STATEMENT OF CASH FLOW ACCOUNT	March 31, 2012	March 31, 2011
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(11,000,000)	(10,927,762)
Dividend Distribution Tax	(1,826,963)	(1,826,963)
Finance costs	(123,002,853)	(86,728,000)
Repayment of long term borrowings (Net of proceeds)	(138,827,191)	74,015,987
Proceeds from short term borrowings (Net of repayment)	374,416,113	120,517,392
Write-off Assets and Expenses post de-merger (net of exp)	(15,324,443)	(35,506,432)
Proceeds from share allotment under Employee Stock Option Schemes	-	
NET CASH USED IN FINANCING ACTIVITIES	84,434,664	59,544,222
Net increase in cash and cash equivalents	24,620,698	17,677,411
Cash and Cash equivalents at the beginning of the year	43,706,599	26,029,187
Cash and Cash equivalents at the end of the year	68,327,297	43,706,599

As per our Report attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner), M. No. 100374

Place: Shikrapur
Date: May 30, 2012

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

(Amount In Rupees)

1 SHARE CAPITAL	NUMBER	AMOUNT	NUMBER	AMOUNT
AUTHORISED SHARE CAPITAL				
Equity shares of Rs. 5 each	11,000,000	55,000,000	11,000,000	55,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
Equity shares of Rs. 5 each, fully paid	11,000,000	55,000,000	11,000,000	55,000,000
TOTAL	11,000,000	55,000,000	11,000,000	55,000,000

Notes

A. RECONCILIATION OF NUMBER OF SHARES				
Shares outstanding at the beginning of the year	11,000,000	55,000,000	11,000,000	55,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	11,000,000	55,000,000	11,000,000	55,000,000

B. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

Equity Shares of Rs 5.00 each:

The Company has one class of equity shares having a par value of Rs.5.00 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C. DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

Sl. No. Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Nastic Trading LLP (formerly Nastic Trading Private Limited)	5,970,000	54.27	3,270,000	29.73
2 Enkei Corporation	1,100,000	10.00	3,800,000	34.55

	March 31, 2012	March 31, 2011
2 RESERVES AND SURPLUS		
SECURITIES PREMIUM ACCOUNT		
Balance as at the beginning of the year	199,200,000	199,200,000
(+)Securities premium credited on cancellation of equity shares held in EWIL on De-merger	1,000,000	-
Balance as at the end of the year	200,200,000	199,200,000
BUSINESS RECONSTRUCTION RESERVE		
Balance as at the beginning of the year	15,459,935	50,966,367
(-) Expenses Written Off	15,324,443	35,506,432
Balance as at the end of the year	135,492	15,459,935
GENERAL RESERVE		
Balance as at the beginning of the year	35,000,000	20,000,000
(+) Transferred from Surplus in Statement of Profit and Loss during the year	15,000,000	15,000,000
Balance as at the end of the year	50,000,000	35,000,000

(Amount In Rupees)

	March 31, 2012	March 31, 2011
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as at the beginning of the year	332,025,173	213,546,877
(+) Net Profit/(Net Loss) For the current year	220,094,083	146,305,259
(-) Proposed Dividends	15,180,000	11,000,000
(-) Tax on Dividend	2,463,714	1,826,963
(-) Transfer to General Reserves	15,000,000	15,000,000
Balance as at the end of the year	519,475,542	332,025,173
TOTAL	769,811,034	581,685,108

3 LONG-TERM BORROWINGS

	March 31, 2012	March 31, 2011
SECURED		
Term loans		
From Banks (Refer Note [a] below)	298,547,288	415,810,762
Less: Current maturity of long term borrowings	123,514,788	120,810,762
	175,032,500	295,000,000
UNSECURED		
Term loans		
From Financial Institutions (Refer Note [b] below)	94,293,912	54,128,131
Less: Current maturity of long term borrowings	33,652,274	49,470,320
	60,641,638	4,657,811
TOTAL	235,674,138	299,657,811

Notes

a. Long-term borrowings includes secured term loans at floating interest rates from Axis Bank and State Bank of India which are repayable through monthly/ quarterly installments. As per repayment schedule, these loans will be repaid in F.Y. 2013-14 and F.Y. 2015-16. These loans are secured by a first parri-passu charge by way of equitable mortgage on the existing fixed asset s. Of these, Rs. 123,514,788 (PY Rs. 120,810,762) are classified as current liabilities being repayable before March 31, 2013.

b. Long-term borrowings includes unsecured term loans from Bajaj Finance Limited repayable through monthly instalments. Of the above loans, two loans are borrowed at fixed interest rates of 12.50% and one loan is at at a floating interest rate. Repayment of these loans are due in 2012-13 and 2013-14. Of these, Rs. 33,652,274 (PY Rs. 49,470,320) are classified as current liabilities being repayable before March 31, 2013.

4 DEFERRED TAX LIABILITIES (NET)

	March 31, 2012	March 31, 2011
DEFERRED TAX LIABILITY		
Depreciation	31,307,415	27,742,157
DEFERRED TAX ASSETS		
Others	(2,614,842)	(2,614,842)
NET DEFERRED TAX LIABILITY	28,692,573	25,127,315

Note

Deferred Tax Liabilities and Deferred Tax Assets have been offset as they relate to the same governing taxation laws.

5 LONG TERM PROVISIONS

	March 31, 2012	March 31, 2011
PROVISIONS FOR EMPLOYEE BENEFITS		
Provision for gratuity [Funded]	4,904,960	4,492,832
Leave Encashment [Unfunded]	5,013,076	3,523,518
TOTAL	9,918,036	8,016,350

(Amount In Rupees)

		March 31, 2012	March 31, 2011
6	**SHORT-TERM BORROWINGS**		
	SECURED		
	Cash credit from banks	558,204,484	276,661,906
	[Refer note (a) below]		
	UNSECURED		
	Term loans		
	From Banks [Refer note (b) below]	18,030,017	-
	TOTAL	576,234,501	276,661,906

Notes

a. Short-term borrowings includes cash credit facilities availed from State Bank of India, ING Vysya Bank and Bank of Maharashtra. These loans 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.

b. Unsecured term loans from banks includes loans obtained from Kotak Mahindra Bank for funding purchase orders. These loans, obtained at floating interest rates, are repayable through weekly instalments. Repayment of this loan is due in 2012-13.

		March 31, 2012	March 31, 2011
7	**TRADE PAYABLES**		
	Acceptances	123,842,827	87,414,063
	Sundry Creditors	436,213,382	254,145,574
	TOTAL	560,056,209	341,559,637

Notes:

i. The Company has no dues to suppliers registered under Micro,Small and Medium Enterprises Development Act, 2006 ('MSMED Act')

ii. Sundry Creditors includes amounts payable to related parties Rs. 136,866,917 (PY: Rs. 148,703,576)

		March 31, 2012	March 31, 2011
8	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term borrowings (Refer note below)	157,167,062	170,281,082
	Unpaid dividend	307,237	359,816
	Liabilities towards employees	24,752,925	20,107,907
	Other liabilities	49,105,002	45,450,166
	Royalty payable to related parties	75,584,075	72,896,227
	Statutory dues including provident fund and tax deducted at source	19,007,155	6,765,787
	Advance from customers	35,098,590	38,171,155
	Creditors for Capital Goods	86,707,356	63,904,725
	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 (IEPF) not due	-	-
	TOTAL	447,729,403	417,936,865
9	**SHORT-TERM PROVISIONS**		
	Provision for employee benefits - Leave Encashment (Unfunded)	225,664	159,848
	Proposed Dividend	15,180,000	11,000,000
	Provision for dividend distribution tax on proposed dividend on equity shares	2,463,714	1,826,963
	Provision for tax	1,852,681	-
	TOTAL	19,722,059	12,986,811

(Amount In Rupees)

10 FIXED ASSETS

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at April 1, 2011	Additions/ (Disposals)	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation charge for the year	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
OWNED ASSETS:								
A. TANGIBLE ASSETS								
Freehold Land	175,809,950	2,091,945	177,901,895	-	-	-	177,901,895	175,809,950
Building	216,610,175	43,882,149	260,492,324	39,065,427	7,984,352	47,049,779	213,442,545	177,544,748
Factory Equipments	82,256,445	25,509,426	107,765,871	20,108,027	9,795,706	29,903,733	77,862,138	62,148,418
Plant and Machinery	976,966,884	165,053,125	1,142,020,009	455,097,058	93,860,719	548,957,777	593,062,232	521,869,826
Electrical Installations	83,045,160	14,110,510	97,155,670	41,683,747	7,404,803	49,088,550	48,067,119	41,361,413
Furniture and Fixtures	35,409,857	702,905	36,112,762	10,204,676	2,188,283	12,392,959	23,719,803	25,205,181
Computers	20,750,802	1,351,887	22,102,689	12,400,415	2,200,817	14,601,232	7,501,457	8,350,387
Office Equipments	18,600,296	2,136,171	20,736,467	4,069,518	1,221,267	5,290,785	15,445,682	14,530,778
Quality Control Equipments	19,137,498	1,573,196	20,710,694	8,241,313	1,668,713	9,910,026	10,800,668	10,896,185
Motor Vehicle	12,327,818	-	12,327,818	5,397,858	881,950	6,279,808	6,048,010	6,929,960
Dies and Patterns	153,259,920	41,833,278	195,093,198	86,940,348	20,906,852	107,847,200	87,245,998	66,319,572
ASSETS GIVEN ON LEASE								
Plant and Machinery	-	23,131,016	23,131,016	-	300,602	300,602	22,830,414	-
TOTAL	1,794,174,805	321,375,606	2,115,550,411	683,208,387	148,414,064	831,622,451	1,283,927,960	1,110,966,418
B. INTANGIBLE ASSETS								
Software	8,124,775	404,098	8,528,873	958,989	1,325,880	2,284,869	6,244,004	7,165,786
TOTAL	8,124,775	404,098	8,528,873	958,989	1,325,880	2,284,869	6,244,004	7,165,786
C. CAPITAL WORK IN PROGRESS							6,556,177	3,887,829
TOTAL	1,802,299,580	321,779,704	2,124,079,284	684,167,376	149,739,944	833,907,320	1,296,728,140	1,122,020,033
TOTAL PREVIOUS YEAR	1,583,228,871	219,070,709	1,802,299,580	559,208,356	124,959,018	684,167,376	1,122,020,033	1,043,185,163

Note : The company has not taken any assets on lease.

(Amount In Rupees)

NOTES FORMING PART OF THE FINANCIAL STATEMENT	March 31, 2012	March 31, 2011
11 NON-CURRENT INVESTMENTS		
TRADE INVESTMENTS		
Unquoted		
Subsidiaries Company (Alicon Holding GmbH)	106,178,900	106,178,900
TOTAL (A)	106,178,900	106,178,900
OTHER THAN TRADE INVESTMENTS		
Quoted		
Investment in Equity instruments - Bank of Maharashtra 900 equity shares [PY: 900 shares] of Rs. 22.56 each held in Bank of Maharashtra	20,300	20,300
Unquoted		
Investment in Equity instruments - Shamrao Vithal Co. Op. Bank 2,000 equity shares [PY: 2,000 shares] of Rs. 25 each held in Shamrao Vithal Co. Op. Bank	50,000	50,000
TOTAL (B)	70,300	70,300
GRAND TOTAL (A + B)	106,249,200	106,249,200
Less : Provision for diminution in the value of Investments	-	-
TOTAL	106,249,200	106,249,200
Aggregate amount of quoted investments	20,300	20,300
Market Value of quoted investments	49,095	56,925
Aggregate amount of unquoted investments	50,000	50,000
Aggregate provision for diminution in value of investments	-	-
12 LONG-TERM LOANS AND ADVANCES		
UNSECURED, CONSIDERED GOOD		
Capital Advances	7,383,291	7,383,291
Security Deposits	7,258,981	6,349,874
TOTAL	14,642,272	13,733,165
13 INVENTORIES		
Raw Materials and components	63,147,487	22,434,761
Consumables	29,950,521	29,722,157
Semi-finished goods (includes goods-in-transit Rs. 3,056,578 (PY Rs. 350,784)	50,189,698	49,777,482
Packing Material	371,611	765,566
Dies under Development	49,280,168	57,774,043
Furnace Oils	3,012,926	2,197,298
TOTAL	195,952,412	162,671,307
Note		
a. Details of Semi-finished goods		
Semi-finished casting made from aluminum alloys	50,189,698	49,777,482

(Amount In Rupees)

NOTES FORMING PART OF THE FINANCIAL STATEMENT	March 31, 2012	March 31, 2011
14 TRADE RECEIVABLES		
UNSECURED, CONSIDERED GOOD		
Debts outstanding for more than six months from the due date of payment.		
From related parties	453,687	12,632
From others	970,076	1,309,429
OTHERS		
From related parties	25,227,942	41,016,746
From others	834,491,488	425,157,108
UNSECURED, CONSIDERED DOUBTFUL	-	-
Less: Provision for doubtful debts	-	-
TOTAL	861,143,193	467,495,914
15 CASH AND BANK BALANCES		
CASH AND CASH EQUIVALENTS		
Current accounts with banks	67,402,947	39,549,915
Cash on hand	924,350	4,156,684
	68,327,297	43,706,599
OTHER BANK BALANCES		
(with more than 3 months but less than 12 months maturity.)		
Term deposits	2,500,000	2,500,000
Margin money deposits	37,354,533	21,507,276
	39,854,533	24,007,276
TOTAL	108,181,830	67,713,875

Note

The Company has no deposits with maturity period exceeding 12 months.

16 SHORT-TERM LOANS AND ADVANCES		
UNSECURED, CONSIDERED GOOD		
Advance income tax (Net of provisions)	-	11,194,661
Balance with government authorities	111,761,570	60,897,327
Prepaid expenses	2,593,501	2,302,696
Other Advances	3,763,407	3,076,678
TOTAL	118,118,478	77,471,362
17 OTHER CURRENT ASSETS		
Interest Accured on deposits	1,822,427	1,276,947
TOTAL	1,822,427	1,276,947

(Amount In Rupees)

18 REVENUE FROM OPERATIONS (GROSS)

SALE OF PRODUCTS		
Finished goods	4,188,687,808	2,862,965,750
OTHER OPERATING REVENUES		
Scrap sale	27,645,564	23,776,144
	4,216,333,372	2,886,741,894
Less:		
Excise duty	408,091,848	320,040,605
TOTAL	**3,808,241,524**	**2,566,701,289**

Note		
Details of manufactured goods sold (net)		
Casting made from aluminum alloys	3,397,230,963	2,201,048,898
Conversion Income	254,056,734	292,701,169
Others	129,308,263	49,175,079
TOTAL	**3,780,595,960**	**2,542,925,146**

19 OTHER INCOME

Interest Received (Gross)	2,004,171	2,079,354
Dividend on Long-term Investments	7,800	1,799
Rent received (Net of rent paid)	7,946,685	15,596,104
Miscellaneous income	645,740	301,208
TOTAL	**10,604,396**	**17,978,465**

20 COST OF MATERIALS CONSUMED

Inventory at the beginning of the year	80,208,804	75,869,687
Add: Purchases	1,931,593,898	1,184,876,866
Less: Inventory at the end of the year	112,427,655	80,208,804
TOTAL	**1,899,375,047**	**1,180,537,750**

Note: Additional Details		
i. DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED		
Aluminium / alloys	1,794,733,283	1,154,061,942
Dies & Fixtures	104,641,764	26,475,808
TOTAL	**1,899,375,047**	**1,180,537,750**

Material consumed includes material on conversion account as certified by the management. The figures of consumption have been arrived by deducting the closing stock from the quantity/value of opening stock as increased by the purchases during the year.

ii. DETAILS OF INVENTORY OF RAW MATERIAL AND COMPONENTS		
Aluminium / alloys	63,147,487	22,434,761

(Amount In Rupees)

	March 31, 2012	March 31, 2011
21 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS & STOCK-IN-TRADE		
SEMI-FINISHED GOODS		
Inventory at the end of the year	50,189,698	49,777,482
Inventory at the beginning of the year	49,777,482	32,158,817
INCREASE IN STOCK OF SEMI-FINISHED GOODS	412,216	17,618,665
22 EMPLOYEE BENEFITS EXPENSE		
Salaries,wages and bonus	405,407,576	265,527,212
Contributions to Provident and other funds	13,763,713	11,116,125
Leave encashment	888,000	2,293,101
Staff welfare expenses	38,745,896	30,286,466
TOTAL	458,805,185	309,222,904
23 FINANCE COSTS		
Interest on borrowings	113,040,303	77,298,054
Other borrowing costs	9,962,550	9,429,946
TOTAL	123,002,853	86,728,000
24 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible assets	148,414,075	125,213,730
Amortisation on Intangible assets	1,325,880	958,989
TOTAL	149,739,955	126,172,719
25 OTHER EXPENSE		
Consumption of stores and spare parts	282,866,842	168,169,699
Power and fuel	310,489,780	254,291,624
Processing charges	113,191,296	98,590,009
Repairs to buildings	2,157,162	4,877,104
Repairs to machinery	59,321,549	31,557,469
Repairs - others	7,476,345	781,066
Carriage Inward	909,270	2,909,115
Water Charges	1,137,821	901,240
Communication Expenses	2,765,957	3,397,897
Directors Fees	59,000	22,000
Printing and Stationery	4,385,212	5,877,805
Rates and taxes	1,530,852	1,327,372
Insurance	1,513,244	3,002,906
Legal and Professional Charges	23,135,988	24,540,060
(Gain)/ Loss on foreign currency fluctuations	(22,906,379)	2,480,881
Royalty	16,906,018	17,269,830
Selling and Distribution Expenses	59,625,326	50,549,939
Travelling Expenses	17,425,980	15,680,690
Guest House Maintenance	6,017,676	4,785,447
Miscellaneous expenses	20,724,409	22,678,905
TOTAL	908,733,349	713,691,059

26 OTHER DISCLOSURES

I. RAW MATERIAL AND STORES AND SPARES CONSUMED	Rs. (In Lacs)	Percentage	Rs. (In Lacs)	Percentage
A. RAW MATERIAL				
a. Imported	2,421.59	12.75	2,363.45	20.02
b. Indigenous	16,572.16	87.25	9,441.93	79.98
TOTAL	18,993.75	100.00	11,805.38	100.00
B. VALUE OF STORES AND SPARES CONSUMED				
a. Imported	193.17	6.83	111.92	3.68
b. Indigenous	2635.50	93.17	1569.78	96.32
TOTAL	2828.67	100.00	1681.70	100.00

The figures of consumption have been arrived by deducting the closing stock
from the quantity/value of opening stock as increased by the purchases during the year.

II. CIF VALUE OF IMPORTS	Rs. (In Lacs)	Rs. (In Lacs)
Capital Goods	239.53	198.06
Components and Spares Parts	2,614.76	2,475.37
TOTAL	2,854.29	2,673.43

III. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)	Rs. (In Lacs)	Rs. (In Lacs)
Royalty	232.65	259.31
Legal & Professional Expenses	123.36	96.52
Travelling expenses	108.37	79.53
Training expenses	31.49	-
Staff welfare expenses	19.62	15.63
Postage & telegram	4.46	2.90
Commission on Sales	3.96	5.73
Freight Inward	0.19	0.70
Repair & Maintenance	-	2.51
TOTAL	524.09	462.83

IV. REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDENDS		
i. Number of non-resident shareholders	1	1
ii. Number of Equity shares	3,800,000	3,800,000
iii. Gross amount of dividends (Rs.)	3,800,000	3,800,000

V. EARNING IN FOREIGN EXCHANGE	Rs. (In Lacs)	Rs. (In Lacs)
Export of goods	4,071.14	1,743.87
[Including deemed exports of Rs. 181.04 Lacs (PY: Rs. 1406.17 Lacs)]		

VI. EMPLOYEE BENEFITS

VI. EMPLOYEE BENEFITS		Rs. (In Lacs)		Rs. (In Lacs)
The Company has adopted Accounting Standard 15 "Employee Benefits". The disclosures required by the Standard are given below:				
DEFINED CONTRIBUTION PLAN				
The contributions recognised as expenses for the year are as under:				
Employer's Contribution to Provident Fund		110.40		86.08
DEFINED BENEFIT PLAN		(Funded)		(Funded)
Disclosures of Defined Benefit Plans in respect of Gratuity and Leave Entitlements, as per actuarial valuations by an independent valuer are given below.				
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Present value of obligation as at the beginning of year	36.83	126.33	47.11	119.45
Interest Cost	3.04	10.74	3.89	9.85
Current Service Cost	25.45	26.64	13.93	22.18
Benefits Paid	-26.54	(21.40)	-33.21	(18.16)
Actuarial(gain) / loss on obligations	13.61	4.72	5.12	(6.99)
Present value of obligation as at the end of year	52.39	147.03	36.83	126.33
Table showing changes in the fair value of plan assets				
Fair value of plan assets at beginning of year	0	81.40	0	55.61
Expected return on plan assets	0	7.33	0	5.65
Contributions	0	27.93	0	40.00
Benefits Paid	0	(21.40)	0	(18.16)
Actuarial gain/(loss) on plan assets	0	(0.55)	0	(1.70)
Adjustment to Funds	0	3.26	0	-
Fair value of plan assets at the end of year	0	97.98	0	81.4
Amounts to be recognized in the Balance Sheet				
Present value of obligations as at the end of year	52.39	147.03	47.11	128.03
Fair value of plan assets as at the end of the year	0.00	97.98	0.00	81.40
Unfunded status asset/ (liability)	52.39	-49.05	47.11	(44.93)
Net asset / (liability) recognized in balance sheet	52.39	-49.05	47.11	(44.93)
Expense recognized in Statement of Profit and Loss				
Current Service cost	25.45	26.64	13.93	22.17
Interest Cost	3.04	10.74	3.89	9.85
Expected return on plan assets	0.00	(7.33)	0.00	(5.65)
Net Actuarial (gain) / loss recognized in the year	13.61	5.26	5.12	(5.29)
Expenses recognized in statement of Profit and Loss	42.09	35.31	22.93	21.08
Actuarial Assumptions				
Assumption Discount Rate	8.50%	8.50%	8.50%	8.50%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Expected rate of return on plan assets	0.00%	8.50%	0.00%	8.50%

LIC Mortality Table: LIC (1994-96) published table of martality rates

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management

VII. AUDITOR'S REMUNERATION	Rs. (In Lacs)	Rs. (In Lacs)
Audit Fees	7.50	7.50
Other Services	0.75	0.75
Out of pocket expenses	0.28	0.27
TOTAL	8.53	8.52

VIII, COMMITMENT & CONTINGENT LIABILITIES	Rs. (In Lacs)	Rs. (In Lacs)
COMMITMENT		
a. Estimated amount of contracts remaining to be executed on capital accounts	336.09	640.15
CONTINGENT LIABILITIES		
b. L/C issued by the bank for the import of Machinery & Goods	1,401.16	232.28
c. Customs and related duties for non fulfillment of Export Obligation	748.90	575.14
d. Pending Case in local Civil Court	353.63	353.63
TOTAL	2,503.69	2,366.31

IX. FOREIGN CURRENCY LIAIBILITIES	Rs. (In Lacs)	Rs. (In Lacs)
a. Trade payables	1154.42	1159.88
b. Payables for fixed Assets	317.48	129.19
c. Any Others	0.00	0.00
Foreign Currency Assets		
a. Trade Receivables	1179.09	102.23
b. Any Others	0.00	0.00

X. EARNING PER SHARE AS COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20	Rs. (In Lacs)	Rs. (In Lacs)
i. Net Profit & Earnings /(Loss) after tax	220,094,083	146,305,259
ii. Weighted average no. of Equity shares of Rs. 5 each	11,000,000	11,000,000
(PY: Rs. 5 each) [For basic and diluted]		
iii. Basic earning per share (Rs.)	20.01	13.30
iv. Diluted earning per share (Rs.)	20.01	13.30

The Company does not have any potential dilutive equity instruments as at the balance sheet date.

XI. DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGES

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	Amount outstanding as at 31 March, 2012	Maximum balance outstanding during the year
ALICON HOLDING GmbH	Wholly Owned Subsidaries	0.00	0.00

XII. RELATED PARTY DISCLOSURES

Wholly owned subsidiaries (directly and indirectly)

ALICON HOLDING GmbH
ILLICHMANN CASTALLOY s.r.o.
ILLICHMANN CASTALLOY GmbH

Enterprises over which the relative of key management personnel and their relatives exercise control/significant influence

ENKEI CORPORATION, JAPAN
ENKEI WHEEL CORPORATION, JAPAN
ENKEI WHEELS (INDIA) LTD.
SILICON MEADOWS DESIGNS LTD.
ATLAS CASTALLOY LTD.

Key Managerial Personnel

Shailendrajit Rai - Managing Director
Rajeev Sikand - Group Chief Executive Officer

Details of transactions during the year with related parties

Transactions with subsidiaries and associate companies	Rs. (In Lacs)	Rs. (In Lacs)
Sales	645.16	380.06
Purchases	2,050.76	345.25
Expenses charged to the Company	267.76	9.35
Expenses charged by the Company	217.32	11.92
Investment in subisidiaries	-	1,061.79
Foreign currency monetary item	0.60	2.95
Fixed assets purchased or sold	85.11	1,233.13
Royalty paid	143.99	189.84
Balance of investment in subsidiary	1,061.79	1,061.79
Amount receivable at the year end	256.82	410.29
Amount payable at the year end	2,124.51	2,216.00
Transactions with key managerial personnel		
Remuneration - Shailendrajit Rai		
Salary, Allowances & Perquisites	19.91	13.91
Contribution to P.F., Gratuity and other funds	0.90	0.90
Commission	9.34	5.90
TOTAL	**30.15**	20.70
Remuneration - Rajeev Sikand		
Salary, Allowances & Perquisites	38.55	22.39
Contribution to P.F., Gratuity and other funds	2.40	2.40
Commission	40.00	37.71
TOTAL	**80.95**	62.51

XIII. PROPOSED DIVIDEND	Rs.	Rs.
ON EQUITY SHARES OF RS.5 EACH		
Amount of dividend proposed	15,180,000	11,000,000
Dividend per Equity Share	1.38	1.00

XIV. SEGMENT REPORTING

The Company has a single business segment viz. that of aluminium castings. Accordingly, disclosure requirements as per Accounting Standard 17 "Segment Reporting" specified in the Companies (Accounting Standard) Rules 2006 are not applicable to the standalone financial statements of the Company. However, in accordance with paragraph 4 of Accounting Standard 17 (Segment Reporting), segment disclosures have been included in the consolidated financial statements of the Company.

XV. EXCISE DUTY

Excise Duty being recovered from the customers through sales invoices raised on them during the year, have been reported separately as a deduction from 'Revenue from Operations' in the Statement of Profit and Loss.

XVI. BORROWING COSTS

Of total borrowing cost of Rs. 1230.03 Lacs (PY: Rs. 867.28 Lacs) incurred during the year, Rs. 23.82 Lacs (PY: Rs. Nil) have been capitalized, as identified/relatable to the particular qualifying assets.

XVII. SUNDRY CREDITORS

During the year, the Company was able to procure confirmation from some of its suppliers for goods and services as to their status and classification for each of them under the Micro, Small and Medium Enterprises Act, 2006 (Act). The principal amount remaining unpaid to the suppliers covered under the Act as at the end of the year have been, to the extent information available, shown and classified separately under Note 8 "Trade Payables". Also, disclosed below are the amount due to the suppliers beyond the appointed date and amount of interest accrued and remaining unpaid as at the end of the year.

Principal Amount Due	NIL	NIL
Principal Amount Paid	NIL	NIL
Principal Amount Unpaid Beyond The Appointed Date	NIL	NIL
Interest Accrued And Remaining Unpaid	NIL	NIL

XVIII.

Bank Balances includes unclaimed dividends of Rs. 2.32 Lacs [PY: Rs. 2.85 Lacs]. The Company does not have any balances with non-scheduled banks.

XIX.

All current assets, loans and advances are stated at values realisable in the ordinary course of business and all known liabilities are adequately provided for in the opinion of the board.

XX.

The financial statements for the year ended March 31, 2011 were prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31,2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements

As per our Report attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner), M. No. 100374

Place: Shikrapur
Date: May 30, 2012

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

CORPORATE INFORMATION

ALICON CASTALLOY LIMITED (THE COMPANY) IS LISTED ON THE BOMBAY STOCK EXCHANGE AND NATIONAL STOCK EXCHANGE. IT IS ENGAGED IN THE MANUFACTURING AND SELLING OF ALUMINIUM DIE CASTINGS.

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis and are in accordance with the Indian Generally Accepted Accounting Principals ('GAAP'), the provisions of the Companies Act, 1956 and the Accounting Standards notified under Companies (Accounting Standard), Rules, 2006 as amended from time to time except as otherwise stated below.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year/s)

2. Use of Estimates

Estimates and assumptions used in the preparation of the financial statements and reporting of amounts of assets and liabilities (including contingent liabilities) and the income and expenses during the year are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

3. Revenue Recognition

i. Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection based upon negotiations with the customers for price escalations and settlements.

ii. Domestic sales are recognised on despatch of goods by the Company from its factory premises and Export sales are accounted on the basis of dates of Bill of Lading and are reflected in the accounts net of excise duty, sales tax, and other levies and net of returns and discounts

iii. The Company, besides manufacturing its products from raw materials purchased directly by it, also converts raw materials supplied by the customers and thus accounts gross receipts as 'Conversion Income'.

iv. Sales returns are accounted for only upon physical receipts of the rejected goods at the factory premises.

4. Other Income

i. Benefit on account of entitlement to import goods free of duty under the Duty Entitlement Pass Book (DEPB) scheme, is accounted in the year of export and shown under 'Other Income'.

ii. Interest income is recognised on time proportion basis taking into account the amount of deposits held and applicable rate.

5. Tangible Fixed Assets & Capital Work-In-Progress

Fixed Assets except land are stated at cost less accumulated depreciation and impairment losses, if any. The cost represents purchase price (net of recoverable taxes) and all other direct expenses including financing cost in respect of acquisition or construction of fixed assets incurred for the period up to the date the asset is ready for its intended use or for the period till commencement of commerical production respectively. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

In case of new production facilities, the project costs incurred are capitalised from the date the facilities are commenced and trial production is obtained successfully. The project cost including attributable borrowing cost incurred in respect of facilities not commenced/expanded has been accounted as 'Capital Work-In-Progress', unless the project takes substantial period to commence and where assets are separately identifiable.

6. Intangible Assets

i. Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprises and the cost of the assets can be measured reliably.

ii. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and impairment losses if any. The cost of an intangible asset comprises its purchase price (net of recoverable of taxes) and any directly attributable expenditure on making the asset ready for its intended use.

7. Depreciation and Amortisation

i. Tangible Fixed Assets other than Dies and Moulds are depreciated on Straight Line Method at the rates prescribed in schedule XIV to the Companies Act, 1956.

ii. Dies and Moulds are depreciated at Written Down Value at the rates prescribed in schedule XIV to the Companies Act, 1956.

iii. Depreciation on additions during the year is provided on pro-rata basis from the middle of the quarter in which capitalisation takes place.

iv. Where CENVAT is claimed on capital goods, the relevant excise duty under CENVAT has been deducted from the value of the asset for claiming depreciation.

v. In case where specific arrangement exists with a customer for amortisation of capital equipment, depreciation provided equals such agreed amortisation. In such cases, cumulative depreciation at least equals the minimum prescribed under Schedule XIV of the Companies Act,1956.

vi. Intangible assets in the nature of computer & functional software are amortised over a period of 6 years.

vii. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and if there is a significant change in the expected pattern of economic benefits from the asset, the amortisation method is revised to reflect the changed/ actual pattern.

8. Impairment of Assets

An asset is treated as impaired when identified and when the carrying amount of the asset exceeds it recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

9. Investments

All Long-term investments, which are unquoted, are stated at cost. Current investments are stated at lower of cost and fair value.

10. Inventories

Raw Materials

Inventory of Raw materials is valued at cost. Cost represents purchase price, net of recoverable taxes and is determined on weighted average basis of last purchases.

Semi-Finished goods

Inventory of Semi-finished goods is valued at lower of cost of net realisable value. Cost comprises of material cost and conversion cost.

Conversion cost includes cost of consumables, direct labour, and variable overheads in proportion to direct labour and fixed cost in respect of production facilities.

Consumables, Stores and Spares

Consumables Stores and Spares are valued at cost. Cost represents purchase price, net of recoverable taxes, and is determined on FIFO basis.

Dies and Moulds

The expenditure on development of Dies and Moulds commissioned on behalf of the customers is carried in the books at the appropriate cost of development, as Current Assets, subject to such cost not exceeding the maximum value contracted to be paid by the customer. Income from development and development cost of such dies is accounted for in the year in which they are completed and invoiced.

The unfunded cost of such dies, if any, is written off to the revenue in the event of their commercial obsolescence.

11. Inter-division Transfers

Interdivisional transfers are valued, either at ex-factory cost of the transfer or unit/division, net of recoverable taxes and are recorded on physical receipt

12. Transactions in Foreign Currencies Foreign currency transactions are recorded at the exchange rate prevailing as at the date of transaction except sales which are recorded at a rate notified for a month, by the customs, for invoice purposes. The exchange differences arising on settlement and restatement of year-end foreign currency monetary assets and liabilities are recorded in the profit and loss account.

13. Derivative Instruments

Derivative contracts are entered into by the company only based on underlying transaction. Forward and Options contract are fair valued at each reporting date and the resulting gain or loss from these transaction are recognized in the Profit and Loss of such reporting period.

14. Taxes on income

i. Income tax expense comprises current tax and deferred tax charge /(credit).

ii. Current tax is the amount of tax due on the taxable income for the year determined in accordance with the relevant provisions of the Income Tax act, 1961.

iii. Deferred tax is recognised subject to the consideration of prudence, on timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent periods.

iv. Deferred tax assets, if any, are recognised, only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

v. Deferred tax assets/liabilities are not extensively reviewed on a cumulative basis.

15. Employee Benefits

Employee benefits include provident fund, pension fund, gratuity fund, compensated absences and medical benefits.

DEFINED CONTRIBUTION PLANS

Contributions to defined contribution approved Provident Fund and Pension Fund, defined contribution schemes, are made at pre-determined rates and charged to the Profit and Loss Account, as and when incurred.

POST-EMPLOYMENT BENEFIT PLANS

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions using Projected Unit Credit Method, with actuarial valuations being carried out by an independent valuer. Actuarial gains and losses have been recognised in full in the profit and loss account for the year. Past service cost has also been recognised to the extent that the benefits are already vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for as reduced by the fair value of scheme assets.

SHORT-TERM EMPLOYEE BENEFITS

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid leave, performance incentives, bonus, ex-gratia etc.

LONG-TERM EMPLOYEE BENEFITS

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarial liability determined by an independent valuer being the present value of the defined benefit obligation at the balance sheet date.

The liability towards Workmen Compensation is also funded with New India Insurance and contribution made towards this is charged to the Profit and Loss Account.

16. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. All other borrowing costs incurred and which are not identified to the particular qualifying assets is charged to revenue.

17. Leases

The Company's rental/hire arrangements are in respect of operating leases for guest-houses and a few machineries. The arrangements normally range between eleven months to twenty-two months renewable by mutual consent on agreed terms and thus are short term nature and no significant obligations are attached thereto.

18. Provisions, Contingent Liabilities and Contingent Assets Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

As per our Report attached	On behalf of the Board Of Directors	
For Asit Mehta & Associates Chartered Accountants Firm Regn. No. 100733W	S. Rai Managing Director	A. D. Harolikar Director
Sanjay Rane (Partner), M. No. 100374	P. S. Rao Company Secretary	

Place: Shikrapur
Date: May 30, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES.

PARTICULARS	NAME OF THE SUBSIDIARY		
	Alicon Holding GmbH	Illichmann Castalloy GmbH - Austria (Refer Note 1 below)	Illichmann Castalloy s.r.o. - Slovakia (Refer Note 2)
The Financial Year of the Subsidiary ended on	31-Mar-12	31-Mar-12	31-Mar-12
Amount in	Euro	Euro	Euro
Number of shares of the subsidiary held	1	1	1
Total Number of Shares	1	1	1
Extent of holding	100%	100%	100%
Face Value	35,000	35,000	5,000

The Net Aggregate of profits/ (losses) of the Subsidiary Company for its financial year so far as they concern the members of Alicon Castalloy Limited

A. Dealt with in the accounts of Alicon Castalloy Limited for the Year ended March 31, 2012	-	-	-
B. Not dealt with in the accounts of Alicon Castalloy Limited for the Year ended March 31, 2012	(8,794)	(920,503)	(223,023)

The Net Aggregate of profits/ (losses) of the subsidiary Company for its previous financial years so far as they concern the members of Alicon Castalloy Limited

A. Dealt with in the accounts of Alicon Castalloy Limited for the Year ended March 31, 2011	-	-	-
B. Not dealt with in the accounts of Alicon Castalloy Limited for the Year ended March 31, 2011	(18,327)	(21,772)	178,795

Notes:

1). The shares in Illichmann Castalloy s.r.o. are held by Alicon Holding GmbH

2). The shares in Illichmann Castalloy GmbH are held by Illichmann Castalloy s.r.o.

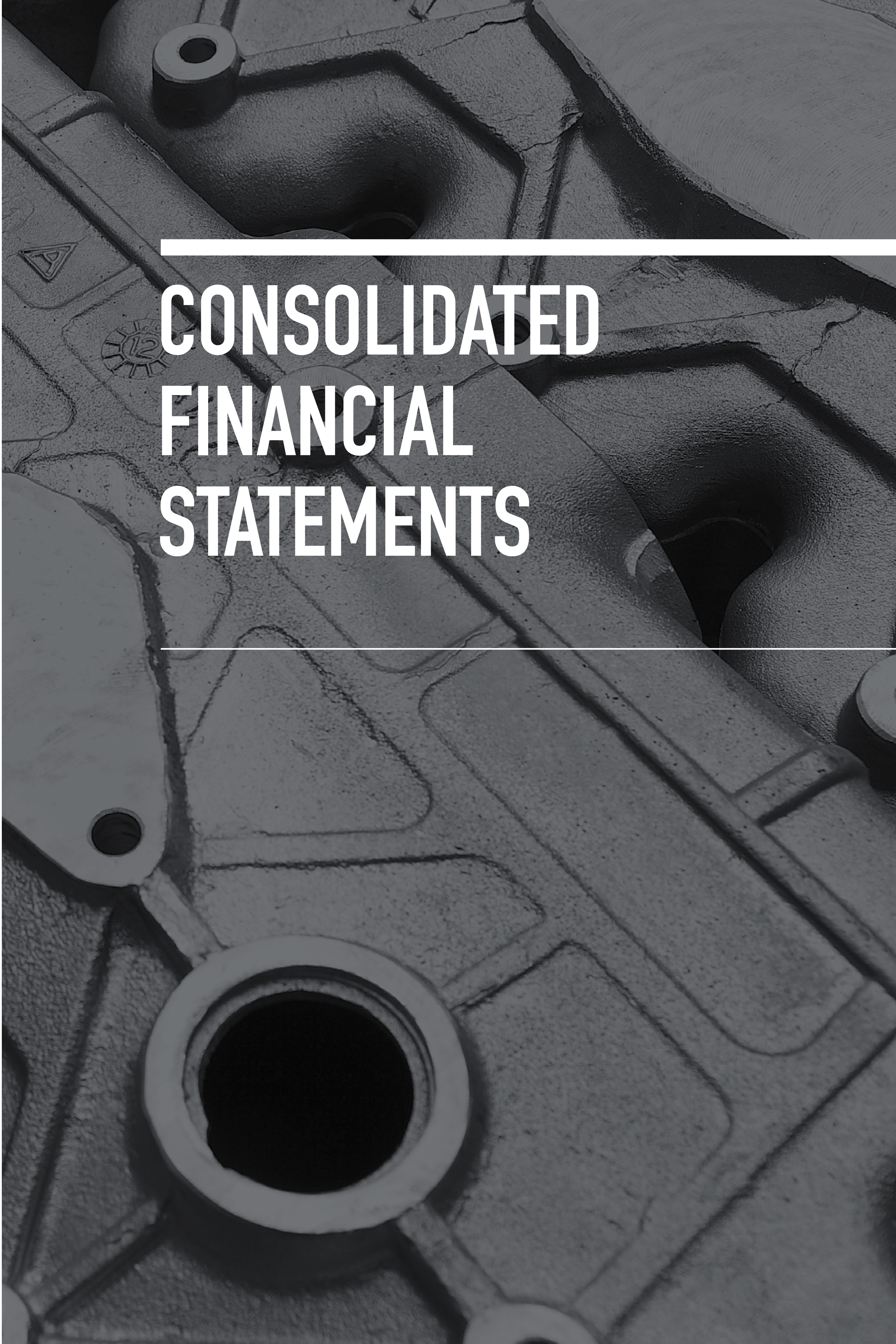
STATEMENT PURSUANT TO
EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES.

Name of Company	Country of Incorporation	Number of shares of the subsidiary held	Reporting dates used for Consolidation	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Liabilities	Net Fixed Assets	Investments	Total Assets	Sales	Profit/(Loss) before tax	Taxation	Profit after Tax
Alicon Holding GmbH	Austria	100%	31-Mar-12	Euro	68.34	2,023,350	16,942,668	120,636,090	-	119,951,735	120,636,090	-	(464,175)	115,325	(589,500)
Illichman Castalloy Gmbh (Refer note 2)	Austria	100%	31-Mar-12	Euro	68.34	2,023,350	(56,497,578)	271,985,731	19,309,445	-	271,985,731	839,144,727	(62,089,654)	115,334	(62,204,988)
Illichman Castalloy s.r.o (Note 1)	Slovakia	100%	31-Mar-12	Euro	68.34	289,050	15,560,731	357,930,025	83,525,713	51,255,000	357,930,025	459,385,375	(14,116,144)	(964,549)	(13,151,595)

Notes:

1). The shares in Illichman Castalloy s.r.o. are held by Alicon Holding GmbH

2). The shares in Illichman Castalloy GmbH are held by Illichman Castalloy s.r.o.



CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors,
Alicon Castalloy Limited

We have examined the attached Consolidated Balance Sheet of Alicon Castalloy Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as March 31, 2012, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1.
We did not audit the financial statements of foreign subsidiaries, whose financial statements reflect total assets of Rs. 628,822,015 as at March 31, 2012, total revenue of Rs. 972,035,778 and cash inflows amounting to Rs. 21,304,496 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

2.
We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, notified by the Companies (Accounting Standards) Rules, 2006.

3.
Based on our audit as aforesaid and on consideration of and subject to reports/remarks of other auditors on the separate financial statements and on other financial information of the components approved by the board of directors and management confirmations in respect thereof and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read with statement of accounting polices & other notes, give a true and fair view in conformity with the accounting principles generally accepted in India:

i. in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31 2012;

ii. in the case of the Consolidated Statement of Profit and Loss of the Profit of the Group for the year ended on that date; and

iii. in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For Asit Mehta & Associates
Chartered Accountants
Firm Registration No. 100733W

Sanjay Rane
(Partner)
Membership No.: 100374

Place : Pune
Date : May 30, 2012

(Amount In Rupees)

CONSOLIDATED BALANCE SHEET	Note No.	March 31, 2012	March 31, 2011
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	1	55,000,000	55,000,000
b. Reserves and surplus	2	716,448,837	598,083,784
c. Money received against share warrants		-	-
2. SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3. NON-CURRENT LIABILITIES			
a. Long-term borrowings	3	235,674,138	350,249,811
b. Deferred tax liabilities (Net)	4	28,692,573	26,430,427
c. Other Long term liabilities		-	-
d. Long-term provisions	5	9,918,036	8,016,350
4. CURRENT LIABILITIES			
a. Short-term borrowings	6	732,591,324	317,760,310
b. Trade payables	7	677,642,712	407,461,711
c. Other current liabilities	8	529,666,254	473,226,707
d. Short-term provisions	9	25,809,688	18,185,103
TOTAL		3,011,443,562	2,254,414,203
II. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
i. Tangible assets	10 (a)	1,369,674,873	1,197,267,582
ii. Intangible assets	10 (b)	8,219,478	8,568,543
iii. Capital work-in-progress	10 (c)	21,668,948	5,733,172
iv. Intangible assets under development		-	-
b. Non-current investments	11	70,300	70,300
c. Deferred tax assets (net)	5	-	-
d. Long-term loans and advances	12	20,398,209	14,065,150
e. Other non-current assets		-	-
2. CURRENT ASSETS			
a. Current investments		-	-
b. Inventories	13	336,883,489	263,534,924
c. Trade receivables	14	953,222,131	551,604,401
d. Cash and bank balances	15	128,792,497	84,859,870
e. Short-term loans and advances	16	170,691,211	127,433,314
f. Other current assets	17	1,822,427	1,276,947
TOTAL		3,011,443,562	2,254,414,203
Significant accounting policies & other disclosures	26		

The notes are an integral part of these financial statements.

As per our Report attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner), M. No. 100374

Place: Shikrapur
Date: May 30, 2012

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

(Amount In Rupees)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT	Note No.	March 31, 2012	March 31, 2011
I. REVENUE FROM OPERATIONS (GROSS)	18	5,095,285,001	3,506,723,807
Less: Excise Duty		408,091,848	320,040,605
Revenue from operations (net)		4,687,193,153	3,186,683,202
II. OTHER INCOME	19	**22,243,847**	**31,653,951**
III. TOTAL REVENUE (I + II)		**4,709,437,000**	3,218,337,153
IV. EXPENSES			
a. Cost of materials consumed	20	2,143,058,965	1,396,285,678
b. Purchases of stock-in-trade		-	-
c. Changes in inventories of finished goods, semi-finished goods & stock-in-trade	21	(34,387,691)	(103,985,055)
d. Employee benefits expense	22	811,215,926	572,779,733
e. Finance costs	23	128,907,311	89,015,399
f. Depreciation and amortization expense	24	170,764,196	144,617,075
g. Other Expenses	25	1,286,946,519	921,872,209
Total expenses		**4,506,505,225**	3,020,585,038
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		202,931,775	197,752,115
VI. EXCEPTIONAL ITEMS		-	-
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)		202,931,775	197,752,115
VIII. EXTRAORDINARY ITEMS		-	-
IX. PROFIT BEFORE TAX (VII-VIII)		202,931,775	197,752,115
X. TAX EXPENSE			
1. Current tax		56,566,424	39,298,952
2. Deferred tax		2,207,352	3,796,163
TOTAL TAX EXPENSE		**58,773,775**	43,095,115
XI. PROFIT FOR THE PERIOD (IX-X)		144,158,000	154,657,000
XII. EARNINGS PER EQUITY SHARE:			
1. Basic earnings per share of face value of Rs. 5 each		13.11	14.06
2. Diluted earnings per share of face value of Rs 5. each		13.11	14.06
Significant accounting policies & other disclosures	26		
The notes are an integral part of these financial statements.			

As per our Report attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner), M. No. 100374

Place: Shikrapur
Date: May 30, 2012

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

(Amount In Rupees)

CONSOLIDATED CASH FLOW STATEMENT	March 31, 2012	March 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXATION	202,931,775	197,752,115
Adjustments for:		
Depreciation & Amortisation	170,764,196	144,617,075
Loss on sale of tangible assets (net)	-	858,142
Interest & dividend received	(3,559,994)	(2,099,238)
Interest Expenditure	128,907,311	89,015,399
Unrealised foreign currency losses	(4,292,379)	-
Sample sales written off	14,709	53,880
Foreign currency translation	17,162,337	8,047,326
Operating profit before working capital changes	511,927,954	438,229,699
Changes in Working Capital		
Increase / (Decrease) in trade payables	270,181,001	237,218,546
Increase / (Decrease) in long-term provisions	1,901,686	(13,465,172)
Increase / (Decrease) in short-term provisions	7,624,585	8,547,379
Increase / (Decrease) in other current liabilities	56,439,546	(115,922,199)
Increase / (Decrease) in other long term liabilities	-	53,974,834
(Increase) / Decrease in trade receivables	(401,617,730)	(157,099,836)
(Increase) / Decrease in inventories	(73,348,565)	(124,804,009)
(Increase) / Decrease in long term loans and advances	(6,333,059)	(7,072,675)
(Increase) / Decrease in short term loans and advances	(43,257,897)	(60,881,075)
(Increase) / Decrease in other current assets	(545,480)	(1,804,828)
Cash Generated from Operations	322,972,043	256,926,672
Taxes paid (net of refunds)	(46,236,025)	(56,138,896)
NET CASH GENERATED FROM OPERATIONS BEFORE EXTRAORDINARY ITEMS	276,736,018	200,787,776
Extraordinary items	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	276,736,018	200,787,776
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of tangible/intangible assets	(374,758,859)	(313,859,366)
Interest and dividend received	3,575,594	2,099,238
Margin money deposits	(15,847,257)	(4,440,418)
NET CASH FROM INVESTING ACTIVITIES (B)	(387,030,521)	(316,200,546)

(Amount In Rupees)

CONSOLIDATED STATEMENT OF CASH FLOW ACCOUNT	March 31, 2012	March 31, 2011
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(15,180,000)	(11,000,000)
Dividend Distribution Tax	(2,463,714)	(1,826,963)
Finance costs	(128,907,311)	(89,015,399)
Repayment of long term borrowings (Net of proceeds)	(114,575,673)	143,264,301
Proceeds from short term borrowings (Net of repayment)	414,831,014	142,959,491
Write-off Assets and Expenses post de-merger (net of exp)	(15,324,443)	(35,506,432)
NET CASH USED IN FINANCING ACTIVITIES (C)	138,379,873	148,883,570
Net increase in cash and cash equivalents (A+B+C)	28,085,369	33,470,801
Cash & Cash equivalents at the beginning of the year	60,852,594	27,381,793
Cash & Cash equivalents at the end of the year	88,937,963	60,852,594

As per our Report attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner), M. No. 100374

Place: Shikrapur
Date: May 30, 2012

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

(Amount In Rupees)

1 SHARE CAPITAL	NUMBER	AMOUNT	NUMBER	AMOUNT
AUTHORISED SHARE CAPITAL				
ALICON CASTALLOY LTD:				
Equity shares of Rs. 5 each	11,000,000	55,000,000	11,000,000	55,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
ALICON CASTALLOY LTD:				
Equity shares of Rs. 5 each, fully paid	11,000,000	55,000,000	11,000,000	55,000,000
TOTAL	11,000,000	55,000,000	11,000,000	55,000,000

Notes

A. RECONCILIATION OF NUMBER OF SHARES				
Shares outstanding at the beginning of the year	11,000,000	55,000,000	11,000,000	55,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	11,000,000	55,000,000	11,000,000	55,000,000

B. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

Equity Shares of Rs 5.00 each:

The Company has one class of equity shares having a par value of Rs.5.00 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C. DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

Sl. No. Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Nastic Trading LLP (formerly Nastic Trading Private Limited)	5,970,000	54.27	3,270,000	29.73
2 Enkei Corporation	1,100,000	10.00	3,800,000	34.55

	March 31, 2012	March 31, 2011
2 RESERVES AND SURPLUS		
SECURITIES PREMIUM ACCOUNT		
Balance as at the beginning of the year	199,200,000	199,200,000
(+)Securities premium credited on cancellation of equity shares held in EWIL on De-merger	1,000,000	-
Balance as at the end of the year	200,200,000	199,200,000
BUSINESS RECONSTRUCTION RESERVE		
Balance as at the beginning of the year	15,459,935	50,966,367
(-) Expenses Written Off	15,324,443	35,506,432
Balance as at the end of the year	135,492	15,459,935
GENERAL RESERVE		
Balance as at the beginning of the year	35,000,000	20,000,000
(+) Transferred from Surplus in Statement of Profit and Loss during the year	15,000,000	15,000,000
Balance as at the end of the year	50,000,000	35,000,000

(Amount In Rupees)

	March 31, 2012	March 31, 2011
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as at the beginning of the year	8,046,936	-
Add :Transactions during the year	6,175,210	8,046,936
Balance as at the end of the year	14,222,146	8,046,936
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as at the beginning of the year	340,376,914	213,546,877
(+) Net Profit/(Net Loss) For the current year	144,158,000	154,657,000
(-) Proposed Dividends	15,180,000	11,000,000
(-) Tax on Dividend	2,463,714	1,826,963
(-) Transfer to General Reserves	15,000,000	15,000,000
Balance as at the end of the year	451,891,200	340,376,914
TOTAL	716,448,837	598,083,784

3 LONG-TERM BORROWINGS

	March 31, 2012	March 31, 2011
SECURED		
Term loans		
From Banks (Refer Note [a] below)	298,547,288	466,402,762
Less: Current maturity of long term borrowings	123,514,788	120,810,762
	175,032,500	345,592,000
UNSECURED		
Term loans		
From Financial Institutions (Refer Note [b] below)	94,293,912	54,128,131
Less: Current maturity of long term borrowings	33,652,274	49,470,320
	60,641,638	4,657,811
TOTAL	235,674,138	350,249,811

Notes

a. Long-term borrowings includes secured term loans at floating interest rates from Axis Bank and State Bank of India which are repayable through monthly/ quarterly installments. As per repayment schedule, these loans will be repaid in F.Y. 2013-14 and F.Y. 2015-16. These loans are secured by a first parri-passu charge by way of equitable mortgage on the existing fixed asset s. Of these, Rs. 123,514,788 (PY Rs. 120,810,762) are classified as current liabilities being repayable before March 31, 2013.

b. Long-term borrowings includes unsecured term loans from Bajaj Finance Limited repayable through monthly instalments. Of the above loans, two loans are borrowed at fixed interest rates of 12.50% and one loan is at at a floating interest rate. Repayment of these loans are due in 2012-13 and 2013-14. Of these, Rs. 33,652,274 (PY Rs. 49,470,320) are classified as current liabilities being repayable before March 31, 2013.

4 DEFERRED TAX LIABILITIES (NET)

	March 31, 2012	March 31, 2011
DEFERRED TAX LIABILITY		
Depreciation	31,307,415	29,563,852
DEFERRED TAX ASSETS		
Others	(2,614,842)	(3,133,425)
NET DEFERRED TAX LIABILITY	28,692,573	26,430,427

Note

Deferred Tax Liabilities and Deferred Tax Assets have been offset as they relate to the same governing taxation laws.

(Amount In Rupees)

		March 31, 2012	March 31, 2011
5	**LONG-TERM PROVISIONS**		
	Provision for employee benefits		
	Provision for gratuity (Funded)	4,904,960	4,492,832
	Leave Encashment (Unfunded)	5,013,076	3,523,518
	TOTAL	9,918,036	8,016,350
6	**SHORT-TERM BORROWINGS**		
	SECURED		
	Cash credit from banks	714,561,306	317,760,310
	[Refer note (a) below]	-	-
		714,561,306	317,760,310
	UNSECURED		
	Term loans		
	From Banks	18,030,017	-
	[Refer note (b) below]	18,030,017	-
	TOTAL	732,591,324	317,760,310

Notes

a. Short-term borrowings includes cash credit facilities availed from State Bank of India, ING Vysya Bank and Bank of Maharashtra. These loans 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.

b. Short-term borrowings also include cash credit facilities availed from ING Vysya Bank (Bratislava). These loans are secured in favour of the aforementioned bank vide a stand-by letter of credit provided by ING Vysya Bank (India).

c. Unsecured term loans from banks includes loans obtained from Kotak Mahindra Bank for funding purchase orders. These loans, obtained at floating interest rates, are repayable through weekly instalments. Repayment of this loan is due in 2012-13.

		March 31, 2012	March 31, 2011
7	**TRADE PAYABLES**		
	Acceptances	123,842,827	87,414,063
	Sundry Creditors	553,799,885	320,047,648
	[Includes amounts payable to related parties Rs. 130,034,792		
	(PY: Rs. 147,282,773)]		
	TOTAL	677,642,712	407,461,711

Notes: The Company has no dues to suppliers registered under Micro,Small and Medium Enterprises Development Act,2006 ('MSMED Act')

		March 31, 2012	March 31, 2011
8	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term debt	157,167,062	170,281,082
	Interest accrued and due on borrowings	896,077	692,512
	Unpaid dividend	307,237	359,816
	Liabilities towards employees	38,181,275	29,012,011
	Other liabilities	90,669,871	73,349,906
	Royalty payable to related parties	75,584,075	72,896,227
	Statutory dues including provident fund and tax deducted at source	45,054,710	24,559,275
	Advance from customers	35,098,590	38,171,155
	Creditors for Capital Goods	86,707,356	63,904,725
	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 (IEPF) not due	-	-
	TOTAL	529,666,254	473,226,707

(Amount In Rupees)

	March 31, 2012	March 31, 2011
9 SHORT-TERM PROVISIONS		
Provision for employee benefits - Leave Encashment (Unfunded)	6,220,761	4,645,877
Proposed Dividend	15,180,000	11,000,000
Provision for dividend distribution tax on proposed dividend on equity shares	2,463,714	1,826,963
Provision for tax	1,945,213	712,264
TOTAL	25,809,688	18,185,103

March 31, 2012 | March 31, 2011

(Amount In Rupees)

10 FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at April 1, 2011	Additions/ (Disposals)	Translation Adjustment	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation charge for the year	Translation Adjustment	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
OWNED ASSETS:										
A. TANGIBLE ASSETS										
Freehold Land	175,809,950	2,091,945	-	177,901,895	-	-	-	-	177,901,895	175,809,950
Building	216,794,646	43,893,352	15,292	260,703,290	39,066,891	8,004,487	943	47,072,321	213,630,968	177,727,755
Factory Equipments	94,783,888	28,368,863	1,116,151	124,268,902	24,136,832	14,219,574	657,119	39,013,525	85,255,376	70,647,056
Plant and Machinery	1,060,881,295	199,162,181	7,264,014	1,267,307,489	468,640,677	107,886,703	1,989,993	578,517,373	665,959,702	592,795,834
Electrical Installations	83,045,160	14,110,510	-	97,155,670	41,683,747	7,404,803	-	49,088,550	48,067,119	41,361,413
Furniture and Fixtures	35,641,160	948,759	27,756	36,617,676	10,204,676	2,188,283	-	12,392,959	24,224,717	25,436,484
Computers	21,707,033	3,341,389	150,778	25,199,200	12,400,415	2,200,817	-	14,601,232	10,597,968	9,306,618
Office Equipments	20,748,777	(72,815)	91,475	20,767,438	4,069,518	1,221,267	-	5,290,785	15,476,653	16,679,259
Quality Control Equipments	19,137,498	1,573,196	-	20,710,694	8,241,313	1,668,713	-	9,910,026	10,800,668	10,896,185
Motor Vehicle	16,531,118	(1,104,735)	298,072	15,724,455	6,408,574	1,559,129	125,053	8,092,756	7,631,700	10,122,544
Dies and Patterns	153,482,102	41,833,278	17,918	195,333,298	86,997,618	21,028,850	9,136	108,035,604	87,297,693	66,484,484
ASSETS GIVEN ON LEASE TO RELATED TO PARTIES										
Plant and Machinery	-	23,131,016	-	23,131,016	-	300,602		300,602	22,830,414	-
TOTAL	1,898,562,627	**357,276,937**	8,981,456	2,264,821,020	701,850,261	167,683,229	2,782,244	872,315,734	1,369,674,873	1,197,267,582
B. INTANGIBLE ASSETS										
Software	9,722,200	1,546,145	171,114	11,439,459	1,153,657	2,023,345	42,979	3,219,981	8,219,478	8,568,543
TOTAL	9,722,200	**1,546,145**	171,114	11,439,459	1,153,657	2,023,345	42,979	3,219,981	8,219,478	8,568,543
C. CAPITAL WORK IN PROGRESS									21,668,948	5,733,172
TOTAL	1,908,284,827	**358,823,082**	9,152,570	2,276,260,478	703,003,918	169,706,574	2,825,223	875,535,715	1,399,563,299	1,211,569,297
TOTAL PREVIOUS YEAR	1,583,228,871	**325,139,480**	(83,524)	1,908,284,827	559,208,354	143,403,365	392,199	703,003,918	1,211,569,297	-

Note : The company has not taken any assets on lease.

(Amount In Rupees)

	March 31, 2012	March 31, 2011
11 NON-CURRENT INVESTMENTS		
TRADE INVESTMENTS		
Quoted		
Unquoted		
Investment in subsidiaries	-	-
TOTAL (A)	-	-
OTHER THAN TRADE INVESTMENTS		
Qouted		
Investment in Equity instruments - Bank of Maharashtra 900 equity shares [PY: 900 shares] of Rs. 22.56 each held in Bank of Maharashtra	20,300	20,300
UNQUOTED		
Investment in Equity instruments - Shamrao Vithal Co. Op. Bank 2,000 equity shares [PY: 2,000 shares] of Rs. 25 each held in Shamrao Vithal Co. Op. Bank	50,000	50,000
TOTAL (B)	70,300	70,300
GRAND TOTAL (A + B)	70,300	70,300
Less : Provision for diminution in the value of Investments	-	-
TOTAL	70,300	70,300
Aggregate amount of quoted investments	20,300	20,300
Market Value of quoted investments	49,095	56,925
Aggregate amount of unquoted investments	50,000	50,000
Aggregate provision for diminution in value of investments	-	-
12 LONG-TERM LOANS AND ADVANCES		
UNSECURED, CONSIDERED GOOD		
Capital Advances	12,797,528	7,383,291
Security Deposits	7,600,681	6,681,859
Others	-	-
TOTAL	20,398,209	14,065,150
13 INVENTORIES		
Raw Materials and components (includes in transit Rs. 64,062 (PY Rs. 93,342)	78,956,771	31,825,164
Consumables	34,707,775	34,723,983
Semi-finished goods (includes goods-in-transit Rs. 3,056,578 (PY Rs. 350,784)	170,531,564	136,143,872
Packing Material	394,285	870,565
Dies under Development	49,280,168	57,774,043
Furnace Oil	3,012,926	2,197,298
TOTAL	336,883,489	263,534,924

(Amount In Rupees)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	March 31, 2012	March 31, 2011
14 TRADE RECEIVABLES		
UNSECURED, CONSIDERED GOOD		
Debts outstanding for more than six months from the due date of payment.		
From related parties	626,010	28,094
From others	970,076	1,309,429
OTHERS		
From related parties	22,018,578	49,673,343
From others	930,290,867	501,036,216
UNSECURED, CONSIDERED DOUBTFUL	-	-
Less: Provision for doubtful debts	683,400	442,680
TOTAL	953,222,131	551,604,401
15 CASH AND BANK BALANCES		
CASH AND CASH EQUIVALENTS		
Current accounts with banks	87,907,460	56,649,120
Cash on hand	1,030,504	4,203,474
	88,937,963	60,852,594
OTHER BANK BALANCES		
(with more than 3 months but less than 12 months maturity.)		
Margin money deposits	37,354,533	21,507,276
Term deposits	2,500,000	2,500,000
	39,854,533	24,007,276
TOTAL	128,792,497	84,859,870
Note: The Company has no deposits with maturity period exceeding 12 months.		
16 SHORT-TERM LOANS AND ADVANCES		
UNSECURED, CONSIDERED GOOD		
Advance income tax (Net of provisions)	-	11,194,661
Balance with government authorities	127,374,185	77,690,448
Prepaid expenses	4,056,541	3,593,698
Other Advances	39,260,485	34,954,507
TOTAL	170,691,211	127,433,314
17 OTHER CURRENT ASSETS		
Interest Accured on deposits	1,822,427	1,276,947
TOTAL	1,822,427	1,276,947

(Amount In Rupees)

	March 31, 2012	March 31, 2011
18 REVENUE FROM OPERATIONS (GROSS)		
SALE OF PRODUCTS		
Finished goods	5,043,317,314	3,474,389,610
Sales services	13,670,377	3,272,295
OTHER OPERATING REVENUES		
Scrap sale	38,297,310	29,061,902
	5,095,285,001	3,506,723,807
Less:		
Excise duty	408,091,848	320,040,605
TOTAL	4,687,193,153	3,186,683,202
19 OTHER INCOME		
Interest Received (Gross)	3,567,794	2,097,440
Dividend on Long-term Investments	7,800	1,799
Rent received (Net of rent paid)	7,946,685	15,596,104
Miscellaneous income	10,721,568	13,958,609
TOTAL	22,243,847	31,653,951
20 COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	89,599,207	75,869,687
Add: Purchases	2,181,696,697	1,410,015,197
Less: Inventory at the end of the year	128,236,939	89,599,207
INCREASE IN STOCK OF SEMI-FINISHED GOODS	2,143,058,965	1,396,285,678
21 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS & STOCK-IN-TRADE		
SEMI-FINISHED GOODS		
Inventory at the end of the year	124,430,296	136,143,872
Inventory at the beginning of the year	90,042,604	32,158,817
INCREASE IN STOCK OF SEMI-FINISHED GOODS	(34,387,691)	(103,985,055)
22 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	682,111,423	467,955,268
Contributions to Provident and other funds	41,935,587	32,665,322
Gratuity and Leave encashement	1,184,118	8,593,805
Staff welfare expenses	85,984,797	63,565,339
TOTAL	811,215,926	572,779,733
23 FINANCE COSTS		
Interest on borrowings	117,297,814	78,794,400
Other borrowing costs	11,609,497	10,220,999
TOTAL	128,907,311	89,015,399
24 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on Tangible assets	168,740,851	143,471,452
Amortisation on Intangible assets	2,023,345	1,145,623
TOTAL	170,764,196	144,617,075

(Amount In Rupees)

	March 31, 2012	March 31, 2011
25 OTHER EXPENSE		
Consumption of stores and spare parts	306,372,890	181,712,444
Power and fuel	381,780,679	302,291,927
Processing charges	275,591,948	151,764,249
Repairs to buildings	6,732,858	5,043,329
Repairs to machinery	74,304,770	47,341,549
Repairs - others	7,584,093	781,066
Carriage Inward	909,270	2,909,115
Water Charges	1,757,914	1,260,135
Communication Expenses	6,474,215	5,320,416
Directors Fees	59,000	22,000
Printing and Stationery	5,251,287	6,649,576
Rates and taxes	2,792,902	2,570,195
Insurance	7,216,528	7,381,983
Legal and Professional Charges	31,034,074	36,352,068
(Gain)/ Loss on foreign currency fluctuations	(22,905,896)	2,550,788
Rent	20,294,894	14,303,571
Royalty	16,906,018	17,269,830
Selling and Distribution Expenses	78,780,381	67,473,936
Travelling Expenses	40,559,803	29,367,002
Guest House Maintenance	6,017,676	4,785,447
Miscellaneous expenses	34,291,016	34,721,584
Management fees	5,140,200	-
TOTAL	1,286,946,519	921,872,209

(Amount In Lacs)

26 OTHER DISCLOSURES

I. COMMITMENT & CONTINGENT LIABILITIES	Amount	Amount
COMMITMENT		
a. Estimated amount of contracts remaining to be executed on capital accounts	336.09	640.15
CONTINGENT LIABILITIES		
b. L/C issued by the bank for the import of Machinery & Goods	1,401.16	232.28
c. Export Obligation	748.90	575.14
d. Pending Case in local Civil Court	353.63	353.63
TOTAL	2,503.69	2,366.31

II. SEGMENT REPORTING

The Group's activities involve predominantly one business segment i.e. automotive castings, which are considered to be within a single business segment since these are subject to similar risks and returns. Accordingly, automotive castings comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by AS 17 - Segment Reporting, with respect to primary segments.

The Group has identified India and Rest of the World as geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognised.

(Amount In Rupees)

SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENT	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue by location of customers (Net of excise duty)	38,082	8,790	46,872	25,667	6,200	31,867
Carrying amount of segment assets	27,005.41	3,109.03	30,114	541,994,013	(541,971,581)	22,432
Capital expenditure	3,245	503	3,748	2,038	1,101	3,139

II. EMPLOYEE BENEFITS

The Company has adopted Accounting Standard 15 "Employee Benefits". The disclosures required by the Standard are given below:

DEFINED CONTRIBUTION PLAN

The Group has recognised Rs. 419.39 lacs [PY: Rs. 326.65 lacs] towards post employment defined contribution plans comprising of provident and superannuation fund in the Statement of Profit and Loss.

DEFINED BENEFIT PLAN

Disclosures of Defined Benefit Plans in respect of Gratuity and Leave Entitlements, as per actuarial valuations by an independent valuer are given below.

	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
	Amount	Amount	Amount	Amount
Present value of obligation as at the beginning of year	36.83	126.33	47.11	119.45
Interest Cost	3.04	10.74	3.89	9.85
Current Service Cost	25.45	26.64	13.93	22.18
Benefits Paid	(26.54)	(21.40)	(33.21)	(18.16)
Actuarial(gain) / loss on obligations	13.61	4.72	5.12	(6.99)
Present value of obligation as at the end of year	52.39	147.03	36.83	126.33

(Amount In Lacs)

TABLE SHOWING CHANGES IN THE FAIR VALUE OF PLAN ASSETS	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
Fair value of plan assets at beginning of year	-	81.40	-	55.61
Expected return on plan assets	-	7.33	-	5.65
Contributions	-	27.93	-	40.00
Benefits Paid	-	(21.40)	-	(18.16)
Actuarial gain/(loss) on plan assets	-	(0.55)	-	(1.70)
Adjustment to Funds	-	3.26	-	-
Fair value of plan assets at the end of year	-	97.98	-	81.40

AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
Present value of obligations as at the end of year	52.39	147.03	47.11	128.03
Fair value of plan assets as at the end of the year	-	97.98	-	81.40
Unfunded status asset/ (liability)	52.39	(49.05)	47.11	(44.93)
Net asset / (liability) recognized in balance sheet	52.39	(49.05)	47.11	(44.93)

EXPENSE RECOGNIZED IN STATEMENT OF PROFIT AND LOSS	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
Current Service cost	25.45	26.64	13.93	22.17
Interest Cost	3.04	10.74	3.89	9.85
Expected return on plan assets	-	(7.33)	-	(5.65)
Net Actuarial (gain) / loss recognized in the year	13.61	5.26	5.12	(5.29)
Expenses recognized in statement of Profit and Loss	42.09	35.31	22.93	21.08

ACTUARIAL ASSUMPTIONS	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
Assumption Discount Rate	8.50%	8.50%	8.50%	8.50%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Expected rate of return on plan assets	0.00%	8.50%	0.00%	8.50%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

Provision for leave encashment obligations of subsidiaries are determined on actual basis.

(Amount In Lacs)

III. AUDITOR'S REMUNERATION	AMOUNT	AMOUNT
Audit Fees	7.50	7.50
Other Services	0.75	0.75
Out of pocket expenses	0.28	0.27
TOTAL	8.53	8.52

IV. EARNING PER SHARE AS COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20		
i. Net Profit & Earnings /(Loss) after tax	1,441.58	1,546.57
ii. Weighted average no. of Equity shares of Rs. 5 each (PY: Rs. 5 each) [For basic and diluted]	11,000,000	11,000,000
iii. Basic earning per share (Rs.)	13.11	14.06
iv. Diluted earning per share (Rs.)	13.11	14.06

The Company does not have any potential dilutive equity instruments as at the balance sheet date.

V. RELATED PARTY DISCLOSURES

Enterprises over which the relative of key management personnel and their relatives exercise control/significant influence

ENKEI CORPORATION, JAPAN	**SILICON MEADOWS DESIGNS LTD.**
ENKEI WHEEL CORPORATION, JAPAN	**ATLAS CASTALLOY LTD.**
ENKEI WHEELS (INDIA) LTD.	

KEY MANAGERIAL PERSONNEL

Shailendrajit Rai - Managing Director

Rajeev Sikand - Group Chief Executive Officer

Josef Kapl - Managing Director (Subsidiaries) [Upto November 30, 2011]

Frank Prange - Managing Director (Subsidiaries) [From December 1, 2011]

DETAILS OF TRANSACTIONS DURING THE YEAR WITH RELATED PARTIES	AMOUNT	AMOUNT
Transactions with subsidiaries and associate companies		
Sales	626.72	430.11
Purchases	2,031.31	333.02
Expenses charged to the Company	172.21	9.35
Expenses charged by the Company	201.29	11.92
Foreign currency monetary item	0.60	2.95
Fixed assets purchased or sold	85.11	1,233.13
Royalty paid	143.99	189.84
Amount receiveble at the year end	233.84	497.01
Amount payable at the year end	2,056.19	2,201.79
Transactions with key managerial personnel		
Remuneration - Shailendrajit Rai		
Salary, Allowances & Perquisites	19.91	13.91
Contribution to P.F., Gratuity and other funds	0.90	0.90
Commission	9.34	5.90
TOTAL	**30.15**	**20.70**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	March 31, 2012	March 31, 2011
Remuneration - Rajeev Sikand		
Salary, Allowances & Perquisites	38.55	22.39
Contribution to P.F., Gratuity and other funds	2.40	2.40
Commission	40.00	37.71
TOTAL	80.95	62.51
Remuneration - Josef Kapl		
Salary, Allowances & Perquisites	111.09	82.45
Remuneration - Frank Prange		
Salary, Allowances & Perquisites	79.31	-

VI. LEASES

The Group has entered into cancellable operating lease arrangements for office space, equipments and car lease for its employees. The total lease payments debited to the Statement of Profit and Loss account is Rs. 202.95 Lacs [PY: Rs. 143.03 Lacs].

VII. EXCISE DUTY

Excise Duty being recovered from the customers through sales invoices raised on them during the year, have been reported separately as a deduction from 'Revenue from Operations' in the Statement of Profit and Loss.

VII. EXCISE DUTY

Of total borrowing cost of Rs. 1230.03 Lacs (PY: Rs. 867.28 Lacs) incurred during the year, Rs. 23.82 Lacs (PY: Rs. Nil) have been capitalized, as identified/relatable to the particular qualifying assets.

IX. SUNDRY CREDITORS

During the year, the Company was able to procure confirmation from some of its suppliers for goods and services as to their status and classification for each of them under the Micro, Small and Medium Enterprises Act, 2006 (Act). The principal amount remaining unpaid to the suppliers covered under the Act as at the end of the year have been, to the extent information available, shown and classified separately under Note 8 "Trade Payables". Also, disclosed below are the amount due to the suppliers beyond the appointed date and amount of interest accrued and remaining unpaid as at the end of the year.

Principal Amount Due	NIL	NIL
Principal Amount Paid	NIL	NIL
Principal Amount Unpaid Beyond The Appointed Date	NIL	NIL
Interest Accrued And Remaining Unpaid	NIL	NIL

X.

Bank Balances includes unclaimed dividends of Rs. 2.32 Lacs [PY: Rs. 2.85 Lacs]. The Company does not have any balances with non-scheduled banks.

XI.

All current assets, loans and advances are stated at values realisable in the ordinary course of business and all known liabilities are adequately provided for in the opinion of the board.

XII.

The financial statements for the year ended March 31, 2011 were prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31,2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements

As per our Report attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner), M. No. 100374

Place: Shikrapur
Date: May 30, 2012

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of consolidated financial statements

The consolidated financial statements of Alicon Castalloy Limited (the 'Parent Company') and its subsidiaries (collectively referred to as 'the Group'), have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") issued by the Companies (Accounting Standards) Rules, 2006 to the extent applicable

2. Use of estimates

Estimates and assumptions used in the preparation of the consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

3. Principles / Basis of consolidation

The consolidated financial statements include the financial statements of Alicon Castalloy Limited and its subsidiaries. The subsidiaries considered in the Consolidated

Financial statements are given below:

A. DIRECT SUBSIDIARIES:

Name of the Subsidiary	Country of Incor-poration	% Shareholding in Equity Shares	Accounting Period
Alicon Holding GmbH	Austria	100%	Year ended March 31

B. INDIRECT SUBSIDIARIES:

Wholly owned subsidiary of Alicon Holding GmbH:

Name of the Subsidiary	Country of Incor-poration	% Shareholding in Equity Shares	Accounting Period
Illichman Castalloy s.r.o	Slovakia	100%	Year ended March 31

Wholly owned subsidiary of Illichmann Castalloy s.r.o:

Name of the Subsidiary	Country of Incor-poration	% Shareholding in Equity Shares	Accounting Period
Illichman Castalloy GmbH	Austria	100%	Year ended March 31

These Consolidated financial statements are prepared in accordance with the principles and procedures prescribed in Accounting Standard 21-"Consolidated Financial Statements" ('AS-21'). The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits in full.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's standalone financial statements.

The financial statements of the subsidiaries used in the preparation of consolidated financial statements have been drawn upto 31 March 2012, .i.e same date as that of the Parent.

4. Revenue Recognition

i. All material items of revenue and expenditure are recognised on accrual basis except as otherwise stated.

ii. Domestic sales are recognised on despatch of goods by the Company from its factory premises and Export sales are accounted on the basis of dates of Bill of Lading and are reflected in the accounts net of excise duty, sales tax, and other levies.

iii. The Company, besides manufacturing its products from raw materials purchased directly by it, also converts raw materials supplied by the customers and thus accounts gross receipts as 'Conversion Income'.

iv. Sales returns are accounted for only upon physical receipts of the rejected goods at the factory premises.

v. Benefit on account of entitlement to import goods free of duty under the Duty Entitlement Pass Book (DEPB) scheme, is accounted in the year of export and shown under 'Other Income'.

5. Price Escalation Claims/ Negotiations

The effect of price amendments is accounted for on the basis of agreements with the customers from time to time though not invoiced to them by the year-end. However, escalation and other claims, which are not ascertainable/ acknowledged by customers, are not taken into account.

6. Purchases

All purchases of raw materials, stores and spares are accounted in the system once Goods Received Note (GRN) is prepared. GRN is prepared only after goods are inspected and tested for qualities after the receipt at the factory gate.

7. Fixed Assets & Depreciation

i. Fixed Assets are stated at cost less accumulated depreciation and impairment loss ascertained, if any. The cost represents purchase price (net of recoverable taxes) and all other direct expenses including financing cost in respect of acquisition or construction of fixed assets incurred for the period till commencement of commercial production.

ii. Fixed Assets other than Dies and Moulds are depreciated on Straight Line Method at the rates prescribed in schedule XIV to the Companies Act, 1956.

iii. Dies and Moulds are depreciated at Written Down Value at the rates prescribed in schedule XIV to the Companies Act, 1956.

iv. Depreciation on additions during the year is provided on pro-rata basis from the middle of the quarter in which capitalisation takes place.

v. Where CENVAT is claimed on capital goods, the relevant excise duty under CENVAT has been deducted from the value of the asset for claiming depreciation.

vii. In case where specific arrangement exists with a customer for amortisation of capital equipment, depreciation provided equals such agreed amortisation. In such cases, cumulative depreciation at least equals the minimum prescribed under Schedule XIV of the Companies Act, 1956.

viii. In case of new production facilities, the project costs incurred are capitalised from the date the facilities are commenced and trial production is obtained successfully. The project costs incurred till year-end and relatable/ identified to/for particular project/production facilities are debited to individual fixed assets such as land, building, plant & machinery. The project cost incurred in respect of facilities not commenced/expanded have been accounted under 'Capital Work-in-Progress'.

8. Intangible Assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprises and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses ascertained, if any.

9. Impairment of Assets

An asset is treated as impaired when identified and when the carrying amount of the asset exceeds it recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

10. Investments

All Long-term investments, which are unquoted, are stated at cost.

11. Inventories

i. RAW MATERIALS

Inventory of Raw materials are valued at cost. Cost represents purchase price, net of recoverable taxes, determined with reference to weighted average of last purchases.

ii. SEMI-FINISHED GOODS

Inventory of Semi-finished goods are valued at lower of cost of net realisable value. Cost comprises of material cost and conversion cost. Conversion cost includes cost of consumables, direct labour, and variable overheads in proportion to direct labour and fixed cost in respect of production facilities.

iii. CONSUMABLES, STORES AND SPARES

Consumables Stores and Spares are valued at cost. Cost represents purchase price, net of recoverable taxes, and is determined on FIFO basis.

iv. DIES AND MOULDS

a. The expenditure on development of Dies and Moulds commissioned on behalf of the customers is carried in the books at the appropriate cost of development, as Current Assets, subject to such cost not exceeding the maximum value contracted to be paid by the customer. Income from development and development cost of such dies is accounted for in the year in which they are completed and invoiced.
b. The unfunded cost of such dies, if any, is written off to the revenue in the event of their commercial obsolescence.

v. INTER-DIVISION TRANSFERS

Interdivisional transfers are valued, either at ex-factory cost of the transfer or unit/division, net of recoverable taxes and are recorded on physical receipt.

12. Transactions in Foreign Currencies

Foreign currency transactions are recorded at the exchange rate prevailing as at the date of transaction except sales which are recorded at a rate notified for a month, by the customs, for invoice purposes.

The exchange differences arising on settlement of foreign currency monetary transactions are recorded in the profit and loss account.

13. Derivative instruments

Derivative contracts are entered into by the company only based on underlying transaction.

Forward and Options contract are fair valued at each reporting date and the resulting gain or loss from these transaction are recognized in the Profit and Loss Account of such reporting period.

14. Taxes on income

Income tax expense comprises current tax and deferred tax charge /credit.

Current tax is the amount of tax worked out on the taxable income for the year determined in accordance with the relevant provisions of the Income Tax act, 1961 in force and is on an estimate basis.

Deferred tax is recognised subject to the consideration of prudence, on timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets, if any, are recognised, only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

15. Employee Benefits

DEFINED CONTRIBUTION PLANS

Contributions to defined contribution approved Provident Fund and Pension Fund, defined contribution schemes, are made at pre-determined rates and charged to the Profit and Loss Account, as incurred.

POST-EMPLOYMENT BENEFIT PLANS

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions using Projected Unit Credit Method, with actuarial valuations being carried out by an independent valuer. Actuarial gains and losses have been recognised in full in the profit and loss account for the year. Past service cost has also been recognised to the extent that the benefits are already vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for as reduced by the fair value of scheme assets.

SHORT-TERM EMPLOYEE BENEFITS

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid leave, performance incentives, bonus, ex-gratia etc.

LONG-TERM EMPLOYEE BENEFITS

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarial liability determined by an independent valuer being the present value of the defined benefit obligation at the balance sheet date.

The liability towards Workmen Compensation is also funded with New India Insurance and contribution made towards this is charged to the Profit and Loss Account.

16. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. All other borrowing costs incurred and which are not identified to the particular qualifying assets is charged to revenue.

17. Leases

The Company's rental/hire arrangements are in respect of operating leases for guest-houses and a few machineries. The arrangements normally range between eleven months to twenty-two months renewable by mutual consent on agreed terms and thus are short term nature and no significant obligations are attached thereto.

18. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

19. Earning per share

In determining earnings per share, the Group considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.
The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.