alicon

Casting the Future

27th September, 2018

To,
The Manager,
Corporate Relationship Department,
BSE Limited,
Dalal Street,
Mumbai.

To,
The Manager,
The National Stock Exchange of India Ltd.
Bandra Kurla Complex,
Mumbai.

Dear Sirs,

Ref: BSE Security Code: 531147
NSE Symbol: ALICON
Sub: Submission of Annual report for the F.Y. ended 31.03.2018

Pursuant to regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we are submitting herewith a copy of annual report for the F. Y. ended 31.03.2018.

Please acknowledge the receipt.

Thanks & Regards,

For ALICON CASTALLOY LTD.

Neelam Chourasia

Authorized Signatory

Encl: as above

Alicon Castalloy Limited, Gat No. 1426, Shikrapur,
Tal. Shirur, District Pune - 412208, Maharashtra - INDIA.
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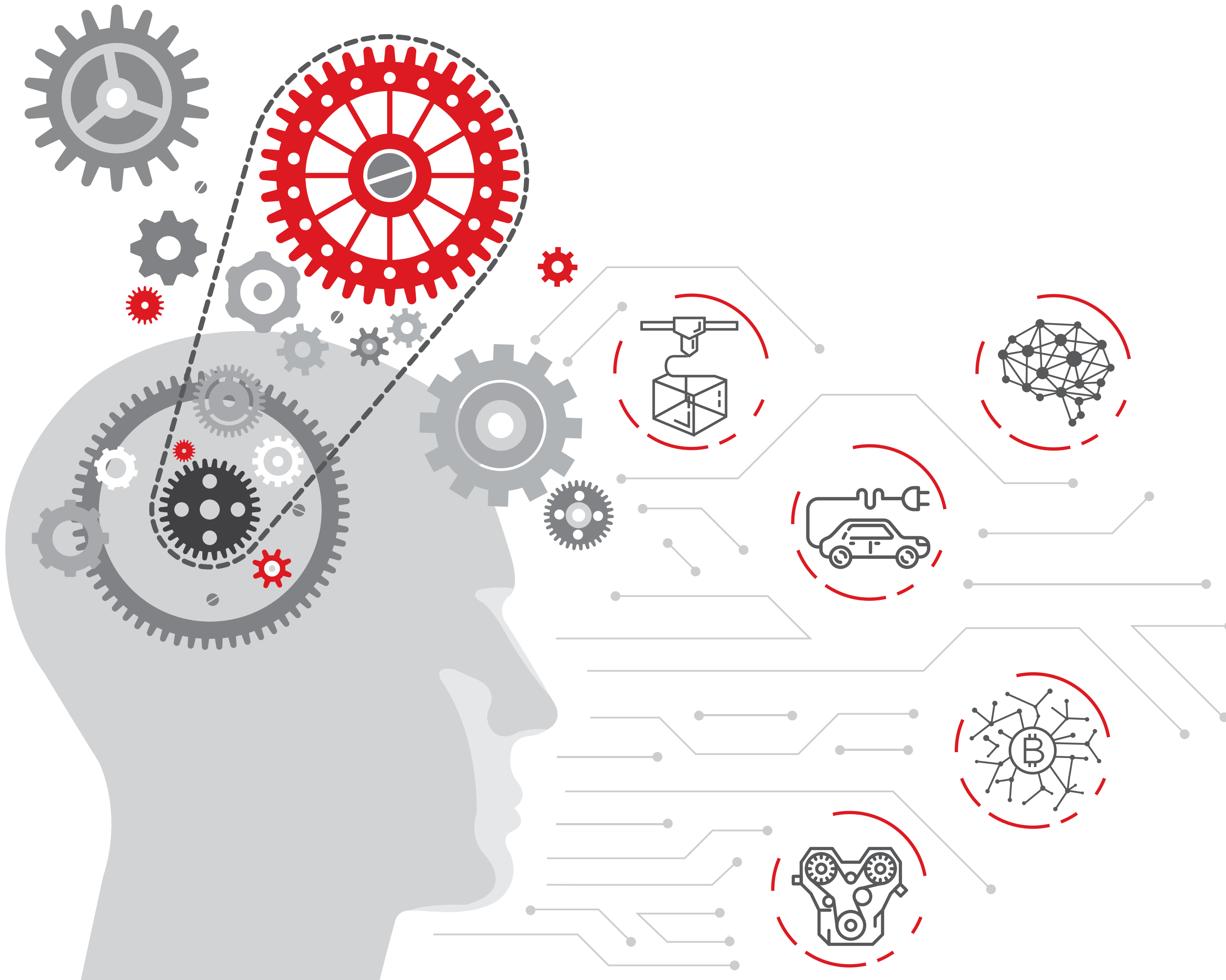
F: +91 21 3767 7130
www.alicongroup.co.in
CIN No.: L99999PN1990PLC059487

ALICON CASTALLOY LIMITED



DRIVING GROWTH

REIMAGINING THE FUTURE

ANNUAL REPORT 2017-18

Corporate Information

Board of Directors

Mr. S. Rai (Managing Director)

Mrs. Pamela Rai

Mr. Junichi Suzuki

Mr. A. D. Harolikar

Mr. Vinay Panjabi

Mr. Ajay Nanavati

Auditors

M/s. Kirtane & Pandit LLP

Bankers

Bank of Maharashtra

Kotak Mahindra Bank

State Bank of India

IDFC Bank

Corporate Information

Registered Office

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

Share Transfer Agent

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

Works

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

Plot No. 58/59, Block D II, MIDC
Chinchwad, Pune - 411 019

57-58 km. Mile Stone, Delhi - Jaipur, NH 8,
Industrial Area, Village - Binola,
District - Gurugram, Haryana - 122 051

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

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

Read inside...

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

Driving Growth. Reimagining the Future.

At Alicon, we believe that the power of reimagining the future lies in the ability to reinvent the present. Led by this conviction, we are continuously augmenting our capabilities today to drive future growth. We are perpetually strengthening our innovative and collaborative skills to enhance our leadership position as a one-stop solution provider in our niche business space.

With our eyes firmly on the future opportunities for the realisation of our G5 2021-22 vision, we are continually investing in our manufacturing capacities and product quality to equip ourselves to fully leverage it. Seeing their immense potential for scaling growth, we are expanding our presence into new segments and new product lines to serve the unique requirements of our existing and new customers.

It is our focussed endeavour to empower ourselves, through technological upgradation and automation, to meet tomorrow's casting needs of our growing clientele. Because we seek to build a future that is bigger than our past!

Location: Shikrapur Plant, Pune

From the MD's Desk

Dear Shareholders,
It gives me immense pleasure to share with you the overall performance of your Company in FY 2017-18.

The Indian economy showed signs of a sharp upturn in the economic activity in the last two quarters of FY 2017-18. The highlights of the provisional estimates of Annual National Income, FY 2017-18 and quarterly estimates of Gross Domestic Product (GDP), for the fourth quarter (Q4) of FY 2017-18, released by the Central Statistics Office (CSO) - Government of India on May 31, 2018, reflect that the Indian economy continued its growth momentum as real GDP growth soared to an eight-quarter high of 7.7% in Q4 FY 2017-18, up from 7.0% in Q3 FY 2017-18. This was after Q1 and Q2 of FY 2017-18, registered a muted growth of 5.6% and 6.3%, respectively. This suggests that the impact of demonetisation and GST- related implementation glitches are fading. The improvement in growth appears to be broad-based, with both consumption and investment showing improvement.

However, the external sector remains a drag on GDP with imports rising 12.4% and exports registering a muted growth of 5.6% in FY 2017-18. While the surge in oil prices has had a more than proportionate impact on this trend - India needs to retain its export competitiveness. I am pleased to share with you that your Company has continued to grow its overseas business. Our growth in overseas business during FY 2017-18, was 67.2% as against a growth of 14.1% in FY 2016-17. As a share of total income, our overseas business in FY 2017-18, stood at 18.5% as against 14.6% in FY 2016-17. This of course was over and above a robust performance delivered in the domestic markets.

In summary, your Company recorded a rise of 31.9% in its topline, which crossed the much-coveted landmark of ₹ 1,000 Crores. The topline for FY 2017-18 stood at ₹ 10,135 Million. Profitability too grew in a robust manner - EBITDA grew 32.4% at ₹ 1,176 Million and Profits after Tax grew by 56.6% to ₹ 387 Million in FY 2017-18.

I am also happy to share that our efforts of the last few years with the formulation of our G5 2021-22 vision coupled with other initiatives such as a holistic approach in unifying the underlying strengths of our European engineering skills, Japanese quality and inherent creativity have culminated in us reaching an inflection point where we are poised for rapid and sustained growth.

We will continue to retain our focus on R&D and new technologies like 3D printing, scanning and radiography, to sharpen our edge over others, enabling us to engage with our customers at a very early stage in component development.

Last year, I had shared that Alicon is proactively involved with domestic as well as global OEMs, right from the concept to design stage, in the development of parts for Electric Vehicles. I am pleased to inform you that your Company's initiatives have fructified into successful development of Motor Housing, Battery Housing and Gear Box Housing for customers in Europe to be used in Electric Vehicles.

The initiatives taken by us over the past few years encompass (i) adopting best-in-class human resource policies enabling us to attract talent, (ii) achieving higher levels of automation on the shop floor, (iii) the development of vendor skills by ongoing interaction in helping them with technical developments and resolving

"We will continue to retain our focus on R&D and new technologies like 3D printing, scanning and radiography, to sharpen our edge over others, enabling us to engage with our customers at a very early stage in component development."

their financial structuring, (iv) enhancing customer - centricity by integrating internal information systems to provide customers with a web-enabled bird's-eye view of their orders at each stage within your Company and lastly (v) adopting a robust review mechanism to monitor every performance metric on a monthly basis. These measures have helped us to transition from a "vendor to its customers" to becoming "a one-stop solutions provider" to our diverse customer base.

While we continue to innovate within our current business environment, we recognise that there are major technological disruptions that are continuously unfolding. In order to prepare our organisation for the opportunities and challenges that these disruptions may present, we have initiated some major activities. We have begun to send our key managers to participate at international forums, with the hope of exposing them to emerging trends in the following areas: (i) additive manufacturing; (ii) augmented and virtual realities; (iii) development of advanced materials – to develop alloys that aid in optimising weight and mechanical properties; and (iv) the use of machine learning and artificial intelligence in design capabilities. We have also begun to invest in technology development through a host of carefully selected projects. These initiatives will help inculcate an environment of creativity and a talent pool of innovators within our organisation, the ideal tools to help us succeed in a disruptive marketplace.

These endeavours are rooted in our North Star philosophy - "We are proud to be Indians, we work to make India proud" – this is our ultimate guiding force. Our North Star aligns our Corporate Pledge, Vision, Mission, Values, DNA and Strategic Direction.

We plan to achieve a different level of growth trajectory from the inflection point that we find ourselves at. In order to achieve this, we have commenced the process of expansion of our production facilities by setting up a green field project at Khed, Pune. This factory will have state-of-the-art manufacturing facilities with a high level of automation, the latest technology, machines compliant to industry 4.0, Single piece flow and will be India Green Building Concept (IGBC) compliant.

The only disconcerting factor I perceive in an otherwise bright future is the spectre of the trade wars that threaten to disrupt globally integrated supply chains. I believe, that given the geographies we serve, our technological excellence and our management experience, we will be able to overcome the hurdles and challenges this may pose.

I remain excited at the opportunities that are on offer and I am confident that we shall evolve into a Company that will transform itself to achieve exponential levels of growth.

I take this opportunity to thank my colleagues on the Board and the management team for their commitment and focus. Let me also thank all members of the Alicon family for aligning themselves to our North Star philosophy and working with dedication, to translate our vision into reality. In conclusion, I would also like to thank our business associates, bankers, shareholders and all stakeholders for their constant support and cooperation.

Shailendrajit Rai
Managing Director

Alicon – A Futuristic Entity

We are a growth-led organisation catering to the aluminium casting needs of an expanding base of diverse clients, within and outside India, through our high-quality total engineering solutions. We deliver end-to-end solutions encompassing the complete spectrum of aluminium casting needs of our clients across industries, to reimagine the future as a more dynamic and progressive tomorrow for each of them.

The Alicon Group is a global consortium of companies engaged in Rapid Prototyping, Designing, In-house Tool Manufacturing, Engineering, Die Casting, Machining and Assembly, Painting and Surface Treatment of Aluminium Components. It is a single point contact for all engineering solutions related to aluminium alloy castings, and one of the biggest foundry infrastructures providing total solutions under one roof.

Blending European engineering expertise with Japanese quality and Indian ingenuity, we deliver innovative aluminium casting products and high-end solutions at the back of our core competencies across the complete value chain of aluminium casting.

Alicon has been casting the future of Aluminium in India for the past 49 years, and is the country's pioneer in Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC). We are also the frontrunners in the development of Pro-Cast and Magma in India, making us the preferred manufacturer for all the major local and many international OEMs.

We have also been serving clients in Europe and the US through our European subsidiary Illichman Castalloy, which has a proven global track record of 89 years.

As a future-ready organisation, we have strategically forayed into **the fast-growing electrical vehicle segment,** where we see massive potential for growth in the coming years.

60

No. of product innovations during FY 2017-18

Our Vision

Become the globally preferred supplier for Light Alloy Casting Solutions.

Our Mission

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

Our Values

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

Our Business Philosophy

Fewer, Bigger & Bolder

The Alicon DNA

- **We Encourage** Decisive Leaders at All Levels
- **We Encourage** Leaders to Nurture Their Teams
- **We Empower** Our People and Always Maintain Positive Environment
- **We Approach** Everything We Do with Sincerity and Integrity
- **We Greet** Everyone with a Smile and in High Spirit
- **We Follow** the Alicon Vector
- **We Practice** LDD (Light, Direct and Deep Communication)
- **We Believe** in Continuous Improvement and Benchmarking
- **We Aim** at Delighting Our Customers with Innovation
- **We are** Flexible and Adapt to Shifts in the Market
- **We are** Visionary and Set High Targets for Ourselves
- **We use** 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

Nurturing Strengths to Drive Future Growth

With a strong focus on building strengths designed to address the future needs of customers around the world, we are continuously working on amplifying our core competencies. Augmentation of infrastructure and enhancement of quality is the framework in which we have cast our growth strategy, to enable us to effectively harness the new opportunities of tomorrow.

Strengths designed to drive growth

- Diversified approach
- R&D prowess
- Manufacturing capabilities
- Quality edge
- People power
- Strategic locations

Diversified segments of growth

We have developed a strategically diversified presence in various segments across the Automotive and Non-Automotive segments, as well as the newly added E-mobility segment. We have partnered with the world's leading technical service providers to drive growth in these segments, in which we see massive potential for reinventing the present to reimagine the future.

Categories of presence in the Automotive segment

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

Industries served in Non-Automotive segment

Agriculture	Defence
Energy	Infrastructure
Medical & Health	Locomotive
	Aero & Marine

Our service reach in E-mobility

Two Wheelers	Medium and Heavy Commercial Vehicles
Passenger Cars	

Sustained focus on R&D

With innovation being a major pillar of our future-driven growth strategy, we are continuously strengthening our focus on Research & Development. We follow a partnership approach with our vendors and clients, with whom we are involved at every stage of product development – from concept to design, facilitating our emergence as a one-stop solution provider. During FY 2017-18, we created a new benchmark in innovation with the successful development of specialised components for one of the Europe's major electrical vehicles maker.

Growing manufacturing prowess

Our robust and innovative product pipeline, spanning 16 segments, is delivered by our four best-in-class manufacturing facilities – located in Shikrapur, Chinchwad and Binola in India, and Slovakia (Europe). Equipped to handle both low and high volumes, these highly advanced facilities have modern equipment that we are sourcing from around the world to drive our quality proposition. Some of the high-end machines we have installed at these facilities include CNC-MAKINO, MICRON, HARTFORD, VMC and EDM. A major highlight of our manufacturing strength is the Two-Wheeler (2W) cylinder heads that we have manufactured for over four decades.

Automation and technological prowess are central to our manufacturing strengthening, which we are continuously scaling up to meet not just the present, but also the future needs of our clients. It is our constant endeavour to strive for higher levels of automation across our plants to make the manufacturing process more seamless and quality-oriented.

Encompassing 13 distinct facilities, these plants have aggressively adopted the Japanese lean manufacturing practices to steer operational and cost efficiencies. Besides a Technology Centre, we also have a globally competent Tool Manufacturing facility (manufacturing 250 tools yearly), Quality & Testing laboratories at each location, and a full-fledged Machine Shop (including a sub-assembly facility).

Among the core competencies we have developed at our state-of-the-art process-driven facilities are:

1. Prototyping / Soft Tooling
2. In-house Tool Manufacturing
3. Testing
4. Designing (CAD/CAM/CAE/Simulation)
5. Die Casting (Sand Casting/GDC/LPDC)
6. Machining, Assembly & Painting
7. Casting for E-mobility, Automotive, Aerospace, Defence, Locomotive, Medical, Energy and Agricultural segments

Our competencies in Casting Process span:

GDC (Stationary, Tilting & Durville) (1 Kg – 42 Kg)

LPDC (Conventional) (1 Kg – 50 Kg)

Sand Casting (1 Kg – 50 Kg)

Expanding to drive growth

Augmenting our efforts to drive future growth for the Company, and all our stakeholders, we have embarked on an ambitious expansion process. We are currently on track with the **establishment of a greenfield facility at Khed, Pune,** to steer our vision of reinventing our future to make it more dynamic and progressive. The facility will be **equipped with state-of-the-art manufacturing facilities with high level of automation and the latest technology. All the machines will be compliant to industry 4.0, Single piece flow and India Green Building Concept (IGBC),** in line with our strong focus on continuous enhancement of our quality thrust.

Augmenting the quality edge

With our sustained focus on delivering quality products and solutions to our customers, globally, we are continually working to ensure that our products are aligned to the highest international quality standards. Driving our quality quotient is our highly competent workforce, including 200 engineers, who leverage their nearly five decades of cumulative experience in aluminium casting to steer product excellence. We are also highly focussed on streamlining our processes and systems to ensure minimum project rejections, making us a partner of choice for customers worldwide.

Endorsing our high quality standards are our various certifications, including TS 16949:2009, ISO 9001:2008, ISO 14001:2004 & BS OHSAS 18001:2007. Besides deploying the best Kaizen practices, we are also committed to the principles of PQCDDMSE (Productivity, Quality, Cost, Delivery, Development, Management, Safety and Environment). Our Quality & Testing Laboratories are equipped with the most advanced Quality Assurance machinery (CMM, FARO ARM) and a Bench Flow Testing Machine to test the intake and exhaust ports of Cylinder Heads.

Nurturing the people strength

People being critical to our future strategy, we are making significant investments in nurturing their skills and talent, while keeping them motivated by fostering a positive and healthy work culture. We have, over the last few years, focussed proactively on putting in place the best-in-class human resources policies to attract talent for driving the next phase of our growth.

Our Human Resource (HR) philosophy is centred on the mantra of 'Challenging the Now', which is designed to encourage and equip our people to address tomorrow's challenges now through an innovative approach.

Regular training and skill development programmes are conducted across the hierarchical levels in the organisation. We also have in place a strong reward and recognition mechanism to incentivise them to deliver higher productivity and efficiencies in their respective functions, while maintaining a strict check on wastage by following the best principles of lean and optimal operations. We also have a robust framework to keep our employees aligned to the vision and goals of the organisation.

1,037
No. of permanent employees
(as of March 31, 2018)

Seizing the locational advantage

A major driver of our forward-looking growth strategy is the local advantage that we have developed as a result of the strategic locations of our presence. Besides providing increased speed to market to our clients, this facilitates a high level of cost and operational efficiencies for the Company to steer our vision to script a bigger growth story for the future. Within India, we have developed our foundries in proximity to our key markets, enabling us to capitalise on the opportunity matrix effectively. Globally too, we have chosen to strategically expand our presence in regions that enable effective reach and connectivity for our international clients, while also helping us deploy different time zones to provide 24x7 customer support to our clients around the world. Our presence in Europe and the US is facilitated by our European subsidiary Illichmann Castalloy.

Presence

Austria

International Marketing Office

Slovakia

* Manufacturing Plant
* Tool Room
* Product Validation Lab

Chinchwad, Pune (Maharashtra)

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

Shikrapur, Pune (Maharashtra)

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

Binola (Haryana)

* Manufacturing Plant
* Product Validation Lab

Reinventing Today to Reimagine Tomorrow

To keep pace with the dynamically-evolving industry landscape, we, at Alicon, are progressively fortifying our innovation and technology-led quality proposition. It is our constant endeavour to develop path-breaking new products and solutions that are designed to reinvent today's industries to reimagine tomorrow's growth. Our foray into the e-mobility space is in line with this business philosophy, with FY 2017-18 proving to be a defining year for the Company on this count.

Central to our growth proposition are our efforts to enhance customer-centricity and satisfaction across our business value chain. While engaging with our clients at every stage of their product creation, we also provide them a web-enabled bird's-eye view of their orders along the entire life cycle of the development process through integration of our internal information systems.

We also remain closely aligned to the skill development needs of our vendors through specially-designed technical and financial modules. Our continued focus on R&D and technology upgradation is another key enabler of our growth-led G5 2021-22 five-year strategic agenda, and our robust technology platform has enabled the development of vital structural and safety parts, thus emerging as a major tool for attracting and retaining customers.

Cumulatively, various innovative initiatives have yielded 31.9% growth in Sales, 32.4% in EBIDTA and 56.6% in PAT, during FY 2017-18, compared to the previous year. Exports continued to be the key propeller of this growth, as we leveraged our strengths and expertise to add customers across our business segments.

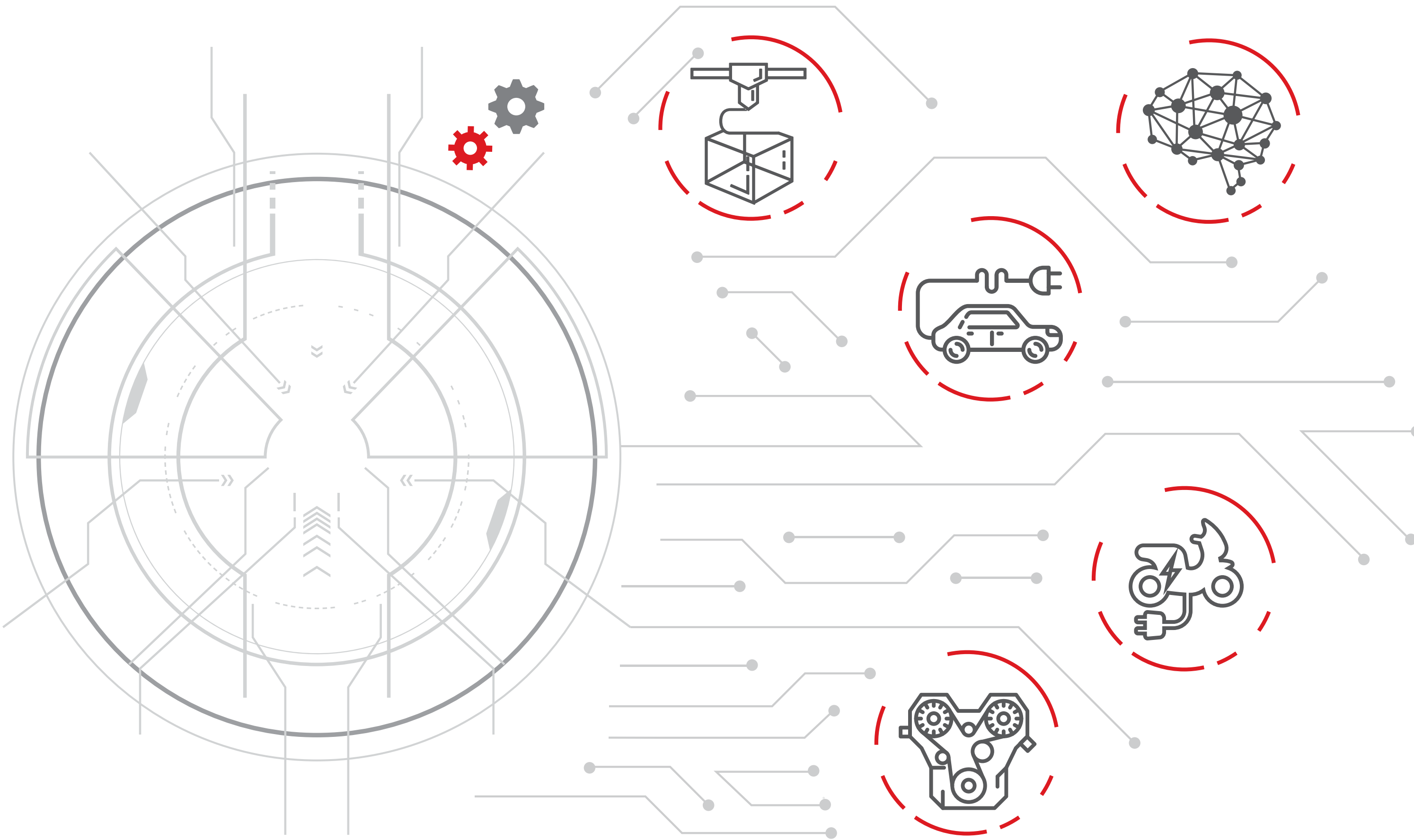
Taking R&D to the next level

Our R&D function scaled new heights during FY 2017-18, at the back of our expanding segmental presence and our focus on securing new technologies to sharpen our competitive advantage in the market. Our R&D vision is to collaborate innovation, co-creation and sustainable business in Light Alloy Castings. To power this vision, we strengthened our innovative edge with the adoption of several new technologies, such as 3D printing, scanning and radiography during the year. This has enabled us to engage with our customers at a very early stage in component development. At the same time, it has strengthened our capabilities to leverage the emerging opportunities in the various segments of our presence, including the recently forayed e-mobility.

Driving growth through Supplier Capacity Building

R&D is one of the four pillars we have identified for our Supplier Capacity Building (SCB) 2.0 programme. The other pillars of the programme, aimed at cultural and operational upgradation, are customer-centricity, supplier development and people empowerment. We have in place **76 key parameters** to assess the contribution of each of these four pillars to the Company's profitable growth.

Our Research & Development (R&D) facility is approved and certified by the Department of Scientific and Industrial Research (DSIR), Government of India, and **equipped with the best-in-class talent and technology.** We have entered into strategic alliances and technological collaborations with global partners to augment our innovation thrust and power our futuristic growth strategy.



'Electri'fying growth for the future

While strengthening our focus on customer additions and ramp-up of our product shelf to boost growth, we are also continuously exploring new product lines to build a future Alicon that is bigger than the past. Our e-mobility products are in step with this focus, and we are proactively involved with domestic as well as global OEMs – from concept to design – in the development of parts for Electric Vehicles.

Ultra light frame for smart e-scooter, tractor motor housing and Li-ion battery housing for electric car, and gear housing (front and rear) for electric buses are some of the product innovations aimed at leveraging the e-mobility opportunity for our European customers. We also see e-mobility picking up in the Indian market in the near future, and are fully equipped to cater to this specialised segment to help our clients reimagine their future.

Innovating products across Auto & Non-Auto segments

Our innovation thrust has translated into significant improvement in cost and operational efficiencies for our customers in all the segments and industries of our presence.

Expanding bouquet of Auto products

With the Auto segment continuing to steer demand for pioneering products, we expanded the bouquet of our products during the year to serve the needs of our existing and new customers.

In the 2W segment, we came out with a series of new suspension parts on the basis of our strengths in specialisation in the manufacturing of Swing arm, Fish bone and Space frame components in GDC and LPDC process. We have developed strong capabilities in achieving stringent mechanical properties in space frame. Our strength in this segment is endorsed by the various accolades received from customers in capacity enhancement, quality improvement, design and development, as well as delivery.

We have also strengthened our product pipeline in this segment with other advanced products, that are playing a critical role in boosting efficiencies for our customers in 2W, 4W and Truck categories.

Partnering customers in critical Non-Auto sectors
Cognizant of the growing opportunities in the Non-Auto segment, we enhanced our innovation prowess in the areas of Defence, Energy and Healthcare during FY 2017-18. Some of our innovations in these areas include:

Defence

- **Conversion from Cast Iron to Aluminium wheels:**
  This has reduced the weight of the Tank by 950 Kg and increased its speed from 40 Kmph to 75 Kmph, thus boosting the country's defence capabilities. Fuel efficiency indigenisation has also helped secure significant cost savings.

- **Conversion of ventilator from fabricated part to Aluminium part:**
  This has led to localisation of parts, reducing import cost and increasing efficiency.

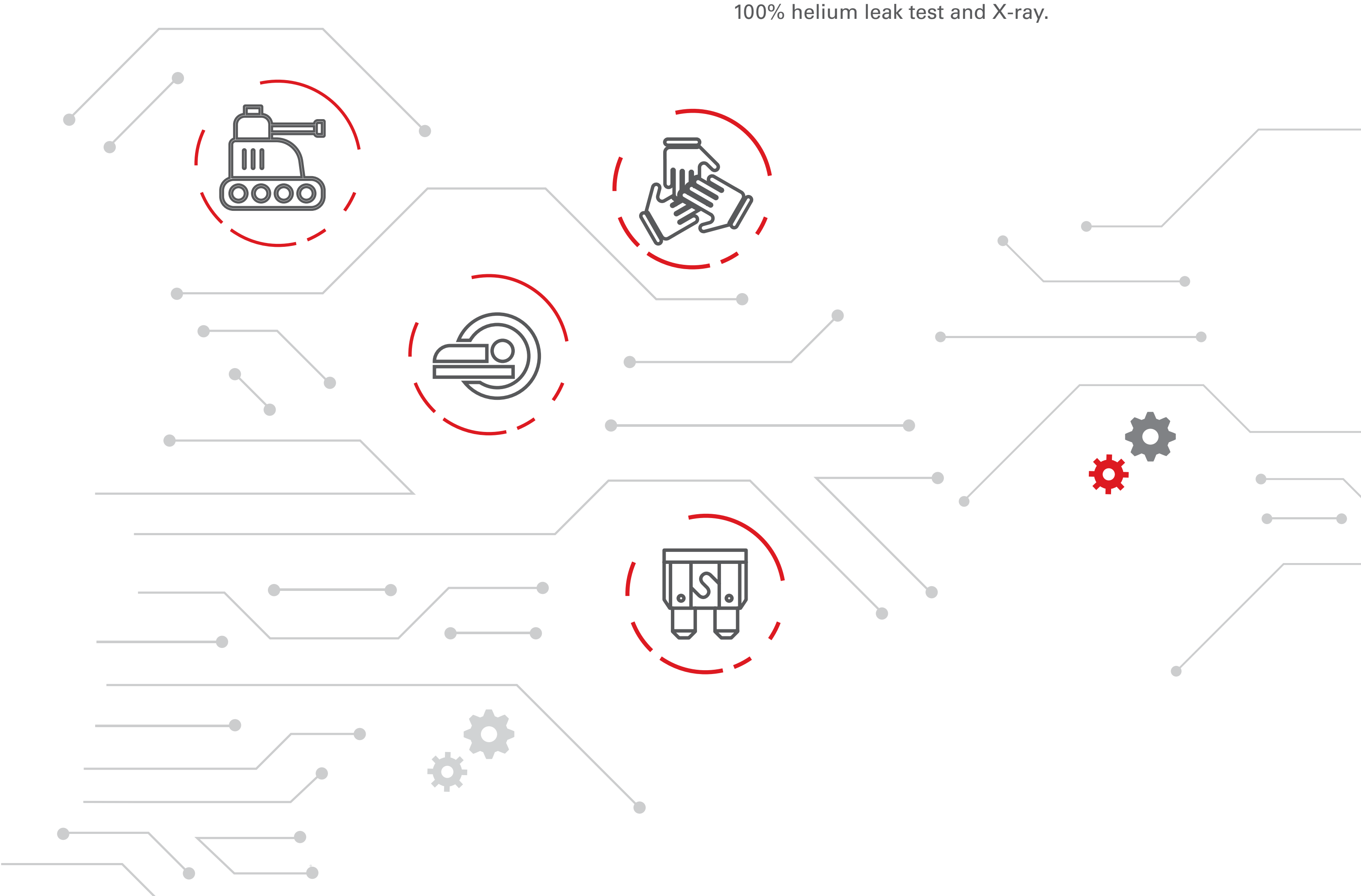
Healthcare

- **Conversion from fabricated part to Aluminum part:**
  The conversion of pedal, front and rear support for MR Table Scanners has resulted in reduction of weight of the equipment.

Energy

- **FA 2 Housing:**
  This component, which weighed 48 Kg in sand casting, now weighs only 38 Kg as a result of our pioneering technology that has enabled its development in gravity die casting.

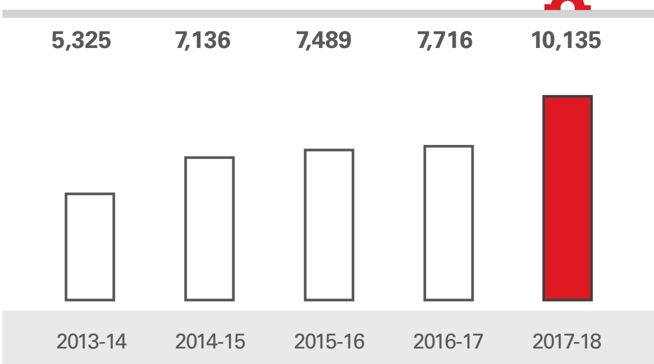
- **Fast Earthing Switch Behind Housing and Energy and Holder Contact Sphere:**
  We have developed in-house facility for the manufacture of these highly critical parts that require 100% helium leak test and X-ray.



Financial Highlights

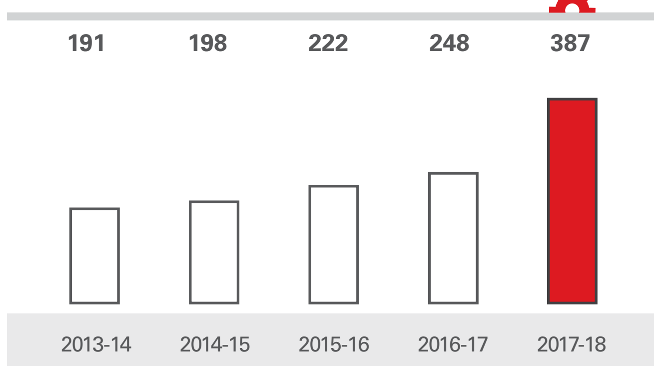
Net Sales

(₹ in Million)



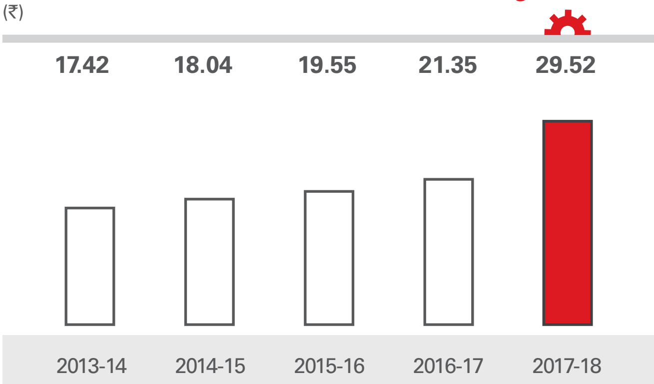
Profit after Tax

(₹ in Million)



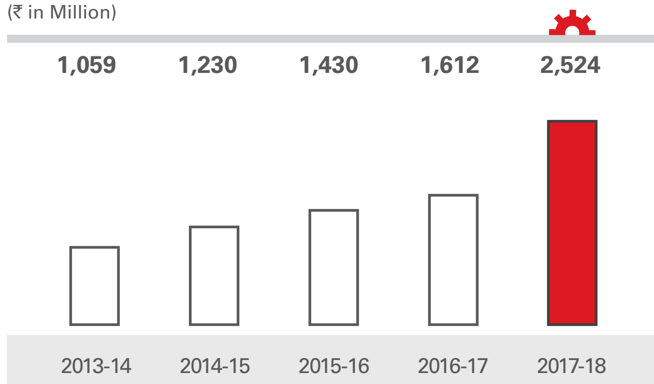
Earnings Per Share

(₹)

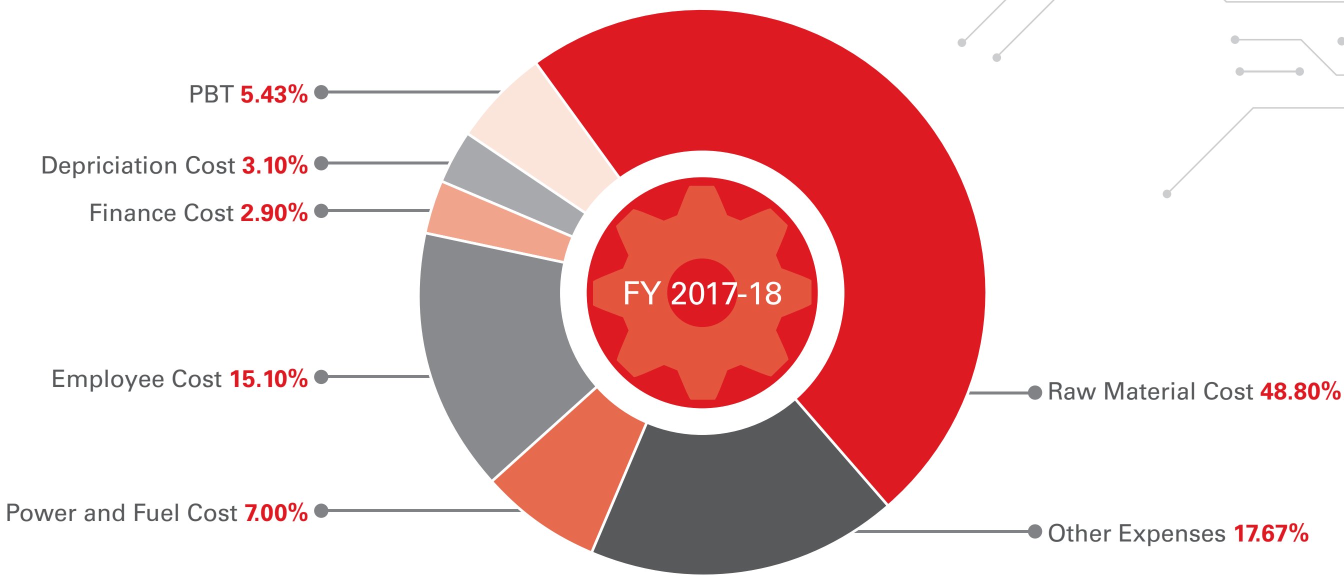


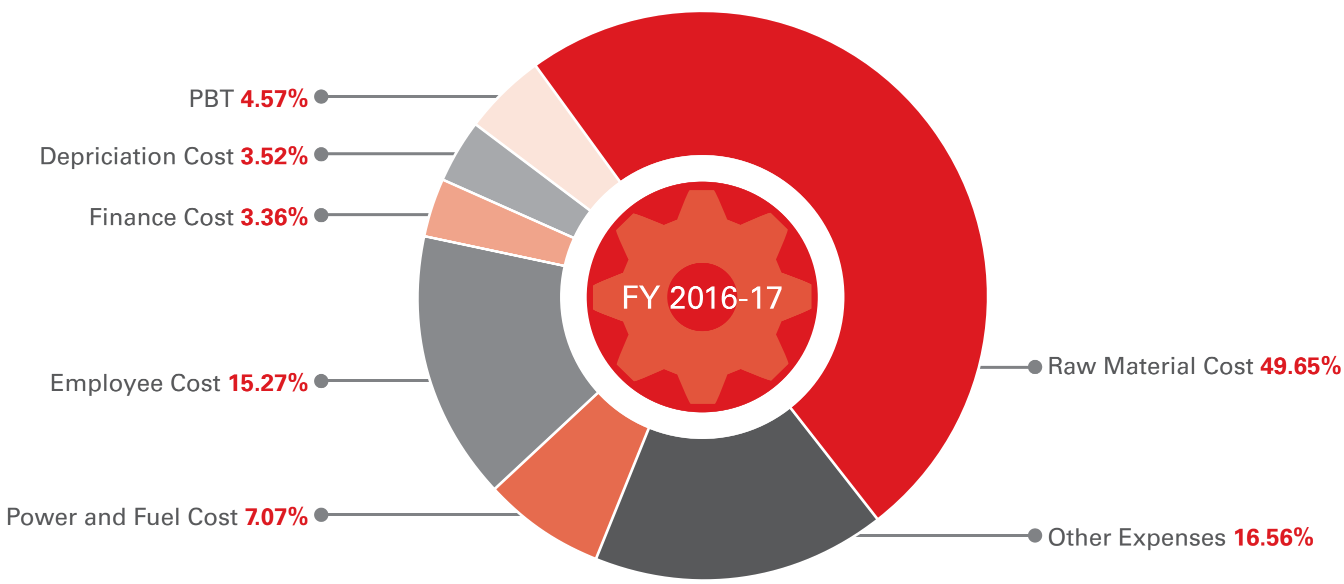
Net Worth

(₹ in Million)



Cost and Profit as a percentage of Total Income





Alicon CSR Report FY 2017-18

Unlocking Minds. Empowering the Future.

Since 2010, Alicon has supported and engaged in various social initiatives through our implementing partner, Bansuri Foundation.

RURAL DEVELOPMENT INITIATIVES

In **District Ratnagiri,** Alicon is in its fourth year of engagement with our on-ground partner **People's Empowering Movement (PEM),** which focuses on subsistence farming and irrigation projects in rural India. Despite receiving torrential rainfall during the monsoon, large areas of Ratnagiri are severely affected by water scarcity during the summer. Together with PEM, we have successfully created a system to irrigate 125 acres of farmland in the Sangameshwar Block, including villages like **Rajwadi, Dhamani and Chikhali,** throughout the year. At Alicon, we believe in empowering community members to support themselves, and so our goals were achieved by working primarily with local farmers' Self-Help Groups. These groups receive financial support through both grants and soft loans, but also contribute their own financial and personal resources, creating a model of deeper engagement with the community. Most farmers we worked with are small landholders, allowing the project to impact over 100 families. In addition to the economic impact, the project has also had the effect of improving the dietary intake of these families, helping combat malnutrition in these areas. Our hope is that by creating a sustainable model, the project will also help tackle other social and economic challenges faced by families in these areas. Taking a cue from our successful dairy project in village **Shembhavane,** we have also supported a group of enterprising women in village **Dhamani** to start their own dairy collective. Using a combination of hybrid and Indian breed cows, the project produces approximately 25 litres of milk each day which is sold to retail customers. The milk is also used for personal consumption by members of the collective, in turn also improving the nutrition of their children and families.

Since 2016, Alicon has partnered with the **Sanshil Foundation for Welfare** for a project in village **Pukharpur,** situated in the **Rewari District of Haryana**. The project was selected due to its proximity to Alicon's plant in Binola, and the fact that some of Alicon's employees also live in Pukharpur. The project is multi-faceted – first, with a sewing and tailoring programme that aims to empower local women to develop new skills that will help them generate income; and second, by conducting awareness workshops in the local community on topics like health, hygiene and financial literacy.

EDUCATION INITIATIVES

Alicon is in its third year supporting **iTeach Schools** – an organisation that has taken over the secondary education programme (Grade VIII to X) in five municipal schools in the city of Pune.

FY 2017-18 has been a year of substantial progress for the iTeach Schools.

- In the summer of 2017, iTeach created a programme to take 100 of their most academically struggling students, who were more than 5 years behind in their learning levels, to help them build the foundational skills required to achieve their goals in the next academic year
- As the first batch of Grade X students to graduate from an iTeach school prepared for junior college, the Student Alumni Wing was founded to support future alumni enrol in college. The endeavour was extremely successful, as 98% of the first graduating batch successfully enrolled in college. The programme is also designed to help alumni with social integration, skill building and academic learning at the college level
- In particular, our supported school – Babu Jag Jeevan Ram School in Yerwada – has grown from 125 students in 2015 to 205 students in 2018. At their entry level, most students could not read a Grade II English text and perform simple mathematical operations. This year, 97 students took the board exams, with 50% securing first class and 14% passing out with distinction
- Beyond academics, our goal is to inspire **iTeach** to bring into focus the need for developing holistic well-rounded individuals, who will someday be contributing members of the community. In pursuit of this goal, **iTeach** has created various sports, music and other extra-curricular activities to engage and inspire the students. This year, Alicon organised a well-received parenting session for current and past Grade X parents, which was conducted by Maya Gaitonde of the Bala Mandir Research Foundation

Alicon is also into its fifth year supporting the pre-primary education programme at **Aseema's Education Centre** for tribal children at **Igatpuri, Maharashtra.** The centre equips children aged 2.5-6 years with basic language skills, pre-math skills, reading and writing readiness, motor development and social skills using a Montessori approach. At Alicon, we believe that early childhood learning experiences contribute to the healthy development and well-being. In the year 2018, out of 41 children, 16 children were ready to move into Grade I.

Alicon has also been working with the **Centre for Youth Development and Activities** on their **Tarang** (Talking to Adolescents on Reproductive Health and Gender) project. Through a week-long training programme conducted with Grade VIII and IX students in the PCMC area, the project sought to empower adolescents by educating them about the physical and psychological changes that go hand-in-hand with adolescence. Following the success of the training programme, Alicon has also spearheaded **Tarang Plus,** a project to introduce regular counselling sessions for students in six PCMC schools. These sessions create a safe space for Grade VIII and IX students to freely ask questions and express their concerns.

SWACHH INITIATIVE

To further our commitment towards the health of India's children, Alicon continues to identify schools in Pune that do not have suitable toilets and clean drinking water for their students. Our initiative mandates, a sense of ownership and commitment by students and teachers towards the cleanliness and maintenance of the facilities.

Awards & Recognition

Felicitated by Honda Cars India Limited for 'Most Impressive Circle' of 7th NH Circle India Convention

Conferred with an award for Quality Management 2017-18 by Honda Motorcycles & Scooter India Pvt. Ltd.

Alicon's team accepting the Sanjeevani Award

Bestowed with the Sanjeevani Award from Eicher Engines (A Unit of Tafe Motors & Tractors Ltd.) for FY 2017-18

Notice

NOTICE is hereby given that the 28th Annual General Meeting of the members of Alicon Castalloy Limited will be held at 12.30 p.m. on Saturday, the 22nd day of September, 2018 at the Registered Office of the Company at Gat No. 1426, Taluka Shirur, District Pune 412 208, Maharashtra, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the –

   a) Audited Balance Sheet as on March 31, 2018 and Statement of Profit & Loss for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon; and

   b) Audited consolidated Balance Sheet as on March 31, 2018 and Statement of Profit & Loss for the year ended on that date together with the report of Auditors thereon.

2. To declare final dividend for the financial year 2017-18.

3. To appoint a Director in place of Mrs. Pamela Rai, who retires by rotation, but being eligible, offers herself for reappointment.

SPECIAL BUSINESS

4. To consider and if though fit, to pass the following resolution as a Special Resolution:

   "RESOSLVED THAT in accordance with the applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 or any amendment thereto, Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2015 and the applicable guidelines and clarifications issued by the Securities and Exchange Board of India, Reserve Bank of India and any statutory/regulatory authorities and the provisions of the Memorandum and Articles of Association of the Company, the exercise price of the Options shall be face of the share (Rs.5/- per share) as prescribed under Clause 7.1(a) of the Alicon Castalloy – Employee Stock Option Scheme 2017 ("ESOS 2017")."

   "RESOLVED FURTHER THAT Mr. S. Rai, Managing Director, Mr. A.D. Harolikar, Director, Mr. Rajeev Sikand, Chief Executive Officer, and Mr. Vimal Gupta, Chief Financial Officer, be and are hereby severally authorised to sign and file necessary forms with the Registrar of Companies and to do all such acts, deeds, matters and things as may be necessary, incidental or expedient to give effect to this resolution."

By Order of the Board of Directors

(S. Rai)
Managing Director
DIN : 00050950

Place: Shikrapur
Date: July 23, 2018

Registered Office :
Gat No.1426, Village Shikrapur, Taluka Shirur,
Dist, 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. Members are requested to note that a person can act as a proxy on behalf of the members not exceeding 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Share Transfer Register and Register of Members will be kept closed from September 16, 2018 to September 22, 2018 (both days inclusive).

4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed.

5. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed/unpaid dividend for the financial year upto 2007-08 on due dates, to the Investors Education and Protection Fund established by the Central Government.

   The Following are the details of dividend paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remains unpaid:

Date of Declaration of dividend	Divided for the year	Due date of transfer to the Government
September 28, 2011	2010-2011	October 26, 2018

Date of Declaration of dividend	Divided for the year	Due date of transfer to the Government
September 28, 2012	2011-2012	October 26, 2019
September 30, 2013	2012-2013	October 28, 2020
September 29, 2014	2013-2014	October 28, 2021
December 30, 2015	2014-2015	January 28, 2023
September 29, 2016	2015-2016	October 28,2023
September 26, 2017	2016-2017	October 24, 2024

The shareholders are advised to send all the unencashed 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.

6. As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, profile of Directors seeking appointment/ re-appointments at the Annual General Meeting is provided in the Annexed, which forms part of this notice.

7. 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 at the meeting.

8. The members who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.

9. Corporate member, intending to send their authorised representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.

10. The shareholders, who still hold share certificates in physical form, are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which includes easy liquidity since the trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.

11. The dividend on equity shares as recommended by the Board of Director, if declared, at the Annual General Meeting, will be paid to those shareholders, whose names stand on the Register of Members of the Company as on 22.09.2018 in case of physical shares and to those members as per the beneficiary position given by NSDL/CDSL. Members are requested to notify promptly any change in their registered address.

12. Electronic copy of the Annual Report for 2017-18 is being sent to all the members, whose e-mail IDs are registered with the Company/depository participants for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their e-mail address, physical copies of the Annual Report for 2017-18 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a Company to provide advance opportunity atleast once in a financial year to the member to registered his e-mail address and any change therein. In compliance with the same, we request the members, who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.

13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is also offering remote e-voting facility to the members to enable them to cast their votes electronically. Please note, remote e-voting is optional and not mandatory. Remote e-voting facility would remain open only from 19th September, 2018 (9.00 a.m.) to 21th September, 2018 (upto 5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of September 16, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the shareholders, the shareholder shall not be allowed to change it subsequently. Necessary arrangements have been made by the Company with the Central Depository Services Ltd. (CDSL) to facilitate e-voting.

The Instructions for shareholders for voting electronically are as under:

i) Log on to the e-voting website www.evotingindia.com

ii) Click on 'Shareholders' tab.

iii) Now, enter your Use ID :

    a. For CDSL – 16 digits beneficiary ID,

    b. For NSDL – 8 character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv) Next enter the image verification as displayed and click on Login.

v) If you are holding shares in Demat form and had logged on www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vi) If you are a first time user follow the steps given below.

	For Members holding shares in Demat Form and for Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department
	• Members who have not updated their PAN with the Compay/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr. no. affixed on Annual Report in the PAN filed.
	• In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. if your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.
Date of Birth (DOB)	Enter the Dividend Bank details or date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in ordesr to login. If both the details are not recorded with the depository or the Company, please enter the member ID/Folio Number in the Dividend/Bank details fields as mentioned in instruction (ii)

vii) After entering these details appropriately, click on 'SUBMIT' tab.

viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the EVSN for the relevant ALICON CASTALLOY LIMITED on which you choose to vote.

xi) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii) Click on the 'Resolution File Link' if you wish to view the entire Resolutions.

xiii) After selecting the resolution, you have decided to vote on, 'Click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.

xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take out a print of the voting done by you by clicking on 'Click here to print' option on the voting page.

xvi) If demat account holder has forgotten the login password then enter the User ID and image verification code and click on Forgot Password and enter the details as prompted by the system.

xvii) Shareholders scan also cast their votes using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after June 30, 2018. Please follow the instructions as prompted by the mobile app, while voting on your mobile.

xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQ) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 19.09.2018.

b) Mr. Upendra Shukla, Practising Company Secretary, have been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members, who do not have access to the e-voting process) in a fair and transparent manner.

c) The final results including the poll and remote e-voting results of the AGM of the Company shall be declared within a period not exceeding 48 hours from the conclusion of the Annual General Meeting. The final results alongwith the Scrutinizer's report shall be placed on the Company's website www.alincongroup.co.in and on the website of CDSL www.evotingindia.com.

d) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and physical ballot shall be treated as invalid.

e) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.alicongroup.co.in and on the website on CDSL www.evotingindia.com within two days of the passing of the resolutions at the 26th AGM and communicated to BSE Ltd. and the National Stock Exchange of India, where the shares of the Company are listed.

By Order of the Board of Directors

(S. Rai)
Managing Director
DIN : 00050950

Place: Shikrapur
Date: July 23, 2018

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No:4

The members of the Company in their Extra-Ordinary General Meeting ('EGM') held on June 8, 2017 had approved the Alicon Castalloy – Employee Stock Option Scheme 2017 ("ESOS 2017") by way of a Special Resolution. As per the Clause 7.1 (a) of the said ESOS 2017 scheme, the exercise price of the Option was fixed at Rs.5/- per share. Inadvertently, in explanatory statement annexed to the notice convening the said EGM, the exercise price was prescribed as book value derived from the latest financial statement immediately prior to the date of grant of the Options. To rectify this anomaly, it is proposed to seek shareholders' approval by way of a special resolution. The Nomination and Remuneration Committee and the Board of Directors has recommended passing of this resolution. Chief Executive Officer and Chief Financial Officer (Key Managerial Personnel) of the Company and their respective relatives may be deemed to be interested in the proposed resolution to the extent of the Options they are entitled to exercise. None of the other Key Managerial Personnel and their relatives and none of the Directors are in any way concerned or interested in this resolution.

(S. Rai)
Managing Director
DIN : 00050950

Place: Shikrapur
Date: July 23, 2018

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

Details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting fixed on Saturday, the 22nd September, 2018 as required under under Secretarial Standard on General Meetings [SS-2] and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Mrs. Pamela Rai
Date of Birth	28.07.1956
Date of Appointment	29/09/2014
Qualification	B.A. (Psychology)
Brief Profile	She has vast experience in H.R. and CSR activities.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	Atlas Castalloy Ltd. Silicon Meadows Engineering Services Ltd.
Memberships/Chairmanship of committees of other companies (includes only Audit & Shareholders/ Investors Grievance/Stakeholders Relationship Committee)	Nil
Shareholding in the Company (Equity)	Nil

Management Discussion and Analysis

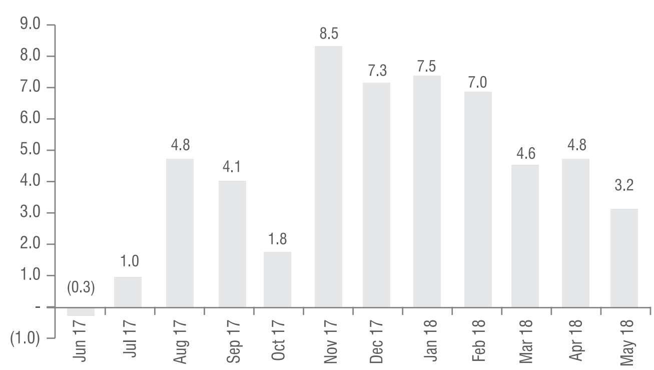
ECONOMIC OVERVIEW

The IMF, in April 2018, reported global growth in 2017 at 3.8% - the fastest since 2011. They also expect that with financial conditions still supportive, it is expected to clock a 3.9% growth in both 2018 and 2019.

The Indian economy too, showed signs of a sharp upturn in economic activity in the last two quarters of FY 2017-18. The highlights of the provisional estimates of Annual National Income, FY 2017-18, and quarterly estimates of Gross Domestic Product (GDP) for the fourth quarter (Q4) of FY 2017-18 released by the Central Statistics Office (CSO) - Government of India on May 31, 2018, reflect that the Indian economy continued its growth momentum as the real GDP growth spurted to an eight-quarter high of 7.7% in Q4 FY 2017-18, up from 7.0% in Q3 FY 2017-18. This was after Q1 and Q2 of FY 2017-18, registered a muted growth of 5.6% and 6.3%, respectively. This suggests that the impact of demonetisation and GST-related implementation glitches are fading. The improvement in growth appears to be broad-based, with both consumption and investment showing improvement.

The Index of Industrial Production (IIP) data also showed similar trends with a rise of above 7% from November 2017 upto February 2018. There has, however, been an aberration from March 2018 to May 2018, with IIP having registered modest growth of 4.6%, 4.8% and 3.2% in March 2018, April 2018 and May 2018, respectively. This slowdown in IIP was in tandem with a slower manufacturing sector growth (the largest contributor to IIP with a 77.6% weight). Within the Manufacturing Sector, only 11 out of 23 industry groups showed positive growth on an annual basis. Of these, 'motor vehicles, trailers and semi trailers' clocked a growth of 17.2%, which was a positive development from the Company's viewpoint.

Chart A. India Industrial Production (growth in % YoY)



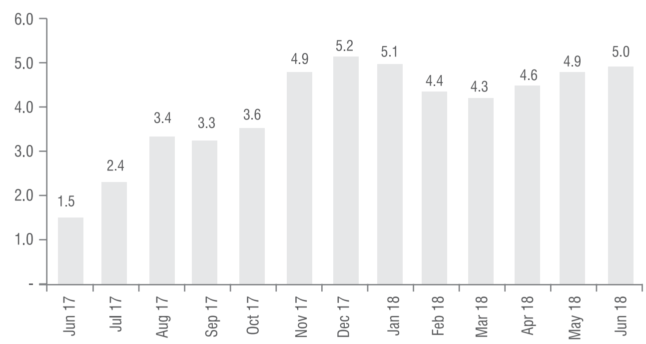
Source: Tradingeconomics.com | Ministry of Statistics and Programme Implementation (MOSPI)

While it remains to be seen if the recent drop in growth in IIP data is a temporary aberration or not, we, at Alicon, remain cautiously optimistic in the near term.

The recent hike in policy rates by the Reserve Bank of India on account of fears of rising inflation have accentuated the increase in rates of lending witnessed since October 2017.

Moreover, tight liquidity conditions in the money markets may have some impact on our finance costs in FY 2017-18 given the capacity expansion plans of the Company.

Chart B. India - Rate of Inflation (%)



Source: Tradingeconomics.com | Ministry of Statistics and Programme Implementation (MOSPI), India

OVERVIEW OF THE INDUSTRY

Global Scenario

As per 51st World Casting Census published by Modern Castings USA in December 2017, global casting production remained stagnant. Worldwide casting production grew by less than half a percent for second year in a row in 2016.

In 2016, world casting production reached 104.4 Million metric tonnes, a shade over the 104.1 Million metric tonnes produced in 2015. The World's top 10 casting producing nations produced 91.6 Million metric tonnes of the total 104.4 Million metric tonnes.

China reported a 5.4% increase since 2015 putting its total production at 47.2 Million metric tonnes. India, the second largest casting producer in the world reported 5.4% increase in production to 11.35 Million metric tonnes. The remaining top 10 casting nations are USA, Japan, Germany, Russia, Korea, Mexico, Brazil and Italy

(Source: Foundry Informatics Centre, http://www.foundryinfo-india.org/profile_of_indian.aspx)

Brief profile of Indian Foundry Industry

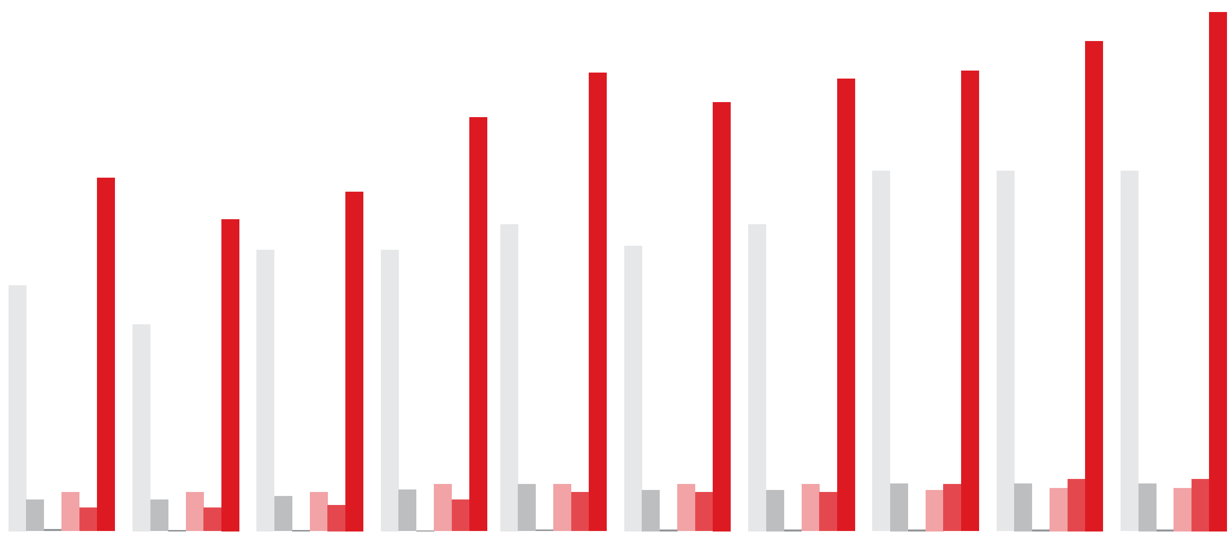
The Indian foundry industry manufactures metal cast components for applications in Auto, Tractor, Railways, Machine Tools, Sanitary, Pipe Fittings, Defence, Aerospace, Earth Moving, Textile, Cement, Electrical, Power Machinery, Pumps / Valves, Wind Turbine Generators etc. Foundry Industry has a turnover of approx. USD 19 billion with exports of approx. USD 2.5 billion.

However, Grey iron castings have the major share i.e. approx. 68% of total castings produced.

There are approx. 5,000 units out of which 90% can be classified as MSMEs.

Approx. 1,500 units are have International Quality Accreditation. Several large foundries are modern and globally competitive. Many foundries use cupolas using LAM Coke. However, these are gradually shifting to Induction Melting. There is growing awareness about environment and many foundries are switching over to induction furnaces and some units in Agra are changing over to coke-less cupolas (Source: Foundry Informatics Centre, http://www.foundryinfo-india.org/profile_of_indian.aspx). Chart C below depicts Production of various category of castings.

Chart C. Production in Million Tonnes

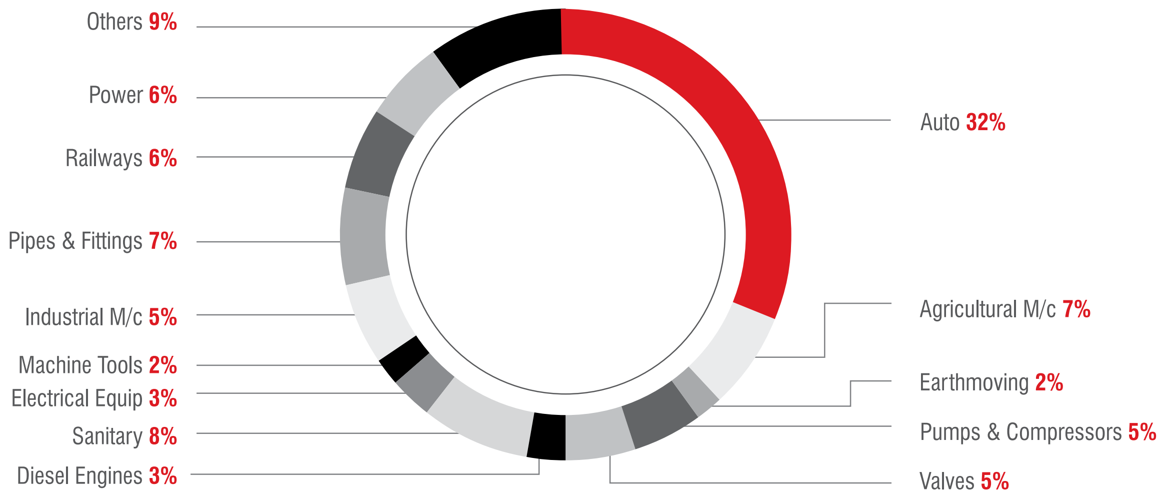


	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Grey C.I.	5.33	4.53	5.05	6.18	6.80	6.25	6.70	6.83	7.41	7.89
SG Iron	0.80	0.79	0.80	0.98	1.09	0.98	1.00	1.07	1.18	1.18
Malleable	0.07	0.06	0.06	0.07	0.07	0.06	0.06	0.06	0.05	0.05
Steel	0.96	0.92	0.88	1.07	1.14	1.16	1.10	0.97	0.88	1.01
Non Ferrous	0.61	0.55	0.65	0.75	0.90	0.89	0.95	1.09	1.25	1.22
Total	**7.77**	**6.85**	**7.44**	**9.05**	**10.00**	**9.34**	**9.81**	**10.02**	**10.77**	**11.35**

Source: Foundry Informatics Centre

The automobile sector accounts for a lion's share of the output of the foundry sector, accounting for about one-third of the sector's demand. Chart D depicts the Major consumers of castings.

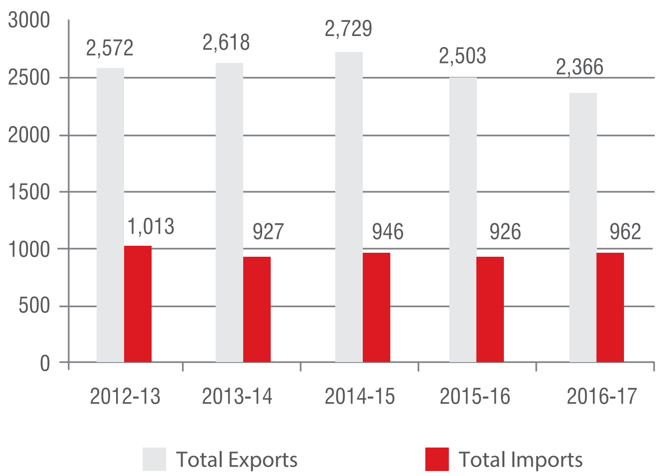
Chart D. Sector-wise Major consumers of castings



Source: Foundry Informatics Centre

Exports of castings had been showing healthy trends recording a 25-30% Y-o-Y growth upto FY 2011-12. However, it has slowed down post that. As per the latest available data for FY 2016-17, it was recoreded at USD 2.33 Billion. Chart E below depicts Export / Import data of Major Castings.

Chart E: Export/Import data of major castings



Source: Foundry Informatics Centre

If the growth trend of FY 2017-18 in the Auto industry in India were to continue, it would augur well for the prospects of the foundry sector. Moreover, barring China, the global growth in the foundry sector has been stagnant. This provides a suitable opportunity for the Indian foundry sector to increase its share of exports.

THE COMPANY

The Alicon Group is a global consortium of companies involved in Design, Engineering, Casting, Machining and Assembly, Painting and Surface Treatment of Aluminium Components. As one of the largest aluminium foundries in India, the Company amalgamates the best of European Engineering, Japanese Quality and Indian Ingenuity to produce exceptional and innovative aluminium casting products. Alicon caters to the capital component input needs of various sectors such as automobiles, agriculture, aero and marine, locomotive, infrastructure, energy, defence, medical and health among others. We have operations spread across in India, Austria and Slovakia with 4 manufacturing plants (1 international), a technology centre, globally competent tool rooms, quality and testing laboratories and a full-fledged machine shop (including a sub-assembly facility).

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

FINANCIAL REVIEW (CONSOLIDATED)

Table A. Summarised Financial Summary

(₹ in Lakhs Unless otherwise stated)

Particulars	2017-18	2016-17	% ↑ / ↓
Total Income (Net of taxes)	102,296	77,538	↑ 31.9%
Raw Material Costs	49,952	38,495	↑ 29.7%
Manpower Costs	15,410	11,838	↑ 30.1%
Other Expenses	25,169	18,320	↑ 37.4%
Earnings before Interest Depreciation, Tax and Amortisation (EBITDA)	11,764	8,884	↑ 32.4%
Finance Costs	2,986	2,607	↑ 14.6%
Profit Before Tax	5,556	3,547	↑ 56.6%
Profit After Tax	3,867	2,468	↑ 56.6%
Earnings Per Share (Basic) (₹)	29.52	21.35	↑ 38.3%

Performance Highlights

- Total Income (Net of Duties): ₹ 102,296 Lakhs ↑ 31.9%

  The Company achieved the much-coveted milestone of revenues crossing ₹ 1,000 Crores.

- Accompanied by a corresponding increase in EBITDA which grew by 32.4% in FY 2017-18

- Profit before Tax (PBT): ₹ 5,556 Lakhs ↑ 56.6%

- Profit after Tax (PAT): ₹ 3,867 Lakhs ↑ 56.6 %

- Capital Infusion during the year

  Enkei Corporation-Japan increased its stake in the Company through a preferential allotment of shares raising the stake from 8.2% to 14.7%. The amount raised through this route amounted to ₹ 41.20 Crores. This was a recognition of the confidence our partners repose in us

- The Company declared a final dividend of 85%. This coupled with the interim dividend of 40% amounted to a total dividend of 125% for FY 2017-18 against 85% in FY 2016-17.

BUSINESS OVERVIEW

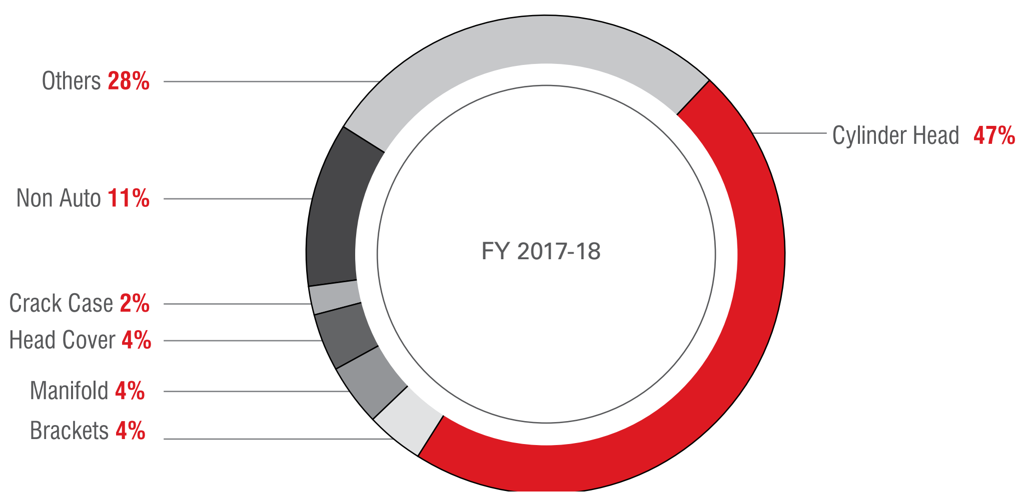
We are continually expanding our product suite to align our product offerings in line with changing technologies and emerging trends. During the year gone by, the automobile sector contributed to 91% and non-automobile sector contributed 9% of our consolidated revenue, which was equal to the shares achieved in the previous financial year. Amidst the automobile sector, the standard products catering to 2 and 4 wheelers contributed 70% (previous year 77%) of our consolidated revenues and 19% (previous year 14%) from products the Company deems to be niche products. The niche products are those whose share the Company strives to grow year-on-year, being of strategic importance in our product suite. On a geographic basis, the international business increased to 18.5% of our consolidated revenues as against 14.6% in the previous year. We are on track to achieve our stated target of a third of having our revenues emanating from International business by FY 2020-21. Chart F below depicts Product mix of the share of revenues by product type.

The automobile sector, which continues to be the mainstay of the Company, witnessed a growth of 15% in 2018. It is expected that the Indian automobile industry would grow about 8% in 2019.

While it remains to be seen if these growth projections would actually come to pass, what is exciting from the Company's perspective are the emerging technological trends. These trends would enable us to capitalise on our efforts over the last few years to emerge as a "One-stop solution provider" to our customers. Some of these trends are discussed below:

In a bid to bring down pollution levels and having cleaner automobiles on the road, the Government has decided to skip directly to Bharat Stage VI (BS VI) norms by 2020. This brings India closer to the world as Euro VI emission standards have been in place since 2014 across Europe. India currently operates on Bharat Stage IV emission norms for two, three and four-wheelers. This time, both the Government of India and the automobile industry are better prepared for this transition, unlike the earlier transition to BS IV implemented in April 2017. The Government is preparing to provide the necessary infrastructure to ensure smooth transition. Simultaneously, the Automobile industry is working at a feverish pace to comply with the implementation schedule. Alicon is well poised to assist its customers in transiting its products to the revised standards. As against the conventional cylinder heads fitted with normal cooling systems, we have developed and already

Chart F. Product-mix of the share of revenue



are supplying cylinder heads with internal oil cooling systems to some of our overseas customers. Such cylinder heads reduce emissions in comparison to the traditional cylinder heads. Availability of such products with requisite technological features would enable us to capitalise on the business potential, the revised emission norms would provide.

The emergence of the much-hyped e-mobility is also an exciting technological trend, where we believe we are in an advanced stage of readiness to take advantage of it, even though it is expected that even by the year 2030, e-mobility would still constitute only 30% of the automobiles market. Traditionally, the three building blocks of the automobile engineering framework are – (i) Engine, (ii) Transmission and (iii) Chassis. Of these three, in traditional vehicles, the usage of aluminium castings is concentrated in the Engine with multiple aluminium parts. In e-mobility automobiles, the engine and peripherals are further classified into three parts viz.: (i) Battery Housing, (ii) Motor Housing and (iii) Transmission. We have already developed some of these parts for our overseas customers – Motor Housing for Daimler and Bosch and Battery Housing for Samsung. We have also commenced supplies for a newly launched smart E-Scooter in India.

In order to enhance the efficiency of e-vehicles, it is considered imperative that the e-automobiles be much lighter than the traditional automobiles. The steps taken by E-mobility automobile manufacturers to achieve this have centred around development of lighter aluminium parts in the other two frameworks namely Transmission and Chassis. We are also in the process of developing such parts for some of our customers. This will enable us to further diversify our product suite in these frameworks, where we do not have a presence to date.

Apart from the technological changes and emerging trends, we also continue to develop products in our traditional business - like CAC Tanks, for which we have commenced supplies to customers in the USA and Europe. Our customers in recognition of our technical capabilities and quality continue to give us increased orders for new models and products – KTM has increased its sourcing from us by increasing the order for Cylinder heads for more models and new products like Swing Arms. The faith reposed in us by our customers furthers our belief in achieving our strategy to expand our niche products and increase our share of International business to reach one-third of our revenues.

In our non-automobile business, the advent of 4G, 5G in the communications field has resulted in an increased demand for generation sets for use in Transmission towers. This would help us in an increased offtake from the power sector.

We have launched a few products in other sectors like Defence, Healthcare and Power where we have developed Aluminium parts enabling weight reduction of the products. An example is the development of aluminium wheels for Tanks which have reduced the weight of tanks by 950 Kg and increased the speed from 40 Kmph to 75 Kmph.

Having enumerated our strengths and opportunities, we would like to dwell on some of the threats and downsides that we perceive.

One of the threats is the spectre of trade wars that may disrupt globally integrated supply chains and have an indirect impact on our business. However, given the geographies we operate in and our technical strengths we believe, we would be able to overcome some of the challenges this may pose.

The other routine concerns we keep a constant vigil on are (i) Downturn in demand, (ii) Variations in raw material costs and (iii) Increased competition. We keep evolving our strategies to counter these. Some of these are enumerated as under:

(i) Downturn in demand

Diversification of area of operations, use of differentiated technology and an expanded product suite are the measures taken to overcome these concerns.

(ii) Variation in raw material costs

Linking selling prices to benchmarked raw material costs, Standardisation of alloys are the measures undertaken to overcome these concerns.

(iii) Increased competition

Providing technologically superior products and fostering long-term relationships with customers by being a 'One-stop solutions provider" are the measures taken to overcome these concerns.

(iv) Dependence on Automotive Industry

The Company's revenue share from the automobile industry is about 90% of total revenues. We are working to increase the revenue share from the non-automotive sector to diversify our revenue stream and reduce dependence on automotive industry performance.

HUMAN RESOURCE MANAGEMENT

People are the crucial pivot at Alicon, around which everything revolves. Accordingly, we make all efforts to facilitate them and promote alignment of their personal goals and vision to that of the organisation.

With a 'One Path, One Goal' approach, we encourage holistic engagement with our employees. For the past few years, we have enjoyed success in the following initiatives which have been specifically designed to create a unified culture through the entire organisation. Total number of permanant employees stood at 1,037 as on March 31, 2018.

Challenging the Now

To motivate our employees and ensure that they constantly strive to perform better and stretch performance indicators to limits, we encourage those at Alicon to take on challenges and deliver improved designs, processes and products. Alongside productivity enhancements, we drive them to find interesting ways to ensure waste-reduction based on Kaizen at the work processes. Our mission to 'Challenge the Now' has been truly internalised by the employees as is validated by outstanding contributions that they have made in terms of various KPIs.

'North Star' Philosophy

Alicon has adopted the North Star (NS) philosophy to achieve improved levels of performance in various departments. The significance of NS is drawn from the North Star, the brightest star in the night sky. Just as this star provides direction and inspiration, the employees are encouraged to set shining examples everywhere they go. The most important aspect of the philosophy is: We are proud to be Indians and we work to make India proud.

On a day-to-day basis, through commitment at the workplace, the employees demonstrate a firm commitment towards the Company and the nation at large. Even before the Government's three-year-old 'Make in India' campaign was initiated, Alicon was already endeavouring to promote Indian self-reliance in the domains in which it is present, through leadership in the production of top quality products. Effectively, the North Star philosophy implies creating a work environment that resonates peace, trust and faith in fellow workers.

This philosophy has been internalised at various physical and interactive levels.

Other Initiatives

At Alicon, training and skill upgradation are considered as essential for progress. Side by side, recognition, motivation and appreciation are also crucial for boosting productivity. Accordingly, we have been undertaking various activities to ensure that our employees are always performing at their best:

- Preparing employees to lead: Rather than recruiting leaders from outside the Company, we believe that home-grown leaders should always be the first choice as they have already imbibed the unique ethos and philosophy of the Company. Accordingly, we are constantly grooming employees that show potential to eventually carry the banner further.
- Engagement with students: Alicon has tie-ups with various technical and non-technical institutes, according to which, we accept students from these institutes as interns. We also invite students from Management and Engineering Institutes to work as interns or on a project-to-project basis.
- Focus on training to enhance quality: We have initiated capability-building exercises across all levels and departments and provide technical training at regular intervals to enhance quality.
- Safety first: Safety of employees is a paramount priority at Alicon.

  We have implemented safety monitoring systems at all shop levels and also put in place certain mechanisms to ensure that safe practices are being adhered to at the workplace.

INTERNAL CONTROL SYSTEMS

To safeguard its assets and ensure efficient productivity at all levels, the Alicon Group has adequate internal control systems in place. We are committed to ensuring that our operations are carried out within the purview of a well-defined internal control framework.

Good governance, well-defined systems and processes, a vigilant finance function and independent internal reviews form the basis of its internal control systems. The internal audit function independently scrutinises critical audit areas, based on audit plans that are generally approved by the Audit Committee. Plans are formulated based on a risk evaluation exercise, to focus on the assessment of the relatively riskier areas.

Significant audit findings are presented to the Audit Committee, which meets regularly to review findings and status of the corrective actions undertaken by the management. Timely reviews are carried out to ensure that all transactions are correctly authorised and reported. Whenever deemed necessary, internal control systems are reassessed and corrective action is also initiated.

CAUTIONARY STATEMENTS

Statements in this Management Discussion and Analysis describing the Company's objectives projections, estimates and expectations may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

Directors' Report

Your Directors are pleased to present their Twenty-eighth Annual Report together with the audited Statements of Accounts for the year ended March 31, 2018.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(₹ in Lakhs)

	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Gross Sales	95,295	80,496	103,780	86,549
Net Sales/Income from Operations	92,864	71,110	101,349	77,163
Other Income	857	368	947	374
Profit before Depreciation, Interest and Tax	11,159	8,441	11,764	8,884
Less: Depreciation and Amortisation Expenses	2,990	2,500	3,221	2,729
Less: Finance Costs	2,880	2,544	2,986	2,607
Profit before Tax	5,289	3,397	5,556	3,547
Provision for Tax	1,672	1,067	1,688	1,079
Profit after Tax	3,617	2,330	3,867	2,468

DIVIDEND

The Board of Directors in its meeting held on January 31, 2018 had declared an interim dividend of ₹ 2/- per Equity Share of ₹ 5/- each. Enthused by the financial results, your Directors are pleased to recommend a final dividend of ₹ 4.25/- per Equity Share of ₹ 5/- each. Thus, the total dividend for the financial year will be ₹ 6.25/- per share i.e. 125% as against 85% (₹ 4.25/- per share) paid in the previous year. The total cash outflow on account of dividend for the FY 2017-18 will be ₹ 1,007 Lakhs including dividend taxes.

PERFORMANCE REVIEW

Your Directors are glad to report that the Company crossed the historic mark of ₹ 1,000 Crores turnover in FY 2017-18 on a consolidated basis.

Your Directors are pleased to report that on standalone basis both sales and profitability witnessed a substantial improvement compared to a year ago. The net income from operation was higher by 31.2% whereas pre-tax profit showed a jump of 55.7%. The Company recorded the net sales of ₹ 92,864 Lakhs as against ₹ 71,110 Lakhs in the previous year. The other income was at ₹ 857 Lakhs. Pre-tax profit for the year under review was ₹ 5,289 Lakhs as against ₹ 3,397 Lakhs a year ago.

On a consolidated basis also, both total income and pre-tax profit were higher compared to previous year. The net sales was higher by about 31.3% at ₹ 101,349 Lakhs as against ₹ 77,163 Lakhs in the previous year whereas pre-tax profit was ₹ 5,556 Lakhs as against ₹ 3,547 Lakhs a year ago, a jump of 56.6%.

The remarkable performance was mainly on account of an all-round improvement in the operations of the Company. A detailed analysis and discussion on Company's performance is given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

The Company has not transferred any amount to the general reserve during the current financial year.

EXPORTS

The total exports (including overseas subsidiary) for the year amounted to ₹ 18,844 Lakhs as against ₹ 11,320 Lakhs in the previous year, an increase of 66.4%. Exports now constitute 18.4% of the consolidated net sales. The continued focus on exports has seen an increasing trend in the last few years.

SHARE CAPITAL

During the year, the Company allotted 2,49,288 Equity Shares of ₹ 5/- each on September 23, 2017 to the employees of the Company, who exercised their options under the Employee Stock Options Scheme. The Company also allotted 8,60,000 Equity Shares of ₹ 5/- each at a premium of ₹ 474/- per share to Enkei Corporation, Japan on November 6, 2017. All the new shares allotted during the year rank pari passu with the existing Equity Shares.

During the year under review and to-date, your Company has not issued any shares with differential rights. Hence, no information as required under Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial accounts are prepared based on financial statements of the subsidiary companies in accordance with the Accounting Standards 21, 23 and 27 issued by the Institute of Chartered Accountants of India. The said consolidated accounts forms part of this report and accounts.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.alicongroup.co.in. The Company will make available the audited annual accounts and related information of its subsidiaries upon request by any of its shareholders.

SUBSIDIARY COMPANIES

Your Company has three foreign subsidiaries viz. Alicon Holding GmbH, Illichmann Castalloy S.R.O. and Illichmann Castalloy GmbH. Alicon Holding GmbH is a 100% subsidiary of your Company, who in turn holds 100% capital of Illichmann Castalloy S.R.O. Illichmann Castalloy GmbH is a 100% subsidiary of Illichmann Castalloy S.R.O.

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

INTERNAL FINANCIAL CONTROLS

The internal financial control adopted and followed by your Company are adequate and are operating effectively. Your Company has adopted a dynamic internal financial controls framework formulated by the Company in consultation with Purandhare and Narwadkar, Chartered Accountants, who are domain specialist in the area of financial accounting and internal controls based on the best practices followed in the industry. During the year under review, no material or serious observation is made by the Internal Auditors of your Company.

MANAGEMENT DISCUSSION AND ANALYSIS

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

RELATED PARTIES TRANSACTION

During the year under review, your Company had, in the ordinary course of business, entered into contract/arrangement/transactions with related parties, which were on arm's-length basis and none of which could be considered as material in accordance with the policy of your Company on materiality of related party transactions. Details of all related party transactions are placed before the Audit Committee. The policy on Related Party Transactions as approved by the Board of Directors is placed on the Company's website.

Since all the transactions with related parties entered into by the Company were in ordinary course of business and were on arm's-length basis, Form AOC-2 is not applicable to the Company.

STATUTORY AUDITORS

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

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

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

SECRETARIAL AUDIT REPORT

During the year, Secretarial Audit was carried out by Mr. Upendra C. Shukla, Practising Company Secretary for FY 2017-18. The report on the Secretarial Audit is appended as Annexure II to this report. According to the Board of Directors, the report does not have any adverse remark.

CREDIT RATING

CRISIL has upgraded its ratings on the bank facilities availed by Alicon Castalloy Limited (ACL) to 'CRISIL A/Stable/CRISIL A1' from 'CRISIL A-/Positive/CRISIL A2+'

The upgrade reflects expected improvement in the business risk profile in the medium term with healthy revenue growth and operating profitability, driven by steady increase in share of business from existing customers and addition of new customers/products and improving revenue diversity due to higher growth in non-auto business and exports. The rating upgrade also reflects improvement in financial risk profile post equity infusion of ₹ 41 Crore through preferential allotment to Enkei Corporation, Japan.

LOANS, GUARANTEES AND INVESTMENTS

The full particulars of guarantee given, investments made or loan given or security provided as per the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements (refer to note nos. 4, 5 and 46).

MATERIAL CHANGES AND COMMITMENT

No material change and commitment, which could affect your Company's financial position, has occurred between the end of the FY 2017-18 and the date of this report.

CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of your Company.

PUBLIC DEPOSITS

Your Company has not accepted any deposit from the public, its shareholders or employees during the financial year under review.

CONSERVATION OF ENERGY ETC.

Information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as an Annexure III and forms part of this report.

RISK MANAGEMENT

The Company has a Risk Management Committee at a management level. This committee is responsible for reviewing the risk management plan and its effectiveness. The audit committee also reviews the financial risk and its control. The management also continuously the risk involved in the business and all-out efforts are made to mitigate the risk with appropriate action. All the assets of the Company are adequately covered by comprehensive insurance.

A detailed note on risk management is given under financial review section of the Management Discussion and Analysis of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's philosophy rests on dovetailing the community need with the organisational involvement, adding value in all initiatives with the community. The Promoters of your Company has set up the Trust viz. 'Bansuri Foundation'. Your Company actively works in association of the said Foundation for providing services in community healthcare, women's empowerment, rural education and village development.

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

CORPORATE GOVERNANCE

In line with the requirement of the Companies Act, 2013 as also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted various committees. Details of these committees along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report.

A separate report on Corporate Governance is annexed, which forms part of this report. A certificate of CEO and CFO of the Company confirming the correctness of the financial and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed and forms part of this Directors' Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Pamela Rai shall retire by rotation at the forthcoming Annual General Meeting and being eligible has offered herself for re-appointment.

Information and brief profile of Mrs. Pamela Rai, who is seeking re-appointment is provided in the Corporate Governance Report, which forms part of this Annual Report. Further, the business item relating to the re-appointment of the above Director has been included in the Notice of the AGM.

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

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. S. Rai is the Managing Director, Mr. R. Sikand is Chief Executive Officer, Mr. Vimal Gupta is the Chief Finance Officer and Mr. P.S. Rao is the Company Secretary.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

DECLARATION OF INDEPENDENCE

All the independent directors have submitted declarations as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as stipulated in Section 149(6) of the Act.

NOMINATION & REMUNERATION POLICY

The Nomination and Remuneration Policy recommended by the Nomination & Remuneration Committee is duly approved and adopted by the Board of Directors. The said policy is annexed to the report as Annexure V.

NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board of Directors and one meeting of Independent Directors were held during the year under review. Corporate Governance Report, which forms part of this report, contains the details about the Board meetings as also the meeting attended by each Director of the Company.

BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had done the annual evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

Policy on appointment of directors and remuneration as provided in Section 178(3) of the Companies Act, 2013 has been dealt with in the corporate governance report, which forms part of the Directors' Report.

AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details pertaining to the audit committee are included in the Corporate Governance Report, which forms part of this report.

EMPLOYEES

The relations between the management and employees remained cordial throughout the year.

The particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure VI.

In terms of Rule 5 (2) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, the details of top ten employees of the Company in terms of remuneration drawn and details of employees, who were in receipt of remuneration exceeding ₹ 10,200,000/- per annum, if employed throughout the year, or ₹ 850,000/- per month, if employed for a part of the financial year, are appended and forms part of this report. The said annexure is not being sent along with this report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members, who are interested in obtaining these particulars may write to the Company. The aforesaid annexure is also available for inspection by the members at the Registered Office of the Company, 21 days before the 28th Annual General Meeting and up to the date of the said Annual General Meeting during normal business hours on all working days.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

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

INDUSTRIAL RELATIONS

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

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

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 in pursuance to the provisions of Section 92(3) of the Companies Act, 2013 is annexed to this report as Annexure VIII and forms part of this report.

RECEIPT OF REMUNERATION BY MANAGING DIRECTOR FROM SUBSIDIARY COMPANY

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

VIGIL MECHANISM

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement. The whistle blower policy adopted by the Board of Directors is hosted on the website of the Company.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In compliance to the ‘Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has a duly constituted internal complaint committee. The Committee has formulated policy to ensure protection to its female employees.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no material and significant orders passed by any of the regulators or courts or tribunals impacting the going concern status and the Company’s operations.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

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

Place: Shikrapur, Pune
Date: July 23, 2018

ANNEXURE - I
FORM AOC-1

[Pursuant to first provision to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiary companies.

(₹ in Lakhs)

Sr. No.	1	2	3
Name of the Subsidiary	**Alicon Holding GmbH**	**Illichmann Castalloy GmbH**	**Illichmann Castalloy S.R.O**
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April to March	April to March	April to March
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Euro Exchange Rate 1 EURO = INR 80.62	Euro Exchange Rate 1 EURO = INR 80.62	Euro Exchange Rate 1 EURO = INR 80.62
Share Capital	20.82	20.82	2.97
Reserves & Surplus	-64.58	90.72	-329.74
Total Assets	1,075.72	2,605.29	4,093.70
Total Liabilities	1,075.72	2,605.29	4,093.70
Investments	1,044.07	NIL	4,46.13
Turnover	--	6,051.50	7,420.54
Profit before Taxation	-7.81	91.61	221.82
Provision for Taxation	1.32	13.01	2.17
Profit after Taxation	-9.13	78.60	219.65
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100%	100%	100%

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

On behalf of the Board of Directors

(S. Rai)
Managing Director
DIN : 00050950

(A.D. Harolikar)
Director
DIN : 00239460

Place: Shikrapur, Pune
Date: July 23, 2018

ANNEXURE - II

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
Alicon Castalloy Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Alicon Castalloy Limited for the financial year ended on March 31, 2018 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exits for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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

I further report that during the audit period, except grant of 4,65,333 Options under the Alicon Castalloy Ltd. Employees Stock Option Scheme-2015 by the Board of Directors on 02/08/2016, there was no other specific event/action in pursuance of the laws, rules, regulations, guidelines, etc. referred to above, having major bearing on the Company's affairs.

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

Place: Mumbai
Date: July 23, 2018

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

ANNEXURE A

To,
The Members,
Alicon Castalloy Limited

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

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

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

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

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

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

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

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

Place: Mumbai
Date: July 23, 2018

ANNEXURE - III

Information as required to be given under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

[A] CONSERVATION OF ENERGY:

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

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

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

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

- heat insulation paint and insulation sheet to be provided on h/t furnace
- Installed and commissioned the roof top solar panel of 600 kWp capacity in plant
- Replacement of electrical pit type furnaces to lpg fire furnace in order to reduce air pollution
- Fuel change in mchf furnace from furnace oil to LPG
- Conversion of CBFS furnace to LPG fire furnace in order to reduce air pollution

(iii) Capital investment on energy conservation equipment:

- Energy efficient compressor installation instead of old low efficiency compressors
- Introduce new brush-less DC motors instead of induction motors
- Conversion of heat treatment furnace from electricity to LPG fire
- Replaced the electrical operated LPG vapouriser to heater less vapouriser (safety enhancement and energy saving)

[B] TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

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

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

- Cost reduction and safety enhancement for LPG vapourised operation

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

- No technology is imported

(iv) Expenditure incurred on Research and Development:

(₹ in Lakhs)

	2017-18	2016-17
Capital	41.43	6.06
Recurring	567.63	514.21
Total	**609.06**	**520.27**
Total R&D expenditure as a percentage of total turnover	0.64%	0.73%

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakhs)

	2017-18	2016-17
Foreign Exchange earned	8,073.46	4,553.91
Foreign Exchange saved/deemed exports	3,063.26	2,111.60
Total	**11,136.72**	**6,665.51**
Foreign Exchange used	3,019.32	3,900.92

On behalf of the Board of Directors

(S. Rai)
Managing Director
DIN : 00050950

(A.D. Harolikar)
Director
DIN : 00239460

Place: Shikrapur, Pune
Date: July 23, 2018

ANNEXURE - IV
REPORT ON CSR ACTIVITIES

Annual Report on the CSR activities pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Social Responsibility Policy) Rules, 2014

1) **Brief outline of the Company's CSR Policy:**

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company has adopted the CSR Policy. This policy lays down the thrust area of CSR initiatives that include projects benefiting the under-privileged community and under-developed areas around the plants of the Company located at Shikrapur, Dist. Pune and at Binola, Haryana.

Based on the prevailing social and business challenges, your Company has focussed its resources on the following broad interventions:

a) Education

b) Employment

c) Essential Amenities

d) Women's Empowerment

The details of CSR Policy enumerating the activities/programmes proposed to be undertaken by the Company can be viewed on the Company's website www.alicongroup.com

2) **Composition of CSR Committee:**

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

3) **Average net profit of the Company for the last three years:**

(₹ in Lakhs)

	2014-15	2015-16	2016-17
Net Profit u/s 198	2,972.22	3,152.20	3,26.60
Average Net Profit for last 3 (three) years - ₹ 3,217.00 Lakhs			

4) Prescribed CSR expenditure (2% of the amount as in Sr. No. 3 above):

5) Details of CSR spent during the FY 2017-18:

a) Total amount to be spent for the financial year: ₹ 64.30 Lakhs

b) Amount unspent: NIL

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project Area	Project Budget (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent directly or through Implementing Agency
1	ECT Programme (Aseema Bal Shaikshanik Kendra)	Education	Igatpuri, Nashik	650,000	483,138	Implementing Agency
2	Secondary School Education (Babu Jagjeevan Vidyalaya - iTeach)	Education	Yerawda, Pune	3,000,000	3,000,000	Implementing Agency

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project Area	Project Budget (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent directly or through Implementing Agency
3	Lifeskill & Counselling for Adolescent (CYDA)	Education	Pimpri-Chinchwad Municipal Corporation, Pune	700,000	274,500	Implementing Agency
4	Rain Water Harvesting - Phase 2 (Peoples' Empowering Movement)	Rural Livelihood	Rajwadi Village, District - Ratnagiri	176,000	176,000	Implementing Agency
5	Irrigation Project (Peoples' Empowering Movement)	Rural Livelihood	Rajwadi Village, District - Ratnagiri	349,250	300000	Implementing Agency
6	Irrigation Project (Shri Ganesh Shetkari Utpadak Bachat Gat - PEM)	Rural Livelihood	Dhamani Village, District - Ratnagiri	990,000	250,000	Implementing Agency
7	Dairy Project (Navlaee Krishi Mahila Bachat Gat - PEM)	Rural Livelihood	Dhamani Village, District - Ratnagiri	643,180	473,180	Implementing Agency
8	Irrigation Project - Phase 2 (Peoples' Empowering Movement)	Rural Livelihood	Chikhali Village, District - Ratnagiri	80,000	80,000	Implementing Agency
9	Promotion of Folk Culture (Bramhanwadi Gramasth Mandal - PEM)	Art & Culture	Rajwadi Village, District - Ratnagiri	0	48,000	Implementing Agency
10	Drinking Water Project (Peoples' Empowering Movement)	Swachh	Bamnawadi, Tural Village, District - Ratnagiri	0	125,780	Implementing Agency
11	VermiCulture Project (Peoples' Empowering Movement)	Rural Livelihood	Guhaghar, District - Ratnagiri	0	166,000	Implementing Agency
12	Women Skill Development & Livelihood Programme - Sakhi (Sanshil Foundation for Welfare)	Rural Livelihood	Pukharpur Village, Gurgaon	350,000	369,531	Implementing Agency
13	Construction of Toilets & Water Filtration Unit (Samata Mandir School)	Swachh	Yerwada, Pune	750,000	500,000	Implementing Agency
14	Social Venture Partners (SVP)	Livelihood	Pune City	200,000	200,000	Direct
15	Due Diligence, Management and Impact Assessment			600,000	581,934	Implementing Agency

6) In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

Not applicable since the Company has spent ₹ 70.34 Lakhs.

7) The CSR Committee affirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policies of the Company.

On behalf of the Board of Directors

(S. Rai)
Managing Director
DIN : 00050950

(A.D. Harolikar)
Director
DIN : 00239460

Place: Shikrapur, Pune
Date: July 23, 2018

ANNEXURE - V

NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

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

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

2. DEFINITIONS

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

b) Board means Board of Directors of the Company

c) Directors mean Directors of the Company

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

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

3. ROLE OF COMMITTEE

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

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

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

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

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

3.2.1 Appointment criteria and qualifications:

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

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

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

3.2.2 Term / Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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

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

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

3.2.3 Evaluation

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

3.2.4 Removal

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

3.2.5 Retirement

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

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

3.3.1 General

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

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

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

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

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

a) Fixed Pay:

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

b) Minimum Remuneration:

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

c) Provisions for Excess Remuneration:

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

3.3.3 Remuneration to Non-Executive / Independent Director:

a) Remuneration / Commission:

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

b) Sitting Fees:

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

c) Commission:

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

d) Stock Options:

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

4. MEMBERSHIP

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

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

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

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

5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

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

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

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

6. FREQUENCY OF MEETINGS

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

7. COMMITTEE MEMBERS' INTERESTS

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

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

8. DUTIES OF COMMITTEE

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

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

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

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

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

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

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

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

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

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

8.10 Recommend any necessary changes to the Board; and

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

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

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

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

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

9. MINUTES OF COMMITTEE MEETING

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

ANNEXURE - VI

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule	Particulars			
(1)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a)	Mr. S. Rai, Managing Director	95%
			None of the other Directors were in receipt of any remuneration except sitting fees	
(2)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	a)	Mr. S. Rai, Managing Director	88%
		b)	Mr. R. Sikand, Chief Executive Officer	20%
		c)	Mr. Vimal Gupta, Chief Financial Officer	-17%
		d)	Mr. P. S. Rao, Company Secretary	-
(3)	The percentage increase in the median remuneration of employees on the rolls of the Company			9.5%
(4)	The number of permanent employees on the rolls of the Company			1,037
(5)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The existing managerial remuneration was below the current market and thus the same has been rationalised as per the current industry standards while for others it is about 9.5%. This is based on other factors relevant for the purpose.		
(6)	It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company			

On behalf of the Board of Directors

(S. Rai)
Managing Director
DIN : 00050950

(A.D. Harolikar)
Director
DIN : 00239460

Place: Shikrapur, Pune
Date: July 23, 2018

ANNEXURE - VII

Disclosure as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 (9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulations 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

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

		Alicon Employees Stock Option Scheme – 2015 (ESOS-2015)
1	Date of Shareholders' approval	December 30, 2015
2	Total number of options approved under ESOS	612,800
3	Vesting Requirements	ESOS Scheme
4	Exercise price or pricing formula	--
5	Maximum terms of options granted	5 Years
6	Source of shares	Primary
7	Variation in terms of option	No variation in the terms of option
8	Method of Option Valuation	Intrinsic value
9	Option Movement during the year	
	Number of Options outstanding at the beginning of the period	147,467
	Number of Options granted during the year	120,000
	Number of Options forfeited/lapsed during the year	10,233
	Number of Options vested during the year	--
	Number of Options exercised during the year	253,899
	Number of shares arising as a result of exercise of options	Not Applicable
	Money realised by exercise of Options (Amount in ₹)	Not Applicable
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of Options outstanding at the end of the year	27,467
	Number of Options exercisable at the end of the year	321,201
10	Employee-wise details of Options granted:	

i. **Senior Managerial Personnel:**

Name	**Designation**	**Options Granted during the year**	**Exercise Price per Share**
a) Mr. Rajeev Sikand	Group CEO	120,000	₹ 124
b) Mr. Vimal Gupta	Group CFO	105,000	₹ 124

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

Name	**Designation**	**Options Granted during the year**	**Exercise Price**
None	--	--	--

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

Name	**Designation**	**Options Granted during the year**	**Exercise Price**
None	--	--	--

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

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

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

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

i. Senior Managerial Personnel:

Name	Designation	Options Granted during the year	Exercise Price
a) Mr. Rajeev Sikand	Group CEO	--	--
b) Mr. Vimal Gupta	Group CFO	--	--

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

Name	Designation	Options Granted during the year	Exercise Price
None	--	--	--

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

Name	Designation	Options Granted during the year	Exercise Price
None	--	--	--

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

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

INDEPENDENT AUDITORS' CERTIFICATE IN CONNECTION WITH THE ALICON CASTALLOY LTD. – EMPLOYEES STOCK OPTION SCHEME – 2015 AND ALICON CASTALLOY LTD. – EMPLOYEES STOCK OPTION SCHEME – 2017

1. This certificate is issued in accordance with the terms of our engagement letter.
2. We were informed by Alicon Castalloy Ltd. ('the Company') that the Company requires a certificate from its Statutory Auditors for the year ended March 31, 2018 confirming that Alicon Castalloy Ltd. – Employees Stock Option Scheme – 2015 and Alicon Castalloy Ltd. – Employees Stock Option Scheme – 2017 ('the Schemes') were implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the circular CIR/CFD/ POLICY CELL/2/2105 dated June 16, 2015 and in accordance with the resolutions of the Company passed in the general meeting approving the Schemes.

MANAGEMENT'S RESPONSIBILITY

3. The Company's management is responsible for maintaining the information and documents, which are required to be maintained under the above regulations. Implementing the Schemes in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed in the general meeting is the responsibility of the Company.
4. The Company's management is also responsible for compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the circular CIR/CFD/POLICY CELL/2/2105 dated June 16, 2015 with respect to the Schemes.

AUDITORS' RESPONSIBILITY

5. Pursuant to requirements of above-mentioned guidelines, our responsibility is to provide a reasonable assurance, based on our examination of records, documents and information and explanation given to us by the management, whether the Schemes are in compliance with the above-mentioned SEBI (Share Based Employee Benefits) Regulations, 2014 read with the circular CIR/CFD/POLICY CELL/2/2105 dated June 16, 2015 and are in accordance with the resolutions passed in the general meetings of the Company.
6. We conducted our examination with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. In connection with the above, we have performed the following procedures:
   a) Read the Schemes provided to us by the Company;
   b) Read the resolutions passed at the meeting of the Board of Directors;
   c) Read the shareholders' resolutions passed at the general meetings; and
   d) Obtained required explanation and representation from the management.
8. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audit and Reviews of Historical Financial Information and other Assurance and Related Services Engagements.

OPINION

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

RESTRICTION ON USE

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

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

Place: Shikrapur, Pune
Date: July 23, 2018

ANNEXURE - VIII

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Information
i.	CIN	L99999PN1990PLC059487
ii.	Registration Date	19/12/1990
iii.	Name of the Company	ALICON CASTALLOY LTD.
iv.	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v.	Address of the Registered Office and Contact details	Survey No.1426, Village Shikrapur, Taluka Sirur, Dist. Pune - 412 208, Maharashtra
vi.	Whether listed Company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Tel: 022-28207203

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1	Aluminium alloy castings	2008-24320	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1)	Alicon Holding GmbH	--	Subsidiary	100	2(87)(ii)
2)	Illichmann Castalloy S.R.O	--	Subsidiary	100	2(87)(ii)
3)	Illichmann Castalloy GmbH	--	Subsidiary	100	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual / HUF	834620	--	834620	6.81	834620	--	834620	6.24	-0.57%
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	7866793		7866793	64.19	7866793		7866793	58.86	-5.33%
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	**8701413**		**8701413**	**71**	**8701413**		**8701413**	**65.1**	**-5.90%**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**8701413**	**--**	**8701413**	**71**	**8701413**	**--**	**8701413**	**65.1**	**-5.90%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / UTI	--	--	--	--	--	--	--	--	--
b) Banks / FI	764	--	764	Negligible	2383	--	2383	0.02	0.02%
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Any others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	**--**	**--**	**--**	**--**	**2383**	**--**	**2383**	**0.02**	**0.02%**
2. Non-Institutions									
a) Bodies Corporate					--	--	--	--	--
i) Indian	282018	1000	283018	2.31	299742	1000	300742	2.25	-0.06%
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to ₹ 1 Lakh	1636436	119662	1756098	14.33	1561984	113222	1675206	12.53	-1.80%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	249147	--	249147	2.03	552620	--	552620	4.13	2.10%
c) Any others (specify)									
NRI/OCB	127446	--	127446	1.04	138982	--	138982	1.04	--
Clearing members	38136	--	38136	0.31	33964	--	33964	0.26	(0.05%)
Directors & relatives	200	--	200	--	200	--	200	--	--
Foreign collaborators	1100000	--	1100000	8.98	1960000	--	1960000	14.67	5.69%
Sub-total (B)(2):-	**3433383**	**120662**	**3554045**	**29**	**4547492**	**114222**	**4661714**	**34.88**	**5.88%**
Total Public Shareholding (B)=(B) (1)+ (B)(2)	**3434147**	**120662**	**3554809**	**29**	**4549875**	**114222**	**4664097**	**34.9**	**5.90%**
C. Shares held by Custodian for GDRs & ADRs	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Grand Total (A+B+C)	**12135560**	**120662**	**12256222**	**100**	**13251288**	**114222**	**13365510**	**100**	**--**

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	Mr. S. Rai	834444	6.81	0	834444	6.24	0	-0.57%
2.	Nastic Trading LLP	6762822	55.18	0	6762822	50.6	0	-4.58%
3.	Pamela Trading LLP	286000	2.33	0	286000	2.14	0	-0.19%
4.	Atlas Castalloy Ltd.	99820	0.81	0	99820	0.75	0	-0.06%
5.	Skyblue Trading & Invs. P. Ltd.	254880	2.08	0	254880	1.91	0	-0.17%
6.	U.C. Rai Holding P. Ltd	340998	2.78	0	340998	2.55	0	-0.23%
7.	Mrs. Usha Rai	100	Negligible	0	100	Negligible	0	-
8.	Mrs. Meenal Gidwani	20	Negligible	0	20	Negligible	0	-
9.	Mrs. Vinita Chandra	20	Negligible	0	20	Negligible	0	-
10.	Mithras Trading LLP	122273	1	0	122273	0.91	0	-0.07%
11.	Divya Rai	12	Negligible	0	12	Negligible	0	-
12.	Shefali Rai	12	Negligible	0	12	Negligible	0	-
13.	Ishaan Rai	12	Negligible	0	12	Negligible	0	-
	Total	**8701413**	**71**	**0**	**8701413**	**65.1**	**--**	**-5.90%**

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Name and PAN	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
1	Mr. S. Rai						
	At the Beginning of the year	834444	6.81	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	834444	6.24	31/03/2018			
2	Nastic Trading LLP						
	At the Beginning of the year	6762822	55.18	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	6762822	50.6	31/03/2018			
3	Pamela Trading LLP						
	At the Beginning of the year	286000	2.33	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	286000	2.14	31/03/2018			
4	Atlas Castalloy Ltd.						
	At the Beginning of the year	99820	0.81	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	99820	0.75	31/03/2018			
5	Skyblue Trading and Investments Pvt. Ltd.						
	At the Beginning of the year	254880	2.08	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	254880	1.91	31/03/2018			
6	U. C. Rai Holdings Pvt. Ltd.						
	At the Beginning of the year	340998	2.78	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	340998	2.55	31/03/2018			

Sr. No.	Name and PAN	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
7	Mrs. Usha Rai						
	At the Beginning of the year	100	Negligible	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	100	Negligible	31/03/2018			
8	Mrs. Meenal Gidwani						
	At the Beginning of the year	20	Negligible	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	20	Negligible	31/03/2018			
9	Mrs. Vinita Chandra						
	At the Beginning of the year	20	Negligible	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	20	Negligible	31/03/2018			
10	Mithras Trading LLP						
	At the Beginning of the year	122273	1	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	122273	0.91	31/03/2018			
11	Divya S. Rai						
	At the Beginning of the year	12	Negligible	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	12	Negligible	31/03/2018			
12	Shefali S. Rai						
	At the Beginning of the year	12	Negligible	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	12	Negligible	31/03/2018			
13	Ishaan S.Rai						
	At the Beginning of the year	12	Negligible	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	12	Negligible	31/03/2018			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
1	Enkei Corporation						
	At the Beginning of the year	1100000	8.23	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year			06/11/2017	860000	1960000	14.66
	At the End of the year	1960000	14.66	31/03/2018			
2	Nirav Mahendra Sheth						
	At the Beginning of the year	145509	1.09	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
	At the End of the year	145509	1.09	31/03/2018			
3	India Infoline Limited						
	At the Beginning of the year	49822	0.37	01/04/2017			
				07/04/2017	-1547	48275	0.36
				14/04/2017	64	48339	0.36
				28/04/2017	137	48476	0.36
				05/05/2017	-11032	37444	0.28
				12/05/2017	-246	37198	0.28
				02/06/2017	471	37669	0.28
				21/07/2017	-36161	1508	0.01
				28/07/2017	-1408	100	0
				08/09/2017	-85	15	0
				15/09/2017	-3	12	0
				22/09/2017	38	50	0
				13/10/2017	556	606	0
				10/11/2017	15766	16372	0.12
				24/11/2017	105	16477	0.12
				01/12/2017	498	16975	0.13
				08/12/2017	-603	16372	0.12
				15/12/2017	50	16422	0.12
				22/12/2017	-45	16377	0.12
				29/12/2017	2572	18949	0.14
				05/01/2018	-2465	16484	0.12
				12/01/2018	-702	15782	0.12
				19/01/2018	1	15783	0.12
				25/01/2018	531	16314	0.12
				02/02/2018	-660	15654	0.12
				09/02/2018	-11	15643	0.12
				16/03/2018	99	15742	0.12
				23/03/2018	101	15843	0.12
	At the End of the year	15843	0.12	31/03/2018			
4	Savitha Raghavan						
	At the Beginning of the year	46210	0.35	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	46210	0.35	31/03/2018			
5	Ashwani Kumar						
	At the Beginning of the year	45000	0.34	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	45000	0.34	31/03/2018			
6	Mr. Ravindra Prabhudas Mahbubani						
	At the Beginning of the year	30000	0.22	01/04/2017			
				14/04/2017	-10000	20000	0.15
				07/07/2017	-5000	15000	0.11
				22/12/2017	-5000	10000	0.07
	At the End of the year	10000	0.07	31/03/2018			
7	Aziz Yakub Shaikh						
	At the Beginning of the year	27600	0.21	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year			29/12/2017	-27600	--	--

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
	At the End of the year	--	--	31/03/2018			
8	Vijay Mohan Karnani						
	At the Beginning of the year	26000	0.19	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	26000	0.19	31/03/2018			
9	Navinchandra Shah						
	At the Beginning of the year	24472	0.18	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year					--	--
				07/04/2017	-24472		
	At the End of the year	--	--	31/03/2018			
10	Ashwini Agarwal						
	At the Beginning of the year	22439	0.17	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year			28/04/2017	-22439	--	--
	At the End of the year	--	--	31/03/2018			

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director / KMP	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of Shares.	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Mr. S. Rai, Managing Director						
	At the beginning of the year	834444	6.81	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	834444	6.24	31/03/2018			
2	Mr. Anil D. Harolikar, Director						
	At the beginning of the year	200	Negligible	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	200	Negligible	31/03/2018			
3	Mr. Vinay H. Panjabi, Director						
	At the beginning of the year	--	--	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	--	--	31/03/2018			
4	Mrs. Pamela S. Rai, Director						
	At the beginning of the year	--	--	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	--	--	31/03/2018			

Sr. No.	Name of Director / KMP	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Cumulative Shareholding during the year	
		No. of Shares.	% of total shares of the Company			No. of shares	% of total shares of the Company
5	Mr. Junichi Suzuki, Director						
	At the beginning of the year	--	--	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	--	--	31/03/2018			
6	Mr. Rajeev Sikand, Chief Executive Officer						
	At the beginning of the year	58638	0.49	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year			23/09/2017	120000	178638	1.34
	At the End of the year	178638	1.34	31/03/2018			
7	Mr. Vimal Gupta, Chief Finance Officer						
	At the beginning of the year	550	Negligible	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year			23/09/2017	105000	105550	0.79
	At the End of the year	105550	0.79	31/03/2018			
8	Mr. P. S. Rao, Company Secretary						
	At the beginning of the year	--	--	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	--	--	31/03/2018			
9	Mr. Ajay Nanavati, Director						
	At the beginning of the year	--	--	01/04/2017			
	Datewise Increase / Decrease in Shareholding during the Year				--	--	--
	At the End of the year	--	--	31/03/2018			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2017)				
i) Principal Amount	22164.57	947.74	-	23112.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	74.06	-	-	74.06
Total (i+ii+iii)	**22,238.63**	**947.74**	**-**	**23,186.37**
Change in Indebtedness during the financial year				
Addition	3,765.70	1118.81	-	4,884.51
Reduction	2,554.28	910.71	-	3,464.99
Net Change	**1,211.42**	**208.1**		**1,419.52**

(₹ in Lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year (31/03/2018)				
i) Principal Amount	23372.2	1,155.84	-	24,528.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	77.85		-	77.85
Total (i+ii+iii)	**23,450.05**	**1,155.84**	**-**	**24,605.89**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. S. Rai, Managing Director	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	57.36	**57.36**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.90	**0.90**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
2.	Stock Option	-	
3.	Sweat Equity	-	
4.	Commission - as % of profit - Others, specify...	17.71	**17.71**
5.	Others, please specify		
	Total (A)	**75.97**	**75.97**
	Ceiling as per the Act		

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Mr. A. D. Harolikar	Mr. Ajay Nanavati	Mrs. P. Rai	Mr. Vinay Panjabi	Mr. Junichi Suzuki	Total Amount
1.	Independent Directors Fee for attending board / committee meetings Commission Others, please specify	2.1	1.25		2.1		5.45
	Total (1)	**2.1**	**1.25**		**2.1**		**5.45**
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify			0.75			0.75
	Total (2)			**0.75**			**0.75**
	Total (B)=(1+2)	**2.10**	**1.25**	**0.75**	**2.10**		**6.20**
	Total Managerial Remuneration						6.20
	Overall Ceiling as per the Act						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Rajeev Sikand, CEO	Mr. Vimal Gupta, CFO	Mr. P. S. Rao, Company Secretary	Total
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	104.52	56.29	1.2	162.01
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	11.59	4.21		15.8
2.	Stock Option	621.98	544.24		1,166.22
3.	Sweat Equity				
4.	Commission - as % of profit - Others, specify…	122.35			122.35
5.	Others, please specify				
	Total	**860.44**	**604.74**	**1.2**	**1,466.38**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICER IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

Corporate Governance Report

Pursuant to Regulation 34(3) read with clause C of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 [hereinafter referred to as SEBI (LODR) Regulations, 2015], a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

The names and categories of the Directors on the Board, their attendance at Board Meeting 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:

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 Director	5	Yes
Mr. J. Suzuki	Non-Executive Director	1	No
Mrs. Pamela Rai	Non-Executive Director	4	Yes
Mr. Vinay Panjabi	Independent Director	5	No
Mr. Ajay Nanavati	Independent Director	5	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 31.03.2018
Mr. S. Rai	3	0	8,34,444
Mrs. P. Rai	2	0	0
Mr. A.D. Harolikar	1	0	200
Mr. J. Suzuki	1	0	0
Mr. Vinay Panjabi	0	0	0
Ajay Nanavati	1	1	0

Note:

1) # Excluding Directorship in Foreign Companies and Companies under Section 8 of the Companies Act, 2013

2) Mr. S. Rai is husband of Mrs. P. Rai. Mrs. P. Rai is wife of Mr. S. Rai. None of the other Directors is related to any other Director on the Board in terms of the provisions of the Companies Act, 2013.

3) Independent Directors meet with criteria of their independence as mentioned in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

4) Chairmanship/Membership of Board Committees includes Audit and Stakeholders' Relationship Committee only.

Board Meetings held during the financial year 2017-18

During the year ended March 31, 2018 five Meetings of the Board of Directors were held namely on 29/04/2017, 09/05/2017, 08/08/2017, 31/10/2017, 31/01/2018.

Separate meeting of Independent Directors

As stipulated by the code of Independent Directors under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 a separate meeting of Independent Directors of the Company was held on March 28, 2018 to review the performance of non-independent directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its committees, which is necessary to effectively and reasonably perform and discharge their duties.

Directors' Induction, Familiarisation & Training of Board Members

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

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

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

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

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 Agenda. 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.

Code of Conduct

The Board has laid down Codes of Conduct for the Board Members and other 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 177 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Audit Committee comprises of Mr. A.D. Harolikar, Chairman of the Committee, Mr. Vinay Panjabi, both being Independent Directors and Mr. S. Rai, Managing Director.

The Chief Financial Officer, Chief Executive Officer and Internal Auditors the statutory Auditors, are the permanent invitees to the Audit Committee meetings.

During the year ended March 31, 2018 four meetings of the Audit Committee were held; namely on 28/04/2017, 03/08/2017, 30/10/2017, 31/01/2018.

Mr. A.D. Harolikar, Chairman of the Committee and Mr. Vinay Panjabi, Member, were present in all the Committee meetings. Mr. S. Rai attended one meeting.

4. NOMINATION & REMUNERATION COMMITTEE (NRC)

The Nomination & Remuneration Committee comprises of three Directors. Mr. A. D. Harolikar, Chairman of the Committee, Mr. Vinay Panjabi, Independent Director and Mr. J. Suzuki, Director.

The Remuneration and Nomination Committee of the Company is empowered to –

a) formulate the criteria for determining qualification, positive attributes and independence of director and recommend to the Board a policy, relating to the remuneration for directors, key managerial personnel and other employees;

b) formulate criteria for evaluation of independent directors and the Board;

c) devise the policy on Board diversity;

d) Identify persons, who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

During the year one meeting was held viz. on 03/08/2017.

Remuneration of Managing Director:

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

a) Details of remuneration paid to Managing Director:

(₹ in Lakhs)

Name	Salary	Perquisites	Commission	Total
Mr. S. Rai	57.36	0.90	17.71	75.97

b) Details of sitting Fees paid to the Non-Executive Directors for attending the Board and Committee Meetings during the financial year 2017-18:

S/ No:	Name of Directors	Sitting fees paid (₹ In Lakhs)
1)	Mr. A.D. Harolikar	₹ 2.10/-
2)	Mrs. Pamela Rai	₹ 0.75/-
3)	Mr. Vinay Panjabi	₹ 2.10/-
4)	Mr. Ajay Nanavati	₹ 1.25/-
5)	Mr. J. Suzuki	₹ 0/-

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.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee functions under the Chairmanship of Mr. A.D. Harolikar, an Independent Director, Mr. S. Rai and Mr. Vinay Panjabi, being the members. During the year two meetings were held i.e. on April 29, 2017 and August 8, 2017. All the committee members were present in all the meeting.

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

During the financial year ended on March 31, 2018, three complaints were received. All the complaints were duly redressed in time. There was no outstanding complaint as on March 31, 2018.

All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on March 31, 2018.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. S. Rai heads the Corporate Social Responsibility (CSR) Committee and Mrs. Pamela Rai and Mr. Vinay Panjabi are the other members. CSR policy adopted by the Board is available on the Company's website www.alicongroup.co.in. The terms of reference of the said Committee broadly comprises the following:

a. To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; and

b. To provide guidance on various CSR activities to be undertaken by the Company and to monitor their progress.

During the year four meetings were held i.e. on 29/04/2017, 08/08/2017, 31/01/2018 and 12/03/2018. All the members of the Committee were present in all the meetings.

7. INTERNAL COMPLAINT COMMITTEE

The committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee is headed by Mrs. Sulabha Sawant as presiding officer. Mrs. Juhi Gupta and Mrs. Pallavi Shelke are the members.

No complaint/grievance was received by the Committee during the year. Therefore, no meeting of the Committee was held.

8. RISK MANAGEMENT COMMITTEE

Under Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company does not come in the top 100 entities, which has to mandatorily constitute a Risk Management Committee. However, the Company has the procedure for risk assessment and minimisation.

9. GENERAL BODY MEETINGS

a. 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
26/09/2017	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208	12.30 p.m.	Two
29/09/2016	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208	12.30 p.m.	Nil
30/12/2015	Gat No.1426, Village Shikrapur, Tal. Shirur, Dist. Pune – 412208	12.30 p.m.	Two

b. Resolution passed through Postal Ballot:

No resolution was passed through Postal Ballot during the financial year 2017-18.

At present there is no proposal to pass any resolution through postal ballot.

10. DISCLOSURES

a) CEO & CFO Certification: The Managing Director and Chief Finance Officer have inter alia certified to the Board of Directors the accuracy of financial statements and adequacy of internal controls for financial reporting as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2018 and the same was placed before the Board at its meeting held on April 30, 2018.

b) Transactions with related parties are disclosed under Clause no. 41 forming part of the Financials. 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 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.

11. MEANS OF COMMUNICATION

i)	Half yearly report sent to each household of Shareholders / Quarterly Results	No
ii)	Newspapers in which results are normally	The Economic Times (English) published in The Free Press Journal (English) Business Standard (English) Nav Shakti, Marathi Daily.
iii)	Any website where displayed	www.alicongroup.co.in
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

GENERAL SHAREHOLDER INFORMATION

i)	Annual General Meeting	
	Date	September 22, 2018 (Saturday)
	Time	12.30 noon
	Venue	Gat No. 1426, Village Shikrapur Taluka Shirur, Dist. Pune, Maharashtra - 412208
(ii)	Financial Calendar	April 2018 to March 2019
	(a) First Quarter results	Before August 14, 2018
	(b) Second Quarter results	Before November 14, 2018
	(c) Third Quarter results	Before February 14, 2018
	(d) Results for year ending March 2019	Before May 15, 2019
(iii)	Date of Book closure	16.09.2018 to 22.09.2018 (Both days Inclusive)
(iv)	Dividend payment date	06.10.2018
(v)	Listing on Stock Exchange	
	BSE Ltd., Mumbai National Stock Exchange of India Ltd. Listing Fees has been paid to the Stock Exchange for the financial year 2018-2019.	
(vi)	Stock Code:	
	BSE Limited	: 531147
	National Stock Exchange of India Ltd.	: ALICON
	Demat ISIN No. for NSDL and CDSL	: INE062D01024

(vii) Market Price Data : High/low in each month of the Financial Year

(A) The BSE Ltd.

Month	High ₹	Low ₹	Month	High ₹	Low ₹
April, 2017	506.50	430.10	October, 2017	636.00	525.55
May, 2017	530.00	457.80	November, 2017	631.80	570.00
June, 2017	535.00	473.00	December, 2017	722.35	547.95
July, 2017	651.55	476.00	January, 2018	763.00	636.05
August, 2017	595.00	500.55	February, 2018	698.00	585.00
September, 2017	599.85	506.00	March, 2018	648.95	555.25

(B) National Stock Exchange of India Ltd.

Month	High ₹	Low ₹	Month	High ₹	Low ₹
April, 2017	505.00	435.10	October, 2017	634.80	524.50
May, 2017	536.70	454.45	November, 2017	628.00	552.55
June, 2017	533.00	477.00	December, 2017	721.35	545.00
July, 2017	649.90	477.30	January, 2018	761.00	640.10
August, 2017	595.15	501.00	February, 2018	699.95	580.00
September, 2017	609.00	515.00	March, 2018	623.95	550.60

(viii) Registrars and share transfer agents

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

(ix) Share Transfer system

Transfers/transmission of shares held in physical mode are processed by the Share Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd. and approved by the Managing Director. Share transfers are registered and relevant share certificates are returned/dispatched within a period of 15 days from the date of receipt of relevant documents; provided the documents are complete in all respects.

(x) Distribution of shareholding as on March 31, 2018

No. of Equity Shares	No. of Folios	%	No. of Shares	% of Shareholding
01-500	4621	86.812	513274	3.840
501-1000	315	5.918	249918	1.870
1001-2000	175	3.288	269881	2.019
2001-3000	71	1.334	179568	1.344
3001-4000	32	0.601	115079	0.861
4001-5000	30	0.564	139755	1.046
5001-10000	45	0.845	345281	2.583
10001 and above	34	0.639	11552754	86.437
TOTAL	**5323**	**100.000**	**13365510**	**100.000**
In Physical Mode			114222	0.855
In Electronic Mode			13251288	99.145

Shareholding Pattern as on March 31, 2018

Category	No. of Shares	% of Shareholding
Indian Promoters	8701413	65.10
Foreign Collaborators	1960000	14.67
Bodies Corporate	300742	2.25
Indian Public	2227826	16.66
Directors & Relatives (other than Promoter Directors)	200	Negligible
N.R.Is. / OCB's	138982	1.04
FIIs	2383	0.02
Clearing Members	33964	0.26
Total	13365510	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, 2018, 1,32,51,288 Equity Shares of the Company, forming 99.145% of total shareholding stands dematerialised. As on March 31, 2018, the promoter's and promoter's group holding of 87,01,413 shares (65.10%) were held in dematerialised form.

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity.

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

(xiii) Plant Location

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

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

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

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

(xiv) Address for correspondence :

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.
(Formerly Known as: Mondkar Computers Pvt. Ltd)
21 Shakil Niwas, Opp Sai Baba Temple
Mahakali Caves Road, Andheri (E),
Mumbai – 400093

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

Place: Shikrapur
Date: July 23, 2018

ANNEXURE – I

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

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

In accordance with Clause 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I, Shailendrajit Rai, Managing Director of Alicon Castalloy Limited, hereby confirm that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2018.

S. Rai
Managing Director

Place: Shikrapur
Date: July 23, 2018

Auditors' Certificate regarding compliance of conditions of Corporate Governance

The Members,
Alicon Castalloy Limited,

Independent Auditors' Certificate on Compliance of conditions of Corporate Governance

We have examined the compliance of conditions of corporate governance by Alicon Castalloy Limited ('the Company') for the year ended March 31, 2018 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the

Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

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

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

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

Parag Pansare
Partner
Membership No.117309

Pune, April 30, 2018

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

We certify that –

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:

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

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

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

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

We have indicated to the Auditors and the Audit Committee:

significant changes in internal control over financial reporting during the year;

significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

S. RAI
MANAGING DIRECTOR

VIMAL GUPTA
CFO

Place: Shikrapur
Date: April 30, 2018

Independent Auditors' Report

To The Members of
Alicon Castalloy Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Alicon Castalloy Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matters in the notes to financial statements:

1. Note no. 48(i) regarding non quantification of impact on the standalone financial statements due to change in policy for valuation of raw material and valuation of inventories of semi finished on totality basis.

2. Note no 48(ii) regarding non allotment of ESOS share within prescribed time limit of the Act.

OTHER MATTER

The Comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2016 included in these standalone financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by other auditors, on which they have expressed an unmodified opinion dated April 29, 2017 and May 2, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the have been audited by us.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

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

      I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 46 to standalone financial statements;

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

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

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

Parag Pansare
Partner
Membership No.: 117309
Pune, April 30, 2018

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

(b) According to information given to us major assets have been physically verified by the management and discrepancies noticed during physical verifications have been properly dealt with in the books of account however to strengthen further the company needs to plan systematic physically verification program to cover all the fixed assets across the locations.

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

(ii) (a) As informed to us, the physical verification of inventory except stock with vendor has been conducted by the management at reasonable intervals and the discrepancies noticed during such physical verification were not material. Stocks lying with third parties at the year-end have not been confirmed.

The discrepancies noticed on physical verification of Inventory as compared to the book records have been properly dealt with the Books of Account.

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

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

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

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

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax, Goods & Service Tax, Employees’ State Insurance, Cess and any other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

(b) Details of dues of Income-tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Sl. No.	Name of the statute	Nature of the dues	Amount involved (₹ lakhs)	Period(s) to which the amount relate	Forum where such dispute is pending
1	Sales Tax	MVAT	45.50	2007-08	The Joint Commissioner of Sales Tax (Appeals-F-002), Pune
2	Sales Tax	MVAT	22.51	2009-10	Dy. Commissioner of Sales Tax, Pune
3	Central Excise Duty		55.40	2008-09	C.Ex. Commissioner, Pune (Call Book)
4	Income Tax		18.74	2009-10	Commissioner of Income Tax (Appeals) Mumbai
5	Central Excise Duty	Cenvat Credit	142.01	2012-13 & 2013-14	C.Ex. Commissioner, Pune
6	Sales Tax	C-Form Liability	217.55	2012-13	Dy. Commissioner of Sales Tax, Pune
7	Sales Tax	C-Form Liability	134.16	2013-14	Dy. Commissioner of Sales Tax, Pune

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

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

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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

(xiv) During the year the Company has made preferential allotment of shares and has been complied with requirement of section 42 of the Companies Act, 2013. The amounts raised have been utilized for the purpose for which the funds were raised.

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

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

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

Parag Pansare
Partner
Membership No.: 117309
Pune, April 30, 2018

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Alicon Castalloy Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018 except for the effects/possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria.

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the design of the Company's internal financial controls over financial reporting as at March 31, 2018:

The Company has implemented SAP during the current year and in SAP Company needs to further improve control over the Valuation of inventories and physical location of fixed assets to have strong control over these items.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

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

Parag Pansare
Partner
Membership No.: 117309
Pune, April 30, 2018

Balance Sheet
as at March 31, 2018

(₹ lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Non-current assets				
Property, plant and equipment	3A	27,873.10	24,884.41	22,128.07
Capital work-in-progress		515.04	847.63	223.49
Investment property	3B	269.38	278.48	287.61
Intangible assets	3C	464.98	19.63	24.80
Intangible assets under development		-	278.34	-
Financial assets				
Investments	4	1,132.60	1,062.59	1,062.55
Loans	5	622.98	120.39	124.98
Other financial assets	6	-	70.19	-
Income tax assets (net)		1,739.52	1,089.99	1,146.70
Other non-current assets	7	1,326.89	1,168.68	1,275.66
		33,944.49	**29,820.33**	**26,273.86**
Current assets				
Inventories	8	8,156.74	5,811.29	4,477.00
Financial assets				
Trade receivables	9	27,538.87	16,833.78	13,826.07
Cash and cash equivalents	10	391.64	359.36	503.71
Other balances with banks	11	672.78	655.28	579.06
Loans	12	41.67	16.51	33.37
Other financial assets	13	2,208.60	1,074.69	694.45
Other current assets	14	1,315.02	1,358.02	938.15
		40,325.32	**26,108.93**	**21,051.81**
TOTAL ASSETS		**74,269.81**	**55,929.26**	**47,325.67**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	668.28	612.81	612.81
Other equity	16	24,914.61	16,101.74	13,863.25
		25,582.89	**16,714.55**	**14,476.06**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	6,862.30	7,125.43	4,918.97
Other financial liablities	18	630.40	563.50	501.45
Provisions	19	512.67	554.38	476.79
Deferred tax liabilty (net)	20	1,680.30	1,313.95	854.32
		9,685.67	**9,557.26**	**6,751.53**
Current liabilities				
Financial liabilities				
Borrowings	21	15,070.20	13,793.21	10,121.77
Trade payables	22	17,279.70	11,783.28	11,369.37
Other financial liabilities	23	4,092.82	3,250.56	3,390.20
Other current liabilities	24	962.13	5.94	248.14
Provisions	25	263.98	233.79	233.25
Current income tax liabilities.		1,332.42	590.67	735.35
		39,001.25	**29,657.45**	**26,098.08**
TOTAL EQUITY AND LIABILITIES		**74,269.81**	**55,929.26**	**47,325.67**
Significant accounting policies	1 - 2			
Notes referred to above form an integral part of the standalone financial statements	3 - 50			

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Statement of Profit and Loss
for the year ended March 31, 2018

(₹ lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	26	95,295.71	80,496.13
Other income	27	857.35	367.94
Total income		**96,153.06**	**80,864.07**
Expenses			
Cost of materials consumed	28	48,188.93	36,947.35
Changes in inventories of finished goods and work-in-progress	29	(1,371.54)	(375.03)
Employee benefits expense	30	13,112.02	9,984.27
Excise duty expense on sales		2,431.69	9,385.46
Finance costs	31	2,880.27	2,543.96
Depreciation and amortization expense	32	2,990.08	2,500.07
Other expenses	33	22,632.30	16,480.58
Total expenses		**90,863.75**	**77,466.66**
Profit before tax		**5,289.31**	**3,397.41**
Tax expense	47		
Current tax		1,332.42	590.67
MAT credit entitlement		-	-
Deferred tax (benefit)/charge		339.73	476.59
Total tax expense		**1,672.15**	**1,067.26**
Profit for the year		**3,617.16**	**2,330.15**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		76.89	(49.02)
Net (loss) or gain on FVTOCI assets		(0.10)	0.05
Income tax on items that will not be reclassified to profit or loss		(26.61)	16.97
Total other comprehensive income		**50.18**	**(32.00)**
Total comprehensive income for the year		**3,667.34**	**2,298.15**
Earnings per equity share for continuing operations (face value per share ₹ 5 each)			
Basic	45	27.61	20.23
Diluted	45	26.64	19.90
Significant accounting policies	1 - 2		
Notes referred to above form an integral part of the standalone financial statements	3 - 50		

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Cash Flow Statement

(₹ lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from operating activities**		
	Net Profit / (Loss) before extraordinary items and tax	5,289.32	3,397.42
	Adjustments for:		
	Depreciation and amortisation (including exceptional item)	2,990.08	2,500.08
	Employee stock compensation cost	1,728.21	493.52
	Interest income	(85.45)	(48.43)
	Rent received	(143.08)	(139.10)
	Provision for doubtful trade and other receivables	55.43	(28.46)
	Finance cost	2,813.37	2,481.92
	Unwinding of interest on royalty payable	66.91	62.05
	Unrealised foreign exchange gain or loss	71.24	48.83
	Loss /(gain) on sale /surrender of property, plant & equipment (net)	-	42.22
	Sample sale written off	-	1.97
	Others	0.09	-
		7,496.77	**5,414.58**
	Operating profit / (loss) before working capital changes	**12,786.09**	**8,812.00**
	Changes in working capital:		
	(Increase) / Decrease in inventories	(2,345.45)	(1,334.30)
	(Increase) / Decrease in trade receivables	(10,891.52)	(3,043.51)
	(Increase) / Decrease in other bank balances	(17.50)	(76.23)
	(Increase) / Decrease in current loans	(25.17)	16.87
	(Increase) / Decrease in other current financial asset	(1,137.10)	(376.70)
	(Increase) / Decrease in other current assets	43.01	(419.87)
	(Increase) / Decrease in non-current loans	(502.60)	4.59
	(Increase) / Decrease in other non-current assets	(158.22)	(269.07)
	Increase / (Decrease) in trade payables	5,532.05	423.10
	Increase / (Decrease) in current other financial liabilities	861.40	(139.65)
	Increase / (Decrease) in other current liabilities	956.19	(242.19)
	Increase / (Decrease)in short-term provision	30.20	0.54
	Increase / (Decrease)in long-term provision	35.18	28.58
	Cash generated from operations	**5,166.56**	**3,384.16**
	Net income tax (paid) / refunds	(1,240.21)	(678.64)
	Net cash flow from / (used in) operating activities	**3,926.35**	**2,705.52**
B.	**Cash flow from investing activities**		
	Capital expenditure on property plant and equipment	(5,571.29)	(5,854.37)
	Capital expenditure on intangibles asset	(232.82)	(284.19)
	Proceed from sale of asset	-	327.80
	Investment in overseas subsidairy - share application	-	(70.19)
	Interest received	88.64	44.88
	Rent received	143.08	139.10
	Net cash flow from / (used in) investing activities	**(5,572.39)**	**(5,696.97)**

(₹ lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash flow from financing activities			
Finance costs		(2,813.37)	(2,481.92)
Borrowings / (Repayment) (Net) long term		(263.13)	2,206.51
Borrowings / (Repayment) (Net) short term		1,277.01	3,675.84
Dividends		(531.49)	(459.61)
Dividend distribution tax		(108.22)	(93.57)
Interim dividend		(267.32)	-
Dividend distribution tax On Interim Dividend		(54.42)	-
Proceeds from issue of equity shares		55.47	-
Premium on issue of shares to Enkei Corporation		4,076.40	-
Premium on issue of shares under ESOP scheme		296.66	-
Share application money pending allotment		5.72	-
Net cash flow from / (used in) financing activities		**1,673.31**	**2,847.25**
Net increase / (decrease) in Cash and cash equivalents		**27.27**	**(144.20)**
Cash and cash equivalents at the beginning of the year		359.36	503.71
Foreign exchange fluctuation		5.02	(0.14)
Cash and cash equivalents at the end of the year		**391.65**	**359.37**
Components of cash and cash equivalents			
Cash on hand		30.43	20.97
Balances with banks in current accounts		361.22	338.40
		391.65	**359.37**
Significant accounting policies	1 - 2		
Notes referred to above form an integral part of the standalone financial statements	3 - 50		

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2018

A EQUITY SHARE CAPITAL

(₹ lakhs)

Balance as at 1 April 2016	612.81
Changes in equity share capital during 2016-17	-
Balance as at 31 March 2017	**612.81**
Changes in equity share capital during 2017-18	55.47
Balance as at 31 March 2018	**668.28**

B OTHER EQUITY

(₹ lakhs)

PARTICULARS	Share application money pending allotment	Reserves & surplus					Equity instruments through Other comprehensive income	Total
		Securities premium	Employee stock options outstanding (ESOP)	Captial reserve	General reserve	Retained earnings		
Balance as on 01 April 2016	**-**	**2,002.00**	**-**	**411.55**	**1,240.00**	**10,209.62**	**0.06**	**13,863.23**
Profit for the year	-	-	-	-	-	2,330.16	-	2,330.16
Other comprehensive income (net of tax)	-	-	-	-	-	(32.06)	0.05	(32.01)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,298.10**	**0.05**	**2,298.15**
Transactions with owners recognised directly in equity								
Dividends	-	-	-	-	-	(459.61)	-	(459.61)
Dividend distribution tax	-	-	-	-	-	(93.57)	-	(93.57)
Share based payments to employees	-	-	493.52	-	-	-	-	493.52
Balance as on 31 March 2017	**-**	**2,002.00**	**493.52**	**411.55**	**1,240.00**	**11,954.56**	**0.11**	**16,101.74**
Profit for the year	-	-	-	-	-	3,617.16		3,617.16
Other comprehensive income (net of tax)	-	-	-	-	-	50.29	(0.10)	50.19
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,667.45**	**(0.10)**	**3,667.35**
Transactions with owners recognised directly in equity								
Dividends	-	-	-	-	-	(531.49)	-	(531.49)
Dividend distribution tax	-	-	-	-	-	(108.22)	-	(108.22)
Interim dividend	-	-	-	-	-	(267.32)	-	(267.32)
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(54.42)	-	(54.42)
Share based payments to employees	-	-	1,728.21	-	-	-	-	1,728.21
Premium on issue of shares to Enkei Corporation	-	4,076.38	-	-	-	-	-	4,076.38
Premium on issue of shares under ESOP scheme	5.72	853.50	(556.84)	-	-	-	-	302.38
Changes during the year	-	-	-	-	-	-	-	-
Balance as on 31 March 2018	**5.72**	**6,931.88**	**1,664.88**	**411.55**	**1,240.00**	**14,660.57**	**0.01**	**24,914.61**
Significant accounting policies						1 - 2		
Notes referred to above form an integral part of the standalone financial statements						3 - 50		

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Notes forming part of the Financial Statements

THE CORPORATE OVERVIEW

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

1. BASIS OF PREPARATION

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

The Financial Statements up to the year ended 31 March 2017 were prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP"). The financial statements for the year ended 31 March 2018 are the first financial statements of the Company prepared in accordance with Ind AS. An explanation of how the transition to Ind AS has affected the reported balance sheet, statement of profit or loss and cash flows of the company is provided in note 50.

The financial statements were authorised for issue by the Board of Directors on 30 April 2018.

a) Basis of measurement

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

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

b) Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

The company classifies all other liabilities as non-current.

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

c) Functional and presentation currency:

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Property, plant and equipment

- **Recognition and measurement**

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

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

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

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

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

- **Subsequent costs**

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

- **Derecognition**

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

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

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

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

  Freehold land is not depreciated.

b) **Intangible assets**

- **Recognition and measurement**

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

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

Notes forming part of the Financial Statements

- **Derecognition**

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

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

  The estimated useful lives are as follows:

Computer and functional software	7 years

c) **Investment properties**

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

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

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

d) **Leases**

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

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

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

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

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

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

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

f) **Inventories**

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

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

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

g) **Cash and cash equivalents**

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

h) **Revenue recognition**

Revenue from sale of goods is recognised when all significant risks and rewards of ownership of the goods are passed on to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. It also includes excise duty and excludes Goods and Service tax (GST), value added tax or sales tax. Sales are stated net of discounts, rebates and returns.

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

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

i) **Other income**

- **Interest income**

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

- **Dividends**

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

- **Any other income are accounted for on accrual basis.**

j) **Borrowing costs**

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

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

k) **Foreign currency transactions and balances**

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

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured in

Notes forming part of the Financial Statements

terms of historical cost are translated using the exchange rate at the date of the transaction.

l) **Employee Benefits**

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

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

Other long-term employee benefits

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

m) **Share-based payments**

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

Equity-settled transactions

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

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

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

n) Research and development cost

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

o) Income tax

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

Current income tax

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

Deferred tax

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

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

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

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

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

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

p) Government grant

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached

Notes forming part of the Financial Statements

conditions. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

q) **Provisions and contingencies**

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

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

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

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

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

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

r) **Fair value measurement**

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

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

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

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

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

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

s) **Investment in subsidiaries**

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

t) **Financial instruments**

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

Initial recognition and measurement

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

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

Subsequent measurement of financial assets

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

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

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

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

Debt instruments at amortised cost

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

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

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

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

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

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

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

Notes forming part of the Financial Statements

Equity investments

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the statement of profit and loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using effective interest rate (EIR) method and are recognised in statement of profit or loss.

Derecognition of financial instruments

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

The company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables under Ind AS 18

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the company chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

Derivative financial instruments

Initial measurement and subsequent measurement

The company uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

u) Cash dividend

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and approved by the shareholders. A corresponding amount is recognised directly in equity.

v) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

x) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actuals may differ from these estimates.

Judgements

In the process of applying the Company's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD). Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

Contingent liability

The Company has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current

Notes forming part of the Financial Statements

information about these matters and discloses the information of related contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note prepared elsewhere in the financial statement.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilized.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

y) Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 115 : Revenue from Contract with Customers

Ind AS 115 is effective for annual periods beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry (with limited exceptions). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and contract liability balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is currently evaluating the requirements of Ind AS 115 and does not expect the new guidance to have significant impact on the financial statements.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Company will apply amendments when they become effective. Since the Company does not have any such transaction, this amendment does not have any effect of the financial statements of the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. The Company is currently evaluating the requirements of this amendment and does not expect the new guidance to have significant impact on the financial statements.

Notes forming part of the Financial Statements

3A PROPERTY, PLANT AND EQUIPMENT

Changes in the carrying amount of property, plant and equipment

(₹ lakhs)

PARTICULARS	Leasehold land	Freehold land	Buildings (refer note 1)	Factory Equipments	Plant and machinery	Electrical installations Leased	Furniture and fixtures Owned	Computer	Office equiments	Quality control equipment	Motor vehicle	Dies and patterns	Total
Gross carrying amount as at 1 April 2016	1,265.47	1,669.23	2,918.77	1,515.12	23,387.81	1,646.87	1,427.35	319.37	318.23	382.81	322.63	4,183.26	39,356.92
Additions	-	-	248.77	143.27	3,710.58	385.03	325.85	12.39	63.20	32.95	14.87	293.35	5,230.26
Disposal/retirements/derecognition	-	-	-	-	5.41	-	-	-	-	-	-	-	5.41
Gross carrying amount as at 31 March 2017	**1,265.47**	**1,669.23**	**3,167.54**	**1,658.39**	**27,092.98**	**2,031.90**	**1,753.20**	**331.76**	**381.43**	**415.76**	**337.50**	**4,476.61**	**44,581.77**
Accumulated depreciation as at 1 April 2016	14.07	-	811.08	776.16	10,641.70	1,007.45	549.87	290.42	246.22	201.67	169.33	2,520.88	17,228.85
Depreciation	12.86	-	139.86	150.01	1,524.90	129.26	159.76	19.19	42.80	41.08	29.13	231.11	2,479.96
Disposal/retirements/derecognition	-	-	-	-	11.45	-	-	-	-	-	-	-	11.45
Accumulated depreciation as at 31 March 2017	**26.93**	**-**	**950.94**	**926.17**	**12,155.15**	**1,136.71**	**709.63**	**309.61**	**289.02**	**242.75**	**198.46**	**2,751.99**	**19,697.36**
Carrying amount as at 1 April 2016	**1,251.40**	**1,669.23**	**2,107.69**	**738.96**	**12,746.11**	**639.42**	**877.48**	**28.95**	**72.01**	**181.14**	**153.30**	**1,662.38**	**22,128.07**
Carrying amount as at 31 March 2017	**1,238.54**	**1,669.23**	**2,216.60**	**732.22**	**14,937.83**	**895.19**	**1,043.57**	**22.15**	**92.41**	**173.01**	**139.04**	**1,724.62**	**24,884.41**
Gross carrying amount as at 1 April 2017	1,265.47	1,669.23	3,167.54	1,658.39	27,092.98	2,031.90	1,753.20	331.76	381.43	415.76	337.50	4,476.61	44,581.77
Additions	-	-	413.79	316.05	3,696.93	10.22	134.70	39.73	17.95	61.09	(1.54)	1,218.52	5,917.61
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-	-	-	8.63	-	8.63
Gross carrying amount as at 31 March 2018	**1,265.47**	**1,669.23**	**3,581.33**	**1,974.44**	**30,789.91**	**2,042.12**	**1,887.90**	**371.49**	**399.38**	**476.85**	**337.50**	**5,695.13**	**50,490.75**
Accumulated depreciation as at 1 April 2017	26.93	-	950.94	926.17	12,155.15	1,136.71	709.63	309.61	289.02	242.75	198.46	2,751.99	19,697.36
Depreciation	13.93	-	179.17	195.33	1,649.83	130.85	149.94	18.57	35.07	48.71	23.93	469.87	2,915.20
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-	-	-	5.08	-	5.08
Accumulated depreciation as at 31 March 2018	**40.86**	**-**	**1,130.11**	**1,121.50**	**13,804.98**	**1,267.56**	**859.57**	**328.18**	**324.09**	**291.46**	**217.31**	**3,221.86**	**22,607.48**
Carrying amount as at 1 April 2017	**1,238.54**	**1,669.23**	**2,216.60**	**732.22**	**14,937.83**	**895.19**	**1,043.57**	**22.15**	**92.41**	**173.01**	**139.04**	**1,724.62**	**24,884.41**
Carrying amount as at 31 March 2018	**1,224.61**	**1,669.23**	**2,451.22**	**852.94**	**16,984.93**	**774.56**	**1,028.33**	**43.31**	**75.29**	**185.39**	**110.02**	**2,473.27**	**27,873.10**

Note:

Refer note 17 and 21 for details of property, plant and equipment pledged as security for borrowings.

Addition during the year includes R&D capital expenditure to the tune of ₹ 41.43 lakks (PY 6.06 lakhs).

Notes forming part of the Financial Statements

3B INVESTMENT PROPERTY

Changes in the carrying amount of Investment property

(₹ lakhs)

Particulars	Land	Building	Total
Gross carrying amount as at 1 April 2016	109.80	269.08	378.88
Additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2017	**109.80**	**269.08**	**378.88**
Accumulated depreciation as at 1 April 2016	-	91.27	91.27
Depreciation	-	9.13	9.13
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2017	**-**	**100.40**	**100.40**
Carrying amount as at 1 April 2016	**109.80**	**177.81**	**287.61**
Carrying amount as at 31 March 2017	**109.80**	**168.68**	**278.48**
Gross carrying amount as at 1 April 2017	109.80	269.08	378.88
Additions	-	-	-
Gross carrying amount as at 31 March 2018	**109.80**	**269.08**	**378.88**
Accumulated depreciation as at 1 April 2017	-	100.40	100.40
Depreciation	-	9.10	9.10
Accumulated depreciation as at 31 March 2018	**-**	**109.50**	**109.50**
Carrying amount as at 1 April 2017	**109.80**	**168.68**	**278.48**
Carrying amount as at 31 March 2018	**109.80**	**159.58**	**269.38**

Reconciliation of fair value:

Particulars	Investment property
Fair value as at 1 April 2016	**443.80**
Fair value difference	27.74
Fair value as at 31 March 2017	**471.54**
Fair value difference	27.73
Fair value as at 31 March 2018	**499.27**

The Company obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

These valuations are based on valuations performed by property valuer, an accredited independent valuer. The valuer is a specialist in valuing these types of properties. All resulting fair value estimates for investment properties are included in Level 2.

The rent received from the investment property is ₹ 143.08 lakhs (Previous year : ₹ 139.49 lakhs).

Notes forming part of the Financial Statements

3C INTANGIBLE ASSETS

Changes in the carrying amount of other intangible assets

(₹ lakhs)

Particulars	Software	Total
Gross carrying amount as at 1 April 2016	134.14	134.14
Additions	5.85	5.85
Disposal/retirements/derecognition	-	-
Gross carrying amount as at 31 March 2017	**139.99**	**139.99**
Accumulated depreciation as at 1 April 2016	109.34	109.34
Depreciation	11.02	11.02
Disposal/retirements/derecognition	-	-
Accumulated depreciation as at 31 March 2017	**120.36**	**120.36**
Carrying amount as at 1 April 2016	**24.80**	**24.80**
Carrying amount as at 31 March 2017	**19.63**	**19.63**
Gross carrying amount as at 1 April 2017	139.99	139.99
Additions	511.15	511.15
Disposal/retirements/derecognition	-	-
Gross carrying amount as at 31 March 2018	**651.14**	**651.14**
Accumulated depreciation as at 1 April 2017	120.36	120.36
Depreciation	65.80	65.80
Accumulated depreciation as at 31 March 2018	**186.16**	**186.16**
Carrying amount as at 1 April 2017	**19.63**	**19.63**
Carrying amount as at 31 March 2018	**464.98**	**464.98**

4 NON CURRENT INVESTMENTS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Investments in equity instruments of subsidiaries (at cost)			
Alicon Holding GmbH	1,131.98	1,061.79	1,061.79
1 (March 31, 2017: 1; April 1, 2016: 1) equity shares of Euro 35,000/- each fully paid-up			
Investments in equity instruments of other entities measured at fair value through Profit and Loss			
Shamrao Vitthal Co-operative bank*	0.50	0.50	0.50
2000 (March 31, 2017: 2000; April 1, 2016: 2000) equity shares of ₹ 25 each fully paid-up			
Investments in equity instruments of other entities measured at fair value through Other Comprehensive Income			
Bank of Maharashtra	0.12	0.30	0.26
900 (March 31, 2017: 900; April 1, 2016: 900) equity shares of each fully paid-up			
	1,132.60	**1,062.59**	**1,062.55**
Aggregate book value of quoted investments	0.12	0.30	0.26
Aggregate market value of quoted investments	0.12	0.30	0.26
Aggregate value of unquoted investments	1,132.48	1,062.29	1,062.29
Aggregate amount of impairment in value of investments			

*The Company has not performed fair valuation of its investment in unquoted equity shares which are classified as FVTPL, as the Company believes that impact of change on account of fair value is insignificant.

Notes forming part of the Financial Statements

5 LOANS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Loans and advances to related parties			
Security deposits	500.00	-	-
Loans and advances other than related parties			
Security deposits	122.98	120.39	124.98
	622.98	**120.39**	**124.98**

Note :

(i) Loans are measured at amortised cost

(ii) Refer related party disclosure in note 41.

6 OTHER FINANCIAL ASSETS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Share application money (In Transit) - Alicon Holding GmbH	-	70.19	-
	-	**70.19**	**-**

7 OTHER NON-CURRENT ASSETS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Capital advances	772.76	363.85	771.87
Balances with customs, excise and other government authorities	515.96	768.47	493.79
Deposits paid against appeal/ assessment	38.17	36.36	10.00
	1,326.89	**1,168.68**	**1,275.66**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

8 INVENTORIES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Valued at the lower of cost and net realisable value)			
Raw materials	1,523.48	998.49	914.21
Consumables	964.24	829.07	813.36
Semi Finished goods	3,797.63	2,426.09	2,051.06
Packing Material	9.93	2.37	4.06
Dies under Development	1,816.96	1,523.96	683.56
Furnace Oil	44.50	31.31	10.75
	8,156.74	**5,811.29**	**4,477.00**

Semi finished goods [includes in transit of INR 113.65 lakhs (2017: INR 44.67 lakhs; 2016: INR 22.38 lakhs)]

Notes forming part of the Financial Statements

9 TRADE RECEIVABLES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Trade receivables (Unsecured) :			
Considered good			
- From others	27,470.50	16,724.79	13,660.59
- From related parties	68.37	108.99	165.48
Considered doubtful			
- From others	1,886.49	1,831.07	1,859.52
	29,425.36	**18,664.85**	**15,685.59**
Less: Allowance for bad and doubtful trade receivables	1,886.49	1,831.07	1,859.52
	27,538.87	**16,833.78**	**13,826.07**

Notes:

(i) Trade receivables from related parties are disclosed in note 41.

(ii) Trade receivables are measured at amortised cost.

10 CASH AND CASH EQUIVALENTS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Cash on hand	30.43	20.96	8.07
Balances with banks			
- In current accounts	361.21	338.40	495.64
	391.64	**359.36**	**503.71**

11 OTHER BANK BALANCES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
- Unpaid dividend account	16.16	11.08	41.29
- Margin money	611.65	606.34	499.91
- Deposit Account with remaining maturity of less than 12 months	44.97	37.86	37.86
	672.78	**655.28**	**579.06**

12 LOANS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Other loans and advances			
- Loan to employees	41.67	16.51	33.37
	41.67	**16.51**	**33.37**

Notes:

(i) Loans are measured at amortised cost.

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

Notes forming part of the Financial Statements

13 OTHER CURRENT FINANCIAL ASSETS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Interest accrued on term deposits	15.68	18.87	15.32
Other receivables	2,192.92	1,055.82	679.13
	2,208.60	**1,074.69**	**694.45**

Notes:

(i) Other current financial assets are measured at amortised cost.

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

14 OTHER CURRENT ASSETS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Advance to suppliers	78.78	54.78	67.07
Prepaid expenses	110.35	46.56	55.69
Balances with statutory authorities	1,111.74	1,209.51	779.75
Advance against expenses/others	14.15	47.17	35.64
	1,315.02	**1,358.02**	**938.15**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

15 SHARE CAPITAL

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Authorised:			
16000000 (Previous year 2017 13000000) equity shares of ₹ 5 each fully paid up	800.00	650.00	650.00
	800.00	**650.00**	**650.00**
Issued subscribed and fully paid up:			
13365510 (Previous year 12256222) equity shares of ₹ 5 each fully paid up	668.28	612.81	612.81
	668.28	**612.81**	**612.81**

Notes forming part of the Financial Statements

15.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(₹ lakhs)	Number of shares	(₹ lakhs)
Equity shares				
At the beginning of the year	12,256,222	612.81	12,256,222	612.81
Add: Shares issued on exercise of employee stock options	249,288	12.47	-	-
Add: Issued during the year	860,000	43.00	-	-
Outstanding at the end of the year	**13,365,510**	**668.28**	**12,256,222**	**612.81**

15.2 The Company has only one class of shares referred to as equity shares having a par value of ₹ 5. Each shareholder of equity shares is entitled to one vote per share.

15.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.4 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

Particulars	Number of shares as at 31 March 2018	% of shares held	Number of shares as at 31 March 2017	% of shares held
Nastic Trading LLP	6,762,822	50.60%	6,762,822	55.18%
Shailendra Rai	834,444	6.24%	834,444	6.81%
Enkei Corporation	1,960,000	14.66%	1,100,000	8.98%

16 OTHER EQUITY

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Share application money pending allotment	5.72	-	-
Reserves & surplus			
Securities premium	6,931.88	2,002.00	2,002.00
Employee stock options outstanding reserve	1,664.88	493.51	-
Captial reserve	411.55	411.55	411.55
General reserve	1,240.00	1,240.00	1,240.00
Retained earnings	14,660.57	11,954.56	10,209.62
Equity instruments through Other comprehensive income	0.01	0.10	0.06
	24,914.61	**16,101.72**	**13,863.23**

17 BORROWINGS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Term loans			
- From banks (secured)	6,040.56	5,291.01	5,027.26
- From financial institutions (secured)	3,417.28	4,028.09	1,657.31
	9,457.84	**9,319.10**	**6,684.57**
Less : Current maturities of long term borrowing	2,595.54	2,193.67	1,765.60
	6,862.30	**7,125.43**	**4,918.97**

Notes forming part of the Financial Statements

Notes:

(i) Long-term borrowings include secured term loans at floating interest rates from State Bank of India, Bank of Maharashtra, Bajaj Finance Ltd and IDFC Bank Ltd. which are repayable through monthly / Quarterly installments.

Total number of installments = 682

Number of installments outstanding as at March 31, 2018 = 353 (PY = 365)

(ii) Loans availed from State Bank of India, Bank of Maharashtra, Bajaj Finance Ltd and IDFC Bank Ltd are secured by a first parri-passu charge by way of registered mortgage on the existing fixed assets except Land at Khed city. Loan availed from Bajaj Finance Ltd. is secured by exclusive charge on lease land at Khed city. Of these, ₹ 2,619.01 lakhs (PY ₹ 2,206.02 lakhs) are classified as current liabilities being repayable before March 31,2019.

(iii) There is no default, continuing or otherwise in repayment of installment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

(iv) Borrowings are measured at amortised cost

18 OTHER FINANCIAL LIABILITIES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Enkei payable	630.40	563.50	501.45
	630.40	**563.50**	**501.45**

Note:

Other financial liabilities are measured at amortised cost.

19 PROVISIONS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Provision for employee benefits			
- Gratuity (Refer note 36(2))	357.29	386.85	313.75
- Compensated Absences	155.38	167.53	163.04
	512.67	**554.38**	**476.79**

20 DEFERRED TAX LIABILTIES (NET)

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Deferred tax liabilities			
- Property ,plant and equipment	2,401.78	2,004.75	1,489.21
- Enkei Payable	194.64	217.79	239.26
- Transaction cost on term loans amortised over the tenure of the loan	5.54	9.82	15.13
	2,601.96	**2,232.36**	**1,743.60**
Deferred tax assets			
- Provision for doubtful debts and advances	652.88	633.70	643.54
- Provision allowed on payment basis	268.78	272.77	245.74
- Foreign currency loan and forward contracts	-	11.94	-
	921.66	**918.41**	**889.28**
Net deferred tax liability	**1,680.30**	**1,313.95**	**854.32**

Refer note 47 for further disclosures

Notes forming part of the Financial Statements

21 BORROWINGS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Loans repayable on demand			
- From banks (Secured)			
Working capital loans from banks (secured)(Refer note (i) below)	13,914.36	11,694.10	10,084.73
Liability from bank against bill discounting / PO funding	1,155.84	2,099.11	37.04
(unsecured)(Refer note (ii) below)			
Aggregate amount of impairment in value of investments	-	-	-
	15,070.20	**13,793.21**	**10,121.77**

Notes:

(i) Short-term borrowings includes cash credit facilities availed from State Bank of India, Kotak Mahindra Bank (Formerly known as ING Vysya Bank), Bank of Maharashtra, IDFC Bank and Bajaj Finance Ltd. These borrowings are secured in favour of all the aforementioned banks by a first parri-passu charge by way of hypothecation of all stocks and receivables and a second parri-passu charge by joint deed of hypothecation on all fixed assets of the Company.

(ii) Unsecured Preshipment loans are availed from Kotak Mahindra Bank for funding purchase orders and working capital demand loan. These loans, are obtained at floating interest rates repayable through weekly instalments.

(iii) There is no default, continuing or otherwise in repayment of instalment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

(iv) Borrowings are measured at amortised cost

22 TRADE PAYABLES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	1,261.51	210.72	217.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,252.09	10,873.03	10,181.85
Acceptances	2,766.10	699.53	969.70
	17,279.70	**11,783.28**	**11,369.37**

Notes:

(i) Trade payable from related parties are disclosed in note 41.

(ii) Trade payables are measured at amortised cost.

(iii) Dues to Micro and Small Enterprises

Notes forming part of the Financial Statements

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Principal amount due to suppliers registered under the MSMED Act and	1,261.51	210.72	217.82
remaining unpaid as at year end			
Interest due to suppliers registered under the MSMED Act and remaining	-	-	-
unpaid as at year end			
Principal amounts paid to suppliers registered under the MSMED Act,	-	-	-
beyond the appointed day during the year			
Interest paid, other than under Section 16 of MSMED Act, to suppliers	-	-	-
registered under the MSMED Act, beyond the appointed day during the year			
Interest paid, under Section 16 of MSMED Act, to suppliers registered under	-	-	-
the MSMED Act, beyond the appointed day during the year			
Interest due and payable towards suppliers registered under MSMED Act, for	-	-	-
payments already made			
Further interest remaining due and payable for earlier years	-		-

23 OTHER CURRENT FINANCIAL LIABILITIES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Liabilities other than derivatives			
Current maturities of long term debt	2,595.50	2,193.63	1,765.60
Accrued employee costs	410.03	367.79	354.44
Interest accrued and not due on borrowings	77.85	74.06	73.47
Unclaimed dividend	16.16	11.08	41.29
Payables in respect of fixed assets	455.09	301.68	450.49
Payables in respect of services	408.84	202.68	143.58
Royalty payable	121.26	39.07	43.21
Other liabilities	-	6.68	518.12
Derivative liability			
- Foreign currency forward contract	8.09	53.89	-
	4,092.82	**3,250.56**	**3,390.20**

Note:

(i) Liabilities other than derivatives are measured at amortised cost.

(ii) Derivative liability are measured at fair value through profit or loss.

Notes forming part of the Financial Statements

24 OTHER CURRENT LIABILITIES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Advances from customers	133.83	2.33	196.99
Statutory remittances (net)	828.30	3.61	51.15
	962.13	**5.94**	**248.14**

25 PROVISIONS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Provision for employee benefits			
- Gratuity (Refer note 37(2))	94.67	81.32	76.81
- Compensated Absences	31.89	22.56	22.94
Provision for bonus	137.42	129.91	133.50
	263.98	**233.79**	**233.25**

26 REVENUE FROM OPERATIONS

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Sale of products		
- Finished Goods	92,336.18	79,733.08
Other operating revenue		
- Scrap sale	2,959.53	763.05
	95,295.71	**80,496.13**

Revenue for operations year ended 31 March 2018 is not comparable with revenue for operations of year ended 31 March 2017, as the amount of excise duty is not included in the revenue from operations post implementation of GST effective from 1 July 2017.

Details of products sold Manufactured goods

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Castings made from aluminum alloys	88,882.88	75,187.85
Conversion Income -(Job work)	10.16	917.83
Scrap Sales	2,959.53	763.05
Dies	3,443.14	3,627.40
Total	**95,295.71**	**80,496.13**

27 OTHER INCOME

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Interest Received	85.44	48.43
Rental income	143.08	139.09
Foreign exchange gains (net)	90.14	-
Export incentive	446.11	127.37
Miscellaneous Income	46.78	53.05
Derivative profit	45.80	-
	857.35	**367.94**

Notes forming part of the Financial Statements

28 COST OF MATERIALS CONSUMED

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Inventory of materials at the beginning of the year	2,522.45	1,597.78
Purchases	49,006.93	37,872.02
Inventory of materials at the end of the year	3,340.45	2,522.45
	48,188.93	**36,947.35**

29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Work-in-progress		
Inventories at the beginning of the year	2,426.09	2,051.06
Inventories at the end of the year	3,797.63	2,426.09
	(1,371.54)	**(375.03)**

Material consumed includes material on conversion account as certified by the management.

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

30 EMPLOYEE BENEFITS EXPENSE

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Salaries, wages and bonus	10,242.52	8,477.03
Contributions to Provident and other Funds	293.99	259.20
Gratuity and leave encashment	202.09	173.67
Employee share based payments expenses (refer note 43)	1,728.21	493.51
Employee Welfare Expenses	645.21	580.86
	13,112.02	**9,984.27**

31 FINANCE COSTS

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Interest on term loan & working capital (Refer note i)	2,689.65	2,336.52
Interest on payments of Duties & Taxes	9.20	22.37
Other borrowing costs	114.52	123.02
Unwinding of interest on royalty payable	66.90	62.05
	2,880.27	**2,543.96**

Note

(i) Includes amount of ₹ 12.36 lakh (Previous year - ₹ 15.34 lakh) pertaining to amortisation of transaction cost

Notes forming part of the Financial Statements

32 DEPRECIATION AND AMORTISATION EXPENSE

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Depreciation on property, plant and equipment (refer note 3A)	2,915.17	2,479.92
Depreciation on Investment property, (refer note 3B)	9.11	9.13
Amortization of intangible assets (refer note 3C)	65.80	11.02
	2,990.08	**2,500.07**

33 OTHER EXPENSES

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Manufacturing Expenses		
Consumption of stores and spares	5,640.07	3,911.98
Power and fuel	6,693.45	5,114.93
Processing charges	3,902.81	2,902.75
Repairs to Machinery	350.92	428.83
Other Manufacturing Expenses	914.43	438.82
	17,501.68	**12,797.31**
Administrative Expenses		
Legal and Professional charges	387.72	265.15
Payment to Auditor's (refer note 36 I)	26.19	27.73
Rent	373.46	344.65
Corporate Social Responcibility Expenses (refer note 36 II)	70.34	55.19
Other Administrative Expenses	1,097.95	1,226.01
	1,955.66	**1,918.73**
Selling and Distribution Expenses		
Selling and distribution expenses	3,174.96	1,764.54
	3,174.96	**1,764.54**
	22,632.30	**16,480.58**

34 FINANCIAL INSTRUMENTS

34.1 Financial Instruments by category

The carrying value of financial instruments by categories as on 31 March 2018 are as follows:

(₹ lakhs)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.50	0.12	0.62
Trade receivables	27,538.87	-	-	27,538.87
Cash and cash equivalents	391.64	-	-	391.64
Other balances with banks	672.78	-	-	672.78
Loans	664.65	-	-	664.65
Other financial assets	2,208.60	-	-	2,208.60
Total Assets	**31,476.54**	**0.50**	**0.12**	**31,477.16**
Liabilities				
Borrowings	21,932.50	-	-	21,932.50
Trade payables	17,279.70	-	-	17,279.70
Other financial liabilities	4,715.13	8.09	-	4,723.22
Total Liabilities	**43,927.33**	**8.09**	**-**	**43,935.42**

Notes forming part of the Financial Statements

The carrying value of financial instruments by categories as on 31 March 2017 are as follows:

(₹ lakhs)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.50	0.30	0.80
Trade receivables	16,833.78	-	-	16,833.78
Cash and cash equivalents	359.36	-	-	359.36
Other balances with banks	655.28	-	-	655.28
Loans	136.89	-	-	136.89
Other financial assets	1,144.88	-	-	1,144.88
Total Assets	**19,130.19**	**0.50**	**0.30**	**19,130.99**
Liabilities				
Borrowings	20,918.64	-	-	20,918.64
Trade payables	11,783.28	-	-	11,783.28
Other financial liabilities	3,760.17	53.89	-	3,814.06
Total Liabilities	**36,462.09**	**53.89**	**-**	**36,515.98**

The carrying value of financial instruments by categories as on 1 April 2016 are as follows:

(₹ lakhs)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.50	0.26	0.76
Trade receivables	13,826.07	-	-	13,826.07
Cash and cash equivalents	503.71	-	-	503.71
Other balances with banks	579.06	-	-	579.06
Loans	158.35	-	-	158.35
Other financial assets	694.45	-	-	694.45
Total Assets	**15,761.64**	**0.50**	**0.26**	**15,762.40**
Liabilities				
Borrowings	15,040.74	-	-	15,040.74
Trade payables	11,369.37	-	-	11,369.37
Other financial liabilities	3,891.65	-	-	3,891.65
Total Liabilities	**30,301.76**	**-**	**-**	**30,301.76**

34.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 31 March 2018:

(₹ lakhs)

Particulars	As at 31 March 2018	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.12	0.12	-	-
Derivative financial liability	8.09	-	8.09	-

Notes forming part of the Financial Statements

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 31 March 2017:

(₹ lakhs)

Particulars	As at 31 March 2017	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.30	0.30	-	-
Derivative financial liability	53.89	-	53.89	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 1 April 2016 :

(₹ lakhs)

Particulars	As at 31 March 2017	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.26	0.26	-	-

Valuation technique and significant unobservable inputs:

Level 2:

(i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

Fair value of financial assets and financial liabilities measured at amortised cost :

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets) and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

The Company has not performed fair valuation of its investment in unquoted equity shares as mentioned in note no. 4 which are classified as FVTPL, as the Company believes that impact of change on account of fair value is insignificant.

34.3 Financial risk management

The Company's activities exposes it to market risks, credit risks and liquidity risks. The Company's management have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risks are reviewed regularly to reflect changes in market conditions and the company's activities. Derivatives are used for hedging of foreign currency loan and not as a trading or speculative purposes.

The Company has exposure to the following risks arising from financial instruments :

a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

Notes forming part of the Financial Statements

Trade receivables that were not impaired

(₹ lakhs)

Particulars	Carrying amount		
	31 March 2018	31 March 2017	01 April 2016
Less than 180 days	27,345.39	16,695.72	13,659.55
More than 180 days	193.48	138.06	166.52
Total	**27,538.87**	**16,833.78**	**13,826.07**

Movement in allowance of bad and doubtful trade receivable

Particulars	₹ Lakhs
At 1 April 2016	1,859.52
Provided during the year	21.60
Amount written off / written back	(50.05)
At 31 March 2017	**1,831.07**
Provided during the year	89.05
Amount written off / written back	(33.63)
At 31 March 2018	**1,886.49**

ii. **Financial instruments and Cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties.

b. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk for which company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

(₹ lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Cash and cash equivalents	391.64	359.36	503.71
Other balances with banks	672.78	655.28	579.06
Total	**1,064.42**	**1,014.64**	**1,082.77**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2018.

(₹ lakhs)

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings	15,070.24	2,595.50	6,862.30	24,528.04
Trade payables	736.40	16,543.30	-	17,279.70
Other financial liabilities	16.16	1,481.16	630.40	2,127.72

Notes forming part of the Financial Statements

The following are the remaining contractual maturities of financial liabilities as on 31 March 2017.

(₹ lakhs)

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings	13,793.21	2,193.63	7,125.43	23,112.27
Trade payables	626.22	11,157.06	-	11,783.28
Other financial liabilities	11.08	1,045.85	563.50	1,620.43

The following are the remaining contractual maturities of financial liabilities as on 01 April 2016.

(₹ lakhs)

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings	10,121.77	1,765.60	4,918.97	16,806.34
Trade payables	494.81	10,874.56	-	11,369.37
Other financial liabilities	41.29	1,583.31	501.45	2,126.05

c. **Market risk**

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables and deposits with banks.

i. **Foreign currency risk**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency. The Company manages its foreign currency risk by hedging foreign currency denominated loan using foreign currency forward contracts .The Company negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

The following foreign currency exposures have not been hedged by derivative instruments at the Balance Sheet date:

(₹ lakhs)

Nature of exposure	Amount in foreign currency			Equivalent amount in INR		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
USD						
Trade payables	1.10	1.00	3.50	70.91	65.01	232.42
Payable for fixed assets	0.02	-	-	1.17	-	-
Trade receivables	55.55	24.89	14.86	3,539.82	1,613.62	985.48
Cash and bank balance	1.80	2.01	2.03	116.98	130.28	134.48
Net liabilities / (assets)	**(56.23)**	**(25.90)**	**(13.39)**	**(3,584.72)**	**(1,678.89)**	**(887.54)**
EUR						
Trade payables	-	2.20	0.46	-	152.30	34.35
Payable for fixed assets	2.60	-	-	192.51	-	-
Trade receivables	8.94	1.69	2.70	685.98	117.34	202.67
Cash and bank balance	-	-	-	0.16	-	-
Net liabilities / (assets)	**(6.34)**	**0.51**	**(2.24)**	**(493.64)**	**34.96**	**(168.32)**
JPY						
Trade payables	443.87	-	337.63	237.49	-	199.41
Payable for fixed assets	142.00	-	-	85.28	-	-
Cash and bank balance	3.16	-	-	1.95	-	-
Net liabilities / (assets)	**582.70**	**-**	**337.63**	**320.82**	**-**	**199.41**

Notes forming part of the Financial Statements

(₹ lakhs)

Nature of exposure	Amount in foreign currency			Equivalent amount in INR		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
GBP						
Trade payables	6.00	-	-	0.01	-	-
Trade receivables	4.49	5.19	2.17	390.96	419.48	205.78
Cash and bank balance	-	-	-	0.26	-	-
Net liabilities / (assets)	**1.51**	**(5.19)**	**(2.17)**	**(391.22)**	**(419.48)**	**(205.78)**

Foreign currency sensitivity on unhedged exposure

(₹ lakhs)

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax	Effect on pre-tax equity
For 31 March 2018	EUR	+5%	179.24	179.24
		-5%	(179.24)	(179.24)
	USD	+5%	24.68	24.68
		-5%	(24.68)	(24.68)
	JPY	+5%	(16.04)	(16.04)
		-5%	16.04	16.04
	GBP	+5%	19.56	19.56
		-5%	(19.56)	(19.56)
For 31 March 2017	EUR	+5%	83.94	83.94
		-5%	(83.94)	(83.94)
	USD	+5%	(1.75)	(1.75)
		-5%	1.75	1.75
	GBP	+5%	20.97	20.97
		-5%	(20.97)	(20.97)

Details of foreign currency loan that are hedged by derivative instruments or otherwise:

(₹ lakhs)

Particulars	Currency	Amount in foreign currency	Equivalent INR	Maturity Profile	Fair Value in Balance Sheet
As at 31 March 2018	USD	5.39	350.52	Within one year	8.09
As at 31 March 2017	USD	13.84	917.01	Within one year	53.89

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instruments are follows:

(₹ lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Variable rate instruments			
Borrowings	24,528.04	23,112.31	16,806.34

Interest rate sensitivity on variable rate instruments

(₹ lakhs)

Particulars	31 March 2018	31 March 2017
Impact on profit before tax or pre-tax equity		
Increase by 50 basis points	(123.00)	(116.00)
Decrease by 50 basis points	123.00	116.00

Notes forming part of the Financial Statements

35 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March, 2017 and 1 April 2016.

36 I Auditor's Remuneration

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Statutory Audit	15.00	15.00
Limited Review	4.50	4.50
Consolidation Audit	5.00	2.50
Certifications	1.00	0.70
Review of Internal Financial Controls	-	4.00
Out of pocket expenses	0.69	1.02
Total	**26.19**	**27.72**

II Details of CSR Expenditure

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Gross Amount To be spend during the year	64.30	55.50
Amount spend during the year	70.34	55.19

37 DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY IND-AS 19 - "EMPLOYEE BENEFITS ARE AS UNDER":

1 Defined contribution plan - Provident fund

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

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Contribution to employee provident fund	293.99	259.20
Total	**293.99**	**259.20**

2 Defined benefit plan

i) The defined benefit plan comprises gratuity, which is funded.

ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

Notes forming part of the Financial Statements

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Change in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**768.79**	**686.23**
Current service cost	81.32	76.81
Interest cost	52.45	50.46
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in financial assumptions	(51.98)	50.40
b) changes in demographic assumptions	-	-
c) experience adjustments	(23.58)	(1.99)
Past service cost	49.41	-
Benefits paid	(84.71)	(93.12)
Present value of defined benefit obligation at the end of the year	**791.70**	**768.79**
Change in the fair value of plan assets		
Fair Value of plan assets at the beginning of the period	**300.61**	**295.67**
Interest Income	21.46	22.99
Return on plan assets, excluding interest income	1.33	(0.61)
Contribution by the employer	112.16	75.68
Benefit paid from the fund	(84.71)	(93.12)
Fair Value of plan assets at the end of the period	**350.86**	**300.61**
Analysis of defined benefit obligation		
Present value of obligation as at the end of the year	(791.70)	(768.79)
Fair Value of Plan Assets at the end of the Period	350.86	300.61
Net (asset) / liability recognized in the Balance Sheet	**(440.85)**	**(468.17)**
Bifurcation of liability as per Schedule III		
Current Liability	83.56	81.32
Non-Current Liability	357.29	386.85
Net (asset) / liability recognized in the Balance Sheet	**440.85**	**468.17**
Components of employer expenses/remeasurement recognized in the statement of Profit and Loss		
Current service cost	81.32	76.81
Net Interest Cost	30.99	27.47
Past Service Cost	49.41	-
Expenses recognized in the Statement of Profit and Loss	161.73	104.28
Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)		
Actuarial loss / (gain)	(75.56)	48.41
Return on plan assets, Excluding interest income	(1.33)	0.61
Net (income)/expense recognized in the OCI	**(76.89)**	**49.02**
Analysis of defined benefit obligation		
Net opening provision in books of accounts	468.17	390.56
Employee Benefit Expense	161.73	104.28
Amounts recognized in Other Comprehensive Income	(76.89)	49.02
Contribution by the employer	(112.16)	(75.68)
Net (asset) / liability recognized in the Balance Sheet	**440.85**	**468.17**

Notes forming part of the Financial Statements

Particulars	FY 2017-18	FY 2016-17
Composition of the plan assets		
Policy of insurance	100.00%	100.00%
Total	**100.00%**	**100.00%**
Actuarial Assumptions:		
Discount rate	7.55%	7.25%
Salary Escalation	5.50%	6.00%
Withdrawal rates per annum		
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 35 to 45 years	6.00%	3.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

c. Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ lakhs)

Projected benefit obligation on current assumptions	FY 2017-18		FY 2016-17	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	761.46	824.17	735.57	807.29
Future salary growth (0.5 % movement)	823.17	761.78	803.47	738.18
Attrition rate (1 % movement)	795.55	787.10	769.03	768.54

Maturity profile of defined benefit plan

(₹ lakhs)

Projected benefits payable in future years from the date of reporting	FY 2017-18	FY 2016-17
1st Following year	125.52	90.88
2nd Following year	36.41	71.87
3rd Following year	77.71	26.74
4th Following year	41.59	67.14
5th Following year	107.51	37.47
Sum of years 6 to 10	365.02	336.77

Notes forming part of the Financial Statements

Weighted average assumptions used to determine net periodic benefit cost

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Number of active members	987.00	1,009.00
Per month salary cost for active members	186.23	179.31
Average monthly salary (₹)	18,869.00	17,771.00
Average age (years)	36.65	35.82
Weighted average duration of the projected benefit obligation (years)	8.79	8.53
Average expected future service (years)	21.79	22.93
Average outstanding term of the obligations (Years)	9.24	11.81
Prescribed contribution for next year (12 Months)	83.56	81.32

38 SEGMENT INFORMATION

The Company's operating business predominantly relates to manufacture of Aluminium Castings thereof and hence the Company has considered "Aluminium Castings" as the single reportable segment.

39 NET DEBT RECONCILIATION

Position of net debt

(₹ lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings		
Non-current borrowings	6,862.30	7,125.43
Current borrowings	15,070.20	13,793.21
Current maturities of long term loans	2,595.50	2,193.63
Net debt	**24,528.00**	**23,112.27**

Movement in net debt

(₹ lakhs)

Particulars	Borrowings
Net debt as at 31st March 2017	23,112.27
Cash flows	1,404.66
Foreign exchange adjustment	11.07
Interest accrued but not due as on 1st April 2017	74.06
Interest accrued but not due as on 31st March 2018	(77.85)
Interest expense	2,689.65
Interest paid	(2,685.86)
Net debt as at 31st March 2018	**24,528.00**

40 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 share application money (in transit) refer note 4 and 6 for the PY 70.19 lakhs of the Company by such parties.

Notes forming part of the Financial Statements

41 RELATED PARTY DISCLOSURES

A. Relationship between the related parties:

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

* Enterprise where the director has significant influence.

B. List of Key Management Personnel and their relatives:

Key Management Personnel (KMP)	Shailendrajit Rai	Managing Director
	Rajeev Sikand	Chief Executive Officer (CEO)
	Vimal Gupta	Chief Financial Officer (CFO)
	P.S. Rao	Company Secretary
	Pamela Rai	Non-Executive Director
	Anil D Harolikar	Independent Director
	Vinay Punjabi	Independent Director
	Ajay Nanawati	Independent Director
	Junichi Suzuki	Independent Director
Relatives of KMP	Preeti Gupta	Relative of CFO

C. Transactions with related parties :

(₹ lakhs)

No.	Aggregate of transaction	FY 2017-18		FY 2016-17	
		Group company	Subsidiaries	Group company	Subsidiaries
1	Sales	-	23.11	1.54	63.76
2	Purchases	2,348.35	-	4,420.68	-
3	Foreign currency translation difference	-	17.48	-	-
4	Interest on loan	-	38.42	-	-
5	Expenses charged to the company	-	-	352.70	-
6	Expenses charged by the company	1,271.40	78.67	5.74	-
7	Balance of investment (includes share application) in subsidiary at the year end	-	1,132.98	-	1,131.98
8	Amount receivable at the end of the year	-	205.89	541.74	108.99
9	Amount payable at the end of the year	1,538.49	201.23	745.45	227.05
10	Fixed assets purchased (net)	1,112.65	-	105.65	-

D. Transaction with related party of Key Managerial Personnel :

(₹ lakhs)

No.	Particulars	FY 2017-18	FY 2016-17
1	Rent paid	2.28	2.28

Notes forming part of the Financial Statements

E. **Compensation to key management personnel :**

(₹ lakhs)

No.	Particulars	FY 2017-18	FY 2016-17
1	Shailendrajit Rai (Managing Director)		
	Short term employee benefits	57.36	22.23
	Post-employment benefits	0.90	0.90
	Commission	17.71	15.84
	Other long-term benefits	-	-
	Total	**75.97**	**38.97**
2	**Rajeev Sikand (Chief Executive Officer)**		
	Short term employee benefits	104.52	96.27
	Post-employment benefits	11.59	10.86
	Commission	122.35	91.32
	Other long-term benefits	-	-
	Share based payments	621.98	-
	Total	**860.44**	**198.45**
3	**Vimal Gupta (Chief Financial Officer)**		
	Short term employee benefits	56.29	68.73
	Post-employment benefits	4.21	4.16
	Other long-term benefits	-	-
	Share based payments	544.24	-
	Total	**604.74**	**72.89**
4	**P.S. Rao (Company Secretary)**		
	Short term employee benefits	1.20	1.20
	Total	**1.20**	**1.20**
5	**Pamela Rai (Non-Executive Director)**		
	Sitting Fees	0.75	0.40
	Total	**0.75**	**0.40**
6	**Anil D Harolikar (Independent Director)**		
	Sitting Fees	2.10	1.30
	Total	**2.10**	**1.30**
7	**Vinay Punjabi (Independent Director)**		
	Sitting Fees	2.10	1.50
	Total	**2.10**	**1.50**
8	**Ajay Nanawati (Independent Director)**		
	Sitting Fees	1.25	0.85
	Total	**1.25**	**0.85**

Note:

As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above. The amount included above is the contribution made by company.

Notes forming part of the Financial Statements

42 LEASE TRANSACTIONS

Operating leases

Obligations towards non-cancellable operating Leases:

The Company has taken facilities and office premises on lease. The future lease payments for these facilities are as under:

(₹ lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Lease obligation			
- Not later than one year	252.00	252.00	252.00
- later than one year and Not later than five years	252.00	504.00	756.00
- Later than five years	-	-	-

The operating lease arrangements is with group compny and same is renewable on 5 years.

43 STOCK OPTION PLANS

1 Employee Stock Option Plan– 2015

This Scheme shall be called the “Alicon Castalloy Limited – Employee Stock Option Scheme 2015 (ESOS 2015)”.

The objective of the ESOS 2015 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Shareholders in their meeting held on 30th December 2015 have resolved to authorize the Board to issue to the Employees of the Company, not more than 6,12,800 (Six Lakh Twelve Thousand Eight Hundred Only) Employee Stock Options under ESOS 2015 exercisable Equity Shares of face value of ₹ 5/- each fully paid up, being not more than 5% of the Issued Equity Share Capital of the Company as on March 31, 2015, to be issued and allotted by the Company (hereinafter referred as “Primary Shares”), in one or more tranches, with each such Option conferring a right upon the Employees to apply for one Equity Share in the Company, in accordance with the terms and conditions of ESOS 2015. The ESOS 2015 shall be administered by the Compensation Committee.

The Employee Stock Options granted may be exercised by the Option grantee at any time within a period of one year from the date of Vesting of the respective Stock Options or such other period as may be decided by the Compensation Committee from time to time. The shares issued upon exercise of options shall be freely transferable and will not be subject to any lock - in period after such exercise provided.

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

Particulars	FY 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price (₹)	No. of shares	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	465,333	124.00	-	
Granted during the year	120,000	124.00	465,333	124.00
Forfeited / surrendered during the year	10,233	124.00	-	-
Exercised during the year	253,899	124.00	-	-

Notes forming part of the Financial Statements

Particulars	FY 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price (₹)	No. of shares	Weighted average exercise price (₹)
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	321,201	124.00	465,333	124.00
Options exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	5.16 years		6.32 years	

The weighted average market price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise 11th August 2018 during the year was ₹ 523.32 (Previous year ₹ Nil)

The fair value of each option granted during the year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2017-18	FY 2016-17
1. Exercise price (₹)	124.00	124.00
2. Price of the underlying share in market at the time of the option grant (₹)	513.54	318.20
3. Weighted average fair value of options granted (₹)	390.84	227.40
4. Expected life of the option (years)	2.25	4.48
5. Risk free interest rate (%)	6.66%	7.00%
6. Expected volatility (%)	46.85%	59.95%
7. Dividend yield (%)	1.58%	1.18%

The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The Company recorded an employee compensation cost of ₹ 496.08 lakhs (Previous year ₹ 493.51) in the Statement of Profit and Loss.

2 **Employee Stock Option Plan– 2017**

This Scheme shall be called the "Alicon Castalloy Limited – Employee Stock Option Scheme 2017 ("ESOS 2017" or "Scheme").

The objective of the ESOS 2017 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Shareholders by way of special resolution dated June 08, 2017 have authorized the Nomination and Remuneration Committee to grant not exceeding 6,75,000 (Six lacs seventy five Thousand only) Options to the Employees under the ESOS 2017, in one or more tranches, exercisable into not more than 6,75,000 (Six lacs seventy five Thousand only) Shares of face value of ₹ 5 (Rupees five) each fully paid-up, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the ESOS 2017

Options granted under ESOS 2017 would Vest after 1 (one) year but not later than 4 (four) years from the date of grant of such Options

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

Notes forming part of the Financial Statements

financial year

Particulars	FY 2017-18	
	No. of shares	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	-	-
Granted during the year	675,000	5.00
Forfeited / surrendered during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of year	675,000	5.00
Options exercisable at the end of the year	-	-
Weighted average remaining contractual life	2.54 years	

The fair value of each option granted during the year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2017-18
1. Exercise price (₹)	5.00
2. Price of the underlying share in market at the time of the option grant (₹)	507.10
3. Weighted average fair value of options granted (₹)	485.77
4. Expected life of the option (years)	2.20
5. Risk free interest rate (%)	6.35%
6. Expected volatility (%)	48.09%
7. Dividend yield (%)	1.55%

The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The Company recorded an employee compensation cost of ₹ 1232.13 lakhs (Previous year ₹ Nil) in the Statement of Profit and Loss.

44 RESEARCH AND DEVELOPMENT

The Company has separate in-house research & development set up which is involved in new product development, new process development etc. The details of R&D expenditure are as under:

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Capital expenditure	41.43	6.06
Revenue expenditure	567.63	514.21
Total R&D expenditure	**609.06**	**520.27**

45 BASIC AND DILUTED EARNINGS PER SHARE

Particulars		FY 2017-18	FY 2016-17
Nominal value per equity share	₹	5.00	5.00
Profit for the year	₹ in lakhs	3,617.16	2,330.15
Weighted average number of equity shares	No. of shares	13,101,547	12,256,222
Earnings per share - Basic	₹	27.61	20.23
Earnings per share - Diluted	₹	26.64	19.90

Notes forming part of the Financial Statements

46 DISCLOSURE OF CAPITAL COMMITMENT & CONTINGENT LIABILITIES

1. Capital commitment

(₹ lakhs)

No.	Particulars	31 March 2018	31 March 2017	01 April 2016
1	Estimated amount of contracts remaining to be executed on capital account	626.35	723.73	1,051.80
	Total	**626.35**	**723.73**	**1,051.80**

2. Contingent liabilities not provided for :

(₹ lakhs)

No.	Particulars	31 March 2018	31 March 2017	01 April 2016
1	Letters of credit issued by the banks against imports	211.57	126.03	692.12
2	Performance and financial guarantees issued by the banks	409.37	377.98	404.78
3	Customs and related duties for non fulfilment of export obligation	1,222.49	1,272.09	1,228.03
4	Assessment dues of VAT & CST	210.02	1,196.93	1,122.59
5	Pending cases in local civil court	449.09	353.63	353.63
6	Income tax dues including interest	18.74	18.74	18.74

47 INCOME TAXES

The income tax expense consists of following:

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Tax expense		
Current tax	1,332.42	590.66
MAT credit entitlement	-	-
Deferred tax (benefit) / charge	339.73	476.59
Total tax expense	**1,672.15**	**1,067.26**
Other comprehensive income		
Remeasurements gains and losses on post employment benefits	26.61	(16.97)
Income tax expense reported in the statement of other comprehensive income	**26.61**	**(16.97)**

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Profit before tax	5,289.31	3,397.41
Indian statutory income tax rate	34.61%	34.61%
Expected tax expense	1,831.00	1,175.78
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of weighted deductions, exemptions and deductions	(149.67)	(164.39)
Effect of permanent adjustments	(2.68)	18.57
Others (net)	(6.02)	37.30
Total tax expense	**1,672.15**	**1,067.26**

Notes forming part of the Financial Statements

Deferred Tax

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

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
- Property, plant and equipment	397.03	515.54
- Unwinding of enkei payable	(23.15)	(21.47)
- Transaction cost on term loans amortised over the tenure of the loan	(4.28)	(5.31)
- Provision for doubtful debts and advances	(19.18)	9.84
- Provision allowed on payment basis	3.99	(27.03)
- Foreign currency loan and forward contracts	11.94	(11.94)
Total expenses	**366.35**	**459.63**
- Recognised in Profit or Loss	339.74	476.59
- Recognised in Other Comprehensive Income	26.61	(16.97)
	366.35	**459.62**

The gross movement in the deferred tax for the year ended 31 March 2018 and 31 March 2017 is as follows:

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Net deferred tax asset (liability) at the beginning	1,313.94	854.32
Credits / (charge) relating to temporary differences	339.74	476.59
Temporary differences on other comprehensive income	26.61	(16.97)
Net deferred income tax asset at the end	1,680.29	1,313.94

48 I) Consequent to implementation of SAP, the method of valuation of inventories of raw material has to change from First In First Out to Moving Average Price. Impact of such change in method of valuation has not been ascertained and previous year's financials has not been restated for the same.

II) During the year company has received share application money under ESOS scheme but the company has not been able to allot 4611 shares out of 253899 shares within the prescribed time limit of the Companies Act, 2013 due to technical problem in the respect this transaction, further the company decided to allot these shares during the upcoming vesting in financial year 2018-19.

49 EXPLANATION OF TRANSITION TO IND AS

These financial statements, for the year ended 31 March 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP.

Accordingly, the Company has prepared financial statements which comply with IndAs applicable for periods ending 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1 April 2016, the Company's date of transition to IndAS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at 1 April 2016 and the financial statement as at and for the year ended 31 March 2017.

Notes forming part of the Financial Statements

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has elected to apply the following exemptions:

1. **Investment in subsidiaries to be carried at cost**

   The Company has elected to carry the investment in subsidiaries at cost as at the transition date.

Exceptions applied

1. **Estimates**

   Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

- equity reconciliation as at 1 April 2016;
- equity reconciliation as at 31 March 2017;
- profit reconciliation for the year ended 31 March 2017; and

There are no material adjustments to the cash flow statements

Reconciliation of equity as previously reported under Indian GAAP to Ind AS

(₹ lakhs)

Sr.No.	Particulars	Refer Note	As at 31 March 2017	As at 01 April 2016
(A)	**Shareholders' equity under Indian GAAP**		18,049.65	15,142.98
(B)	**Impact on retained earnings**			
1	Reversal of proposed dividend and tax on dividend	(a)	-	553.17
2	Unwinding of interest expense on account of fair valuation of long term liability	(b)	629.30	691.35
3	Effect on borrowing cost pursuant to application of effective interest method	(c)	28.37	43.71
4	Effect of forward contract and exchange fluctuation on loan	(e)	(34.51)	-
5	Effect of fair valuation of ESOP	(f)	(66.24)	-
6	Effect of expected credit loss	(h)	(1,693.01)	(1,693.01)
7	Deferred tax	(i)	(265.37)	(262.22)
	Total impact on retained earnings		**(1,401.46)**	**(666.99)**
(C)	**Impact on other component of equity**			
1	Effect of fair valuation of ESOP	(f)	66.24	-
2	Fair value on equity instrument through other comprehensive income	(g)	0.10	0.06
	Total impact on other component of equity		66.34	0.06
(D)	**Total impact on account of Ind AS**		**(1,335.12)**	**(666.94)**
(E)	**Shareholders' equity under Ind AS**		**16,714.53**	**14,476.04**

Notes forming part of the Financial Statements

Reconciliation of profit as previously reported under Indian GAAP to Ind AS

(₹ lakhs)

Sr.No.	Particulars	Refer Note	As at 31 March 2017
(A)	**Net profit as per Indian GAAP**		2,479.40
(B)	**Ind AS adjustment**		
1	Unwinding of interest expense on account of fair valuation of long term liability	(b)	(62.05)
2	Effect on borrowing cost pursuant to application of effective interest method	(c)	(15.35)
3	Remeasurements of defined benefit plans	(d)	49.02
4	Effect of forward contract and exchange fluctuation on loan	(e)	(34.51)
5	Effect of fair valuation of ESOP	(f)	(66.24)
6	Deferred tax	(i)	(20.11)
	Total Ind AS adjustments		(149.24)
(C)	**Net profit for the period as per Ind AS (A+ B)**		**2,330.16**
(D)	Other Comprehensive Income (net of taxes)	(g)(i)	(32.01)
	Remeasurements of defined benefit plans		(49.02)
	Net (loss) or gain on FVTOCI assets		0.04
	Income tax on items that will not be reclassified to profit or loss		16.96
(E)	**Total comprehensive income as per Ind AS**		**2,298.15**

EXPLANATION (RECONCILIATION) OF TRANSITION TO INDIAN ACCOUNTING STANDARDS (IND AS)

(a) Under Indian GAAP, Provision for proposed dividend is accounted by debiting reserves and surplus in the year for which dividend is declared. Under Ind AS, Entity shall not recognise dividend declared after reporting period as liability. Accordingly provision for proposed dividend is reversed.

(b) Under Indian GAAP, long term liability is stated at historical cost. Under Ind AS, long term liability is fair valued on initial recognition and subsequently measured at amortised cost.

(c) Under Indian GAAP, financial liabilities are initially recognised at cost. Also,the transaction cost incurred to originate the loan is expensed out immediately.Under Ind AS, transaction costs incurred, in connection with interest bearing loans and borrowings, are netted off against the intial recognition of financial liability and charged to statement of profit and loss using effective interest rate.

(d) Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

(e) Under Indian GAAP, the company had measured hedged foreign currency loan liability at a foreign exchange rate fixed by the company's bank. Under Ind AS, foreign currency loan liability is measured at closing foreign exchange rate as on the reporting date with unrealised/ realised foreign exchange differences recognised in the statement of profit and loss. Further, derivative instrument is separately recorded and measured at fair value through profit and loss.

(f) Under Indian GAAP, a company uses intrinsic value approach to measure the cost of share based payments. Under Ind AS, costs of share based payments are recorded based on the fair value of employee stock option.

(g) Under Indian GAAP, long term investments are carried at cost less provision for diminution in value, if any. Under Ind AS, investment in equity shares classified as 'Fair value through other comprehensive income' are

Notes forming part of the Financial Statements

measured at fair value at each reporting date. The subsequent changes in fair value of such investments are recognised in other comprehensive income. Further, gains or losses recognised in other comprehensive income are never reclassified from equity to Statement of Profit or Loss.

(h) On transition to Ind AS, the Company has recognised provision of loss allowance on trade receivables measured at amortised cost based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables measured at amortised cost reduced with a corresponding decrease in retained earnings on the date of transition.

(i) "Under Indian GAAP, the deferred tax is recognised using the income statement / balance sheet approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, the Company has recognised deferred taxes using the balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Also, deferred taxes is recognised on account of the above mentioned changes explained in notes."

(j) Other reclassification adjustments:

1 Under Indian GAAP, excise duty is reduced from gross revenues to report revenues net of excise duty. Under Ind AS, revenue includes gross inflows of economic benefits received by a company for its own account. Excise duty collected, which is a duty on manufacture and a primary obligation of the manufacturer is considered as revenue with the corresponding payments to Government as expenditure. This adjustment does not have any impact on statement of profit and loss.

2 Under Indian GAAP, cash discounts and certain customer incentives are often reported as a separate expenditure in Statement of Profit and Loss.Under Ind AS, revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any cash discounts and volume rebates allowed by the company.

3 Under Indian GAAP, dividend proposed after the date of the financial statements but prior to the approval of financial statements is considered as an adjusting event, and a provision for dividend is recognised in the financial statements of the period to which the dividend relates. Under Ind AS, dividend declaration is considered as a non-adjusting event and provision for dividend is recognised only in the period when the dividend is approved by the shareholders in annual general meeting.

50 Previous year figures have been regrouped whereever considered necessary to make them comparable to those of current year.

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Independent Auditors' Report

To The Members of
Alicon Castalloy Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Alicon Castalloy Limited ("hereinafter referred to as the Holding Company")and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31st March, 2018 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us other than unaudited financial statements as certified by the managements and referred to in paragraph of other matter below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018 and their consolidated profit (including total comprehensive income), their consolidated cash flows and the changes in equity for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matters in the notes to consolidated financial statements:

1. Note no. 48(i) regarding non quantification of impact on the standalone financial statements due to change in policy for valuation of raw material and valuation of inventories of semi finished on totality basis.
2. Note no 48(ii) regarding non allotment of ESOS share within prescribed time limit of the Act.

OTHER MATTER

We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs. 3714.74 lakhs as at March 31, 2018, total revenue of Rs. 8575.12 lakhs, net profit (including other comprehensive income) of Rs. 254.91 lakhs and net cash flows amounting to Rs. -7.14 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have not been audited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

The Comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by other auditors, on which they have expressed an unmodified opinion dated April 29, 2017 and May 2, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the have been audited by us.

Our Opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    b. In our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books.
    c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
    d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
    e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
    f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

   I. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the group - Refer Note 46 to consolidated financial statements;

   II. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

Parag Pansare
Partner
Membership No.: 117309
Pune, April 30, 2018

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Alicon Castalloy Limited ("the Holding Company") as of 31st March, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018 except for the effects/possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria.

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the design of the Holding Company's internal financial controls over financial reporting as at March 31, 2018 :

The Company has implemented SAP during the current year and in SAP Company needs to further improve control over the Valuation of inventories and physical location of fixed assets to have strong control over these items

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 consolidated financial statements of the Company, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.

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

Parag Pansare
Partner
Membership No.: 117309
Pune, April 30, 2018

Consolidated Balance Sheet
as at March 31, 2018

(₹ lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Non-current assets				
Property, plant and equipment	3A	28,562.72	25,529.14	23,029.62
Capital work-in-progress		519.05	885.19	227.70
Investment property	3B	269.38	278.48	287.62
Intangible assets	3C	479.27	29.75	38.14
Intangible assets under development		-	278.34	-
Financial assets				
Investments	4	0.62	0.80	0.76
Loans	5	633.29	163.21	168.85
Other financial assets	6	-	70.19	-
Income tax assets (net)		1,739.53	1,089.99	1,146.70
Other non-current assets	7	1,326.91	1,168.69	1,275.66
		33,530.77	**29,493.78**	**26,175.05**
Current assets				
Inventories	8	8,968.43	6,486.51	5,066.57
Financial assets				
Trade receivables	9	30,119.95	18,371.86	15,157.70
Cash and cash equivalents	10	945.66	920.51	1,109.93
Other balances with banks	11	672.78	655.28	579.05
Loans	12	41.67	16.51	33.37
Other financial assets	13	2,208.60	1,074.69	694.45
Other current assets	14	1,496.69	1,472.85	1,033.02
		44,453.78	**28,998.21**	**23,674.09**
TOTAL ASSETS		**77,984.55**	**58,491.99**	**49,849.14**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	668.28	612.81	612.81
Other equity	16	24,572.60	15,504.79	13,075.30
		25,240.88	**16,117.60**	**13,688.11**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	6,862.30	7,125.43	4,918.97
Other financial liablities	18	630.40	563.50	501.45
Provisions	19	512.67	554.38	476.79
Deferred tax liabilty (net)	20	1,680.30	1,313.95	854.32
		9,685.67	**9,557.26**	**6,751.53**
Current liabilities				
Financial liabilities				
Borrowings	21	17,380.08	15,454.63	12,264.54
Trade payables	22	18,299.19	12,706.19	11,959.94
Other financial liabilities	23	4,458.35	3,498.48	3,669.97
Other current liabilities	24	1,182.16	215.84	417.35
Provisions	25	405.80	351.32	357.34
Current income tax liabilities (net)		1,332.42	590.67	740.36
		43,058.00	**32,817.13**	**29,409.50**
TOTAL EQUITY AND LIABILITIES		**77,984.55**	**58,491.99**	**49,849.14**
Significant accounting policies	1 - 2			
Notes referred to above form an integral part of the consolidated financial statements	3-51			

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended March 31, 2018

(₹ lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	26	103,780.88	86,549.05
Other income	27	947.30	374.72
Total income		**104,728.18**	**86,923.77**
Expenses			
Cost of materials consumed	28	51,339.71	38,949.75
Changes in inventories of finished goods and work-in-progress	29	(1,387.10)	(454.69)
Employee benefits expenses	30	15,410.34	11,838.20
Excise duty expense on sales		2,431.69	9,385.45
Finance costs	31	2,986.59	2,607.07
Depreciation and amortization expenses	32	3,221.02	2,729.78
Other expenses	33	25,169.41	18,320.88
Total expenses		**99,171.66**	**83,376.44**
Profit before tax		**5,556.52**	**3,547.33**
Tax expenses	47		
Current tax		1,348.92	602.69
MAT credit entitlement		-	-
Deferred tax (benefit)/charge		339.74	476.60
Total tax expense		1,688.66	1,079.29
Profit for the year		3,867.86	2,468.04
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		76.90	(49.02)
Net (loss) or gain on FVTOCI assets		(0.10)	0.05
Income tax on items that will not be reclassified to profit or loss		(26.62)	16.97
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		4.21	53.10
Income tax on items that will be reclassified to profit or loss		-	-
Total other comprehensive income		**54.39**	**21.10**
Total comprehensive income for the year		**3,922.25**	**2,489.14**
Earnings per equity share for continuing operations (face value per share ₹ 5 each)			
Basic	45	29.52	21.35
Diluted	45	28.49	21.00
Significant accounting policies	1 - 2		
Notes referred to above form an integral part of the consolidated financial statements	3-51		

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Consolidated Cash Flow Statement
for the year ended March 31, 2018

(₹ lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from operating activities**		
	Net Profit before extraordinary items and tax	5,556.52	3,547.34
	Adjustments for:		
	Depreciation and amortisation (including exceptional item)	3,221.03	2,729.78
	Employee stock compensation cost	1,728.21	493.52
	Interest income	85.48	48.47
	Rent received	143.08	139.10
	Provision for doubtful trade and other receivables	69.23	(28.58)
	Finance cost	2,919.70	2,545.03
	Unwinding of interest on royalty payable	66.91	62.05
	Unrealised foreign exchange gain or loss	71.24	48.83
	Loss /(gain) on sale /surrender of property, plant & equipment (net)	-	42.22
	Exchange differences in translating the financial statements of foreign operations	4.21	53.10
	Sample return off	-	1.97
	Others	0.09	-
	Operating profit / (loss) before working capital changes	**13,865.70**	**9,682.83**
	Changes in working capital:		
	(Increase) / Decrease in inventories	(2,481.90)	(1,419.95)
	(Increase) / Decrease in trade receivables	(11,948.33)	(3,249.84)
	(Increase) / Decrease in other bank balances	(17.50)	(76.23)
	(Increase) / Decrease in current loans	(25.17)	16.87
	(Increase) / Decrease in other current financial asset	(1,137.10)	(376.70)
	(Increase) / Decrease in other current assets	(23.87)	(439.84)
	(Increase) / Decrease in non-current loans	(470.09)	5.65
	Increase / (Decrease) in other non current financial liabilities	70.19	(70.19)
	(Increase) / Decrease in other non-current assets	(158.22)	(263.03)
	Increase / (Decrease) in trade payables	5,628.64	755.44
	Increase / (Decrease) in current other financial liabilities	979.01	(171.49)
	Increase / (Decrease) in other current liabilities	966.33	(201.52)
	Increase / (Decrease)in short-term provision	54.47	(6.01)
	Increase / (Decrease)in long-term provision	35.18	28.58
	Cash generated from operations	**5,337.34**	**4,214.57**
	Net income tax (paid) / refunds	(1,256.71)	(695.67)
	MAT Credit utlised		
	Net cash flow from / (used in) operating activities	**4,080.63**	**3,518.90**
B.	**Cash flow from investing activities**		
	Capital expenditure on property plant and equipment	(5,813.54)	(5,866.65)
	Capital expenditure on intangibles asset	(236.99)	(280.97)
	Proceed from sale of asset	-	327.80
	Interest received	(82.30)	(52.02)
	Rent received	(143.08)	(139.10)
	Net cash flow from / (used in) investing activities	**(6,275.91)**	**(6,010.94)**

(₹ lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash flow from financing activities			
Finance costs		(2,919.70)	(2,545.03)
Borrowings / (Repayment) (Net) long term		(263.13)	2,206.47
Borrowings / (Repayment) (Net) short term		1,925.45	3,194.50
Dividends		(531.50)	(459.61)
Dividend distribution tax		(108.22)	(93.57)
Interim dividend		(267.32)	-
Dividend distribution tax On Interim Dividend		(54.42)	-
Proceeds from issue of equity shares		55.47	-
Premium on issue of shares to Enkei Corporation		4,076.40	-
Premium on issue of shares under ESOP scheme		296.66	-
Share application money pending allotment		5.72	-
Net cash flow from / (used in) financing activities		**2,215.41**	**2,302.76**
Net increase / (decrease) in Cash and cash equivalents		**20.13**	**(189.28)**
Cash and cash equivalents at the beginning of the year		920.51	1,109.93
Foreign exchange fluctuation		5.02	(0.14)
Cash and cash equivalents at the end of the year		**945.66**	**920.51**
Components of cash and cash equivalents			
Cash on hand		32.14	22.69
Balances with banks in current accounts		913.52	897.82
		945.66	**920.51**
Significant accounting policies	1 - 2		
Notes referred to above form an integral part of the consolidated financial statements	3-51		

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2018

A EQUITY SHARE CAPITAL

(₹ lakhs)

Balance as at 1 April 2016	612.81
Changes in equity share capital during 2016-17	-
Balance as at 31 March 2017	**612.81**
Changes in equity share capital during 2017-18	55.47
Balance as at 31 March 2018	**668.28**

B OTHER EQUITY

(₹ lakhs)

PARTICULARS	Share application money pending allotment	Reserves & surplus					Exchange differences in translating the financial statement of foreign operations	Equity instruments through Other comprehensive income	Total
		Securities premium	Employee stock options outstanding (ESOP)	Captial reserve	General reserve	Retained earnings			
Balance as on 01 April 2016	-	2,002.00		411.55	1,240.00	9,315.02	106.67	0.06	13,075.30
Profit for the year	-	-	-	-	-	2,468.04	-	-	2,468.04
Other comprehensive income (net of tax)	-	-	-	-	-	(32.05)	53.10	-	21.05
Total comprehensive income for the year	-	-	-	-	-	2,435.99	53.10	-	2,489.09
Transactions with owners recognised directly in equity									-
Dividends	-	-	-	-	-	(459.64)	-	-	(459.64)
Dividend distribution tax	-	-	-	-	-	(93.57)	-	-	(93.57)
Share based payments to employees	-	-	493.51	-	-	-	-	0.05	493.56
Balance as on 31 March 2017	-	2,002.00	493.51	411.55	1,240.00	11,197.87	159.76	0.11	15,504.79
Profit for the year	-	-	-	-	-	3,867.86	-	-	3,867.86
Other comprehensive income (net of tax)	-	-	-	-	-	50.28	4.21	(0.10)	54.39
Total comprehensive income for the year	-	-	-	-	-	3,918.01	4.21	(0.10)	3,922.25
Transactions with owners recognised directly in equity									
Dividends	-	-	-	-	-	(531.46)	-	-	(531.28)
Dividend distribution tax	-	-	-	-	-	(108.22)	-	-	(108.22)
Interim dividend	-	-	-	-	-	(267.32)	-	-	(267.32)
Dividend distribution tax On Interim Dividend	-	-	-	-	-	(54.42)	-	-	(54.42)
Share based payments to employees	-	-	1,728.21	-	-	-	-	-	1,728.21
Premium on issue of shares to Enkei Corporation	-	4,076.39	-	-	-	-	-	-	4,076.39
Premium on issue of shares under ESOP scheme	5.72	853.50	(556.84)	-	-	-	-	-	302.38
Balance as on 31 March 2018	5.72	6,931.89	1,664.88	411.55	1,240.00	14,154.58	163.97	0.01	24,572.60

Significant accounting policies 1 - 2

Notes referred to above form an integral part of the consolidated financial statements 3-51

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Notes forming part of the Consolidated Financial Statements

THE CORPORATE OVERVIEW

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

The consolidated financial statements comprise the financial statements of the company and its subsidiaries (together referred to as "the group").

1. BASIS OF PREPARATION

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

The Financial Statements up to the year ended 31 March 2017 were prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP"). The financial statements for the year ended 31 March 2018 are the group's first financial statements prepared in accordance with Ind AS. An explanation of how the transition to Ind AS has affected the reported balance sheet, statement of profit and loss and cash flows of the company is provided in note 50.

The consolidated financial statements were authorised for issue by the Board of Directors on 30 April 2018.

a) Basis of measurement

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

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

b) Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

liability is classified as current when it is:

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

The group classifies all other liabilities as non-current.

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

c) Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and

- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 -Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) **Functional and presentation currency:**

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) **Property, plant and equipment**

- **Recognition and measurement**

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

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

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

Capital work-in-progress comprises of the cost of property, plant and equipment that

Notes forming part of the Consolidated Financial Statements

are not yet ready for their intended use as at the balance sheet date.

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

- **Subsequent costs**

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

- **Derecognition**

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

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

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

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

Freehold land is not depreciated.

b) **Intangible assets**

- **Recognition and measurement**

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

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

- **Derecognition**

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

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Notes forming part of the Consolidated Financial Statements

The estimated useful lives are as follows:

Computer and functional software	7 years

c) **Investment properties**

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

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

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

d) **Leases**

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

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

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

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

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

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

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

f) **Inventories**

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

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

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

Notes forming part of the Consolidated Financial Statements

g) **Cash and cash equivalents**

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

h) **Revenue recognition**

Revenue from sale of goods is recognised when all significant risks and rewards of ownership of the goods are passed on to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. It also includes excise duty and excludes Goods and Service tax (GST), value added tax or sales tax. Sales are stated net of discounts, rebates and returns.

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

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

i) **Other income**

- **Interest income**

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

- **Dividends**

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

- **Any other income are accounted for on accrual basis.**

j) **Borrowing costs**

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

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

k) **Foreign currency transactions and balances**

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

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

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

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet

- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

Notes forming part of the Consolidated Financial Statements

- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

l) Employee Benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

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

Other long-term employee benefits

The liabilities for earned leave which are not expected to be settled within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are

Notes forming part of the Consolidated Financial Statements

presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

m) Share-based payments

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

Equity-settled transactions

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

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

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

n) Research and development cost

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

o) Income tax

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

Current income tax

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

Deferred tax

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

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

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

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

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

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

p) Government grant

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

q) Provisions and contingencies

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

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

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

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

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

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

r) Fair value measurement

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

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

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

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

Notes forming part of the Consolidated Financial Statements

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

s) Financial instruments

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

Initial recognition and measurement

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

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

Subsequent measurement of financial assets

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

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

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

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

Debt instruments at amortised cost

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

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

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

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

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

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

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

For financial liabilities measured at fair value, changes in fair value will recorded in the statement of profit and loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using effective interest rate (EIR) method and are recognised in statement of profit and loss.

Derecognition of financial instruments

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Impairment of financial assets

The group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables under Ind AS 18

The impairment methodology applied depends on whether there has been a significant increase

Notes forming part of the Consolidated Financial Statements

in credit risk. Details how the group determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the group chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Group to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

Derivative financial instruments

Initial measurement and subsequent measurement

The group uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss.

t) Cash dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

w) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actuals may differ from these estimates.

Judgements

In the process of applying the Group's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Group has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD). Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

Contingent liability

The Group has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information of related contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note prepared elsewhere in the financial statement.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilised.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

x) **Recent accounting pronouncements**

Standards issued but not yet effective

Ind AS 115 : Revenue from Contract with Customers

Ind AS 115 is effective for annual periods beginning on or after 1 April 2018. Ind AS 115 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry (with limited exceptions). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligation; changes in contract asset and contract liability balances between periods and key judgments and estimates. The standard permits the use of either the retrospective or cumulative effect transition method. The Group is currently evaluating the requirements of Ind AS 115 and does not expect the new guidance to have significant impact on the financial statements.

Notes forming part of the Consolidated Financial Statements

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Group will apply amendments when they become effective. Since the Group does not have any such transaction, this amendment does not have any effect of the financial statements of the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. The Group is currently evaluating the requirements of this amendment and does not expect the new guidance to have significant impact on the financial statements.

3A PROPERTY, PLANT AND EQUIPMENT

Changes in the carrying amount of property, plant and equipment

(₹ lakhs)

PARTICULARS	Leasehold land	Freehold land	Buildings (refer note 1)	Factory Equipments	Plant and machinery	Electrical installations	Furniture and fixtures	Computer	Office equiments	Quality control equipment	Motor vehicle	Dies and patterns	Assets given on lease to related parties	Total
Gross carrying amount as at 1 April 2016	1,265.47	1,669.23	2,946.73	2,046.76	24,158.34	1,653.47	1,465.72	409.06	398.52	425.11	465.92	4,234.02	490.64	41,628.99
Additions	-	-	250.41	148.01	3,705.16	385.03	326.24	20.00	67.26	35.08	16.29	293.35	-	5,246.83
Translation Adjustment	-	-	(2.18)	(41.41)	(60.01)	(0.52)	(2.99)	(6.99)	(6.26)	(3.30)	(11.16)	(3.96)	(38.21)	(176.99)
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31 March 2017	**1,265.47**	**1,669.23**	**3,194.96**	**2,153.36**	**27,803.49**	**2,037.98**	**1,788.97**	**422.07**	**459.52**	**456.89**	**471.05**	**4,523.41**	**452.43**	**46,698.83**
Accumulated depreciation as at 1 April 2016	14.07	-	817.24	1,158.06	11,021.87	1,010.19	585.63	372.86	296.30	240.34	244.38	2,546.38	292.05	18,599.37
Depreciation	12.86	-	141.86	186.85	1,606.05	130.32	161.82	24.03	52.75	44.67	54.67	234.40	51.77	2,702.05
Translation Adjustment	-	-	(0.60)	(31.93)	(45.86)	(0.28)	(3.24)	(6.71)	(4.49)	(3.23)	(7.36)	(2.22)	(25.81)	(131.73)
Disposal/retirements/derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2017	**26.93**	**-**	**958.50**	**1,312.98**	**12,582.06**	**1,140.23**	**744.21**	**390.18**	**344.56**	**281.78**	**291.69**	**2,778.56**	**318.01**	**21,169.69**
Carrying amount as at 1 April 2016	**1,251.40**	**1,669.23**	**2,129.49**	**888.70**	**13,136.47**	**643.28**	**880.09**	**36.20**	**102.22**	**184.77**	**221.54**	**1,687.64**	**198.59**	**23,029.62**
Carrying amount as at 31 March 2017	**1,238.54**	**1,669.23**	**2,236.46**	**840.38**	**15,221.43**	**897.75**	**1,044.76**	**31.89**	**114.96**	**175.11**	**179.36**	**1,744.85**	**134.42**	**25,529.14**
Gross carrying amount as at 1 April 2017	1,265.47	1,669.23	3,194.96	2,153.36	27,803.49	2,037.98	1,788.97	422.07	459.52	456.89	471.05	4,523.41	452.43	46,698.83
Additions	-	-	413.79	341.01	3,779.19	10.22	138.78	48.27	47.70	61.88	16.82	1,228.68	3.75	6,090.09
Translation Adjustment	-	-	4.51	81.31	116.72	1.00	5.88	14.84	12.83	6.76	30.57	7.69	88.21	370.32
Disposal/retirements/derecognition	-	-	-	26.50	14.40	-	3.56	5.86	4.91	5.14	8.63	9.28	-	78.28
Gross carrying amount as at 31 March 2018	**1,265.47**	**1,669.23**	**3,613.26**	**2,549.18**	**31,685.00**	**2,049.20**	**1,930.07**	**479.32**	**515.14**	**520.39**	**509.81**	**5,750.50**	**544.39**	**53,080.96**
Accumulated depreciation as at 1 April 2017	26.93	-	958.50	1,312.98	12,582.06	1,140.23	744.21	390.18	344.56	281.78	291.69	2,778.56	318.01	21,169.69
Depreciation	13.93	-	181.65	231.35	1,735.78	131.94	152.23	24.66	47.29	50.86	53.64	471.85	46.55	3,141.66
Translation Adjustment	-	-	1.42	66.03	76.06	0.66	5.84	13.66	9.97	6.57	27.53	4.45	69.34	281.55
Disposal/retirements/derecognition	-	-	-	26.50	14.40	-	3.56	5.86	4.91	5.14	5.08	9.28	-	74.73
Accumulated depreciation as at 31 March 2018	**40.86**	**-**	**1,141.57**	**1,583.86**	**14,379.50**	**1,272.83**	**898.72**	**422.64**	**396.91**	**334.07**	**367.78**	**3,245.67**	**433.90**	**24,518.24**
Carrying amount as at 1 April 2017	**1,238.54**	**1,669.23**	**2,236.46**	**840.38**	**15,221.43**	**897.75**	**1,044.76**	**31.89**	**114.96**	**175.11**	**179.36**	**1,744.85**	**134.42**	**25,529.14**
Carrying amount as at 31 March 2018	**1,224.61**	**1,669.23**	**2,471.69**	**965.32**	**17,305.50**	**776.37**	**1,031.35**	**56.68**	**118.23**	**186.32**	**142.03**	**2,504.90**	**110.49**	**28,562.72**

Note:

Refer note 17 and 21 for details of property, plant and equipment pledged as security for borrowings.

Addition during the year includes R&D capital expenditure to the tune of ₹ 41.43 lakhs (PY 6.06 lakhs).

Notes forming part of the Consolidated Financial Statements

3B INVESTMENT PROPERTY

Changes in the carrying amount of Investment property

(₹ lakhs)

Particulars	Land	Building	Total
Gross carrying amount as at 1 April 2016	109.80	269.09	378.89
Additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2017	**109.80**	**269.09**	**378.89**
Accumulated depreciation as at 1 April 2016	-	91.27	91.27
Depreciation	-	9.14	9.14
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2017	**-**	**100.41**	**100.41**
Carrying amount as at 1 April 2016	**109.80**	**177.82**	**287.62**
Carrying amount as at 31 March 2017	**109.80**	**168.68**	**278.48**
Gross carrying amount as at 1 April 2017	109.80	269.09	378.89
Additions	-	-	-
Gross carrying amount as at 31 March 2018	**109.80**	**269.09**	**378.89**
Accumulated depreciation as at 1 April 2017	-	100.41	100.41
Depreciation	-	9.10	9.10
Accumulated depreciation as at 31 March 2018	**-**	**109.51**	**109.51**
Carrying amount as at 1 April 2017	**109.80**	**168.68**	**278.48**
Carrying amount as at 31 March 2018	**109.80**	**159.58**	**269.38**

Reconciliation of fair value:

Particulars	Investment property
Fair value as at 1 April 2016	443.80
Fair value difference	27.74
Fair value as at 31 March 2017	**471.54**
Fair value difference	27.73
Fair value as at 31 March 2018	**499.27**

The Company obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

These valuations are based on valuations performed by property valuer, an accredited independent valuer. The valuer is a specialist in valuing these types of properties. All resulting fair value estimates for investment properties are included in Level 2.

The rent received from the investment property is ₹ 143.08 lakhs (Previous year : ₹ 139.49 lakhs).

Notes forming part of the Consolidated Financial Statements

3C INTANGIBLE ASSETS

Changes in the carrying amount of other intangible assets

(₹ lakhs)

Particulars	Software	Total
Gross carrying amount as at 1 April 2016	202.87	202.87
Additions	10.84	10.84
Disposal/retirements/derecognition	5.36	5.36
Gross carrying amount as at 31 March 2017	**208.35**	**208.35**
Accumulated depreciation as at 1 April 2016	164.73	164.73
Depreciation	18.65	18.65
Disposal/retirements/derecognition	4.78	4.78
Accumulated depreciation as at 31 March 2017	**178.60**	**178.60**
Carrying amount as at 1 April 2016	**38.14**	**38.14**
Carrying amount as at 31 March 2017	**29.75**	**29.75**
Gross carrying amount as at 1 April 2017	208.35	208.35
Additions	529.65	529.65
Disposal/retirements/derecognition	2.46	2.46
Gross carrying amount as at 31 March 2018	**735.54**	**735.54**
Accumulated depreciation as at 1 April 2017	178.60	178.60
Depreciation	70.25	70.25
Translation Adjustment	9.88	9.88
Disposal/retirements/derecognition	2.46	2.46
Accumulated depreciation as at 31 March 2018	**256.27**	**256.27**
Carrying amount as at 1 April 2017	**29.75**	**29.75**
Carrying amount as at 31 March 2018	**479.27**	**479.27**

4 NON CURRENT INVESTMENTS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Investments in equity instruments of other entities measured at fair value through Profit and Loss			
Shamrao Vitthal Co-operative bank	0.50	0.50	0.50
2000 (March 31, 2017: 2000; April 1, 2016: 2000) equity shares of ₹ 25 each fully paid-up in			
Investments in equity instruments of other entities measured at fair value through Other Comprehensive Income			
Bank of Maharashtra	0.12	0.30	0.26
900 (March 31, 2017: 900; April 1, 2016: 900) equity shares of each fully paid-up in			
Investments in equity instruments of other entities measured at fair value through Other Comprehensive Income			
	0.62	**0.80**	**0.76**
Aggregate book value of quoted investments	0.12	0.30	0.26
Aggregate market value of quoted investments	0.12	0.30	0.26
Aggregate value of unquoted investments	0.50	0.50	0.50
Aggregate amount of impairment in value of investments	-	-	-

* The Company has not performed fair valuation of its investment in unquoted equity shares which are classified as FVTPL, as the Company believes that impact of change on account of fair value is insignificant.

Notes forming part of the Consolidated Financial Statements

5 LOANS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Loans and advances to related parties			
Security deposits	500.00	-	-
Loans and advances other than related parties			
Security deposits	133.29	163.21	168.85
	633.29	**163.21**	**168.85**

Note :

(i) Loans are measured at amortised cost

(ii) Refer related party disclosure in note 41.

6 OTHER FINANCIAL ASSETS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Share application money (In Transit)- Alicon Holding GmbH	-	70.19	-
	-	**70.19**	**-**

7 OTHER NON-CURRENT ASSETS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Capital advances	772.77	363.86	771.87
Balances with customs, excise and other government authorities	515.97	768.47	493.79
Deposits paid against appeal/ assessment	38.17	36.36	10.00
	1,326.91	**1,168.69**	**1,275.66**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

8 INVENTORIES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Valued at the lower of cost and net realisable value)			
Raw materials	1,743.87	1,116.26	1,059.43
Consumables	964.24	829.07	813.36
Semi Finished goods	4,388.93	2,983.54	2,499.46
Packing Material	9.93	2.37	683.57
Dies under Development	1,816.96	1,523.96	10.75
Furnace Oil	44.50	31.31	-
	8,968.43	**6,486.51**	**5,066.57**

Note :

Semi finished goods [includes in transit of INR 113.65 lakhs (2017: INR 44.67 lakhs; 2016: INR 22.38 lakhs)]

Notes forming part of the Consolidated Financial Statements

9 TRADE RECEIVABLES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured)			
Trade receivables (Unsecured) :			
Considered good			
- From others	30,119.95	18,371.86	15,157.70
Considered doubtful			
- From others	1,964.70	1,895.47	1,924.05
	32,084.65	**20,267.33**	**17,081.75**
Less: Allowance for bad and doubtful trade receivables	1,964.70	1,895.47	1,924.05
	30,119.95	**18,371.86**	**15,157.70**

Notes:

(i) Trade receivables are measured at amortised cost.

10 CASH AND CASH EQUIVALENTS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Cash on hand	32.14	22.69	10.29
Balances with banks			
- In current accounts	913.52	897.82	1,099.64
- In deposit accounts(with original maturity of 3 months or less)			
	945.66	**920.51**	**1,109.93**

11 OTHER BANK BALANCES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
- Unpaid dividend account	16.16	11.08	41.28
- Margin money	611.65	606.34	499.91
- Deposit Account with remaining maturity of less than 12 months	44.97	37.86	37.86
	672.78	**655.28**	**579.05**
	1,618.44	**1,575.79**	**1,688.98**

12 LOANS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
- Loan to employees	41.67	16.51	33.37
	41.67	**16.51**	**33.37**

Notes:

(i) Loans are measured at amortised cost.

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

Notes forming part of the Consolidated Financial Statements

13 OTHER CURRENT FINANCIAL ASSETS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Interest accrued on term deposits	15.68	18.87	15.32
Other Receivables	2,192.92	1,055.82	679.13
	2,208.60	**1,074.69**	**694.45**

Notes:

(i) Other current financial assets are measured at amortised cost.

(ii) No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

14 OTHER CURRENT ASSETS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
(Unsecured, considered good unless otherwise stated)			
Advance to suppliers	78.76	54.78	67.07
Prepaid expenses	119.12	52.10	61.69
Balances with statutory authorities	1,241.73	1,307.38	859.19
Advance against expenses/others	56.84	53.28	44.84
Other assets	0.24	5.31	0.23
	1,496.69	**1,472.85**	**1,033.02**

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

15 SHARE CAPITAL

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Authorised:			
16000000 (Previous year 2017 13000000) equity shares of ₹ 5 each fully paid up	800.00	650.00	650.00
	800.00	**650.00**	**650.00**
Issued subscribed and fully paid up:			
13365510 (Previous year 12256222) equity shares of ₹ 5 each fully paid up	668.28	612.81	612.81
	668.28	**612.81**	**612.81**

Notes forming part of the Consolidated Financial Statements

15.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(₹ lakhs)	Number of shares	(₹ lakhs)
Equity shares				
At the beginning of the year	12,256,222	612.81	12,256,222	612.81
Add: Shares issued on exercise of employee stock options	249,288	12.47	-	-
Add: Issued during the year	860,000	43.00	-	-
Outstanding at the end of the year	**13,365,510**	**668.28**	**12,256,222**	**612.81**

15.2 The Company has only one class of shares referred to as equity shares having a par value of ₹ 5. Each shareholder of equity shares is entitled to one vote per share.

15.3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.4 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

Name of the shareholders	Number of shares as at 31 March 2018	% of shares held	Number of shares as at 31 March 2017	% of shares held
Nastic Trading LLP	6,762,822	50.60%	6,762,822	55.18%
Shailendra Rai	834,444	6.24%	834,444	6.81%
Enkei Corporation	1,960,000	14.66%	1,100,000	8.98%

16 OTHER EQUITY

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Share application money pending allotment	5.72	-	-
Reserves & surplus			
Securities premium	6,931.89	2,002.00	2,002.00
Employee stock options outstanding reserve	1,664.88	493.51	-
Captial reserve	411.55	411.55	411.55
General reserve	1,240.00	1,240.00	1,240.00
Retained earnings	14,154.58	11,197.87	9,315.02
Exchange differences in translating the financial statement of foreign operations	163.97	159.76	106.67
Equity instruments through Other comprehensive income	0.01	0.10	0.06
	24,572.60	**15,504.79**	**13,075.30**

17 BORROWINGS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Term loans			
- From banks (secured)	6,040.56	5,291.01	5,027.26
- From financial institutions (secured)	3,417.28	4,028.09	1,657.31
	9,457.84	**9,319.10**	**6,684.57**
Less : Current maturities of long term borrowing	2,595.54	2,193.67	1,765.60
	6,862.30	**7,125.43**	**4,918.97**

Notes forming part of the Consolidated Financial Statements

Notes:

(i) Long-term borrowings include secured term loans at floating interest rates from State Bank of India, Bank of Maharashtra, Bajaj Finance Ltd and IDFC Bank Ltd. which are repayable through monthly / Quarterly installments.

Total number of installments = 682

Number of installments outstanding as at March 31, 2018 = 353 (PY = 365)

(ii) Loans availed from State Bank of India, Bank of Maharashtra, Bajaj Finance Ltd and IDFC Bank Ltd are secured by a first parri-passu charge by way of registered mortgage on the existing fixed assets except Land at Khed city. Loan availed from Bajaj Finance Ltd. is secured by exclusive charge on lease land at Khed city. Of these, ₹ 2,619.01 Lakhs (PY ₹ 2,206.02 Lakhs) are classified as current liabilities being repayable before March 31,2019.

(iii) There is no default, continuing or otherwise in repayment of installment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

(iv) Borrowings are measured at amortised cost

18 OTHER FINANCIAL LIABILITIES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Enkei payable	630.40	563.50	501.45
	630.40	**563.50**	**501.45**

Note:

Other financial liabilities are measured at amortised cost.

19 PROVISIONS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Provision for employee benefits			
- Gratuity (Refer note 36(2))	357.29	386.85	313.75
- Compensated Absences	155.38	167.53	163.04
	512.67	**554.38**	**476.79**

20 DEFERRED TAX LIABILTIES (NET)

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Deferred tax liabilities			
-Property ,plant and equipment	2,401.78	2,004.76	1,489.21
-Enkei Payable	194.65	217.79	239.27
-Transaction cost on term loans amortised over the tenure of the loan	5.54	9.82	15.13
	2,601.97	**2,232.37**	**1,743.61**
Deferred tax assets			
-Provision for doubtful debts and advances	652.88	633.70	643.55
-Provision allowed on payment basis	268.79	272.77	245.74
-Foreign currency loan and forward contracts	-	11.95	-
	921.67	**918.42**	**889.29**
Net deferred tax liability	**1,680.30**	**1,313.95**	**854.32**

Refer note 47 for further disclosures.

Notes forming part of the Consolidated Financial Statements

21 BORROWINGS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Loans repayable on demand			
- From banks (Secured)			
Working capital loans from banks (secured)(Refer note (i) below)	13,914.35	11,694.10	10,084.73
Liability from bank against bill discounting / PO funding	1,155.84	2,099.10	37.03
(unsecured)(Refer note (ii) below)	-	-	-
- From other than banks (secured)(Refer note (iv) below)	2,309.89	1,661.43	2,142.78
	17,380.08	**15,454.63**	**12,264.54**

Notes:

(i) Short-term borrowings includes cash credit facilities availed from State Bank of India, Kotak Mahindra Bank (Formerly known as ING Vysya Bank), Bank of Maharashtra, IDFC Bank and Bajaj Finance Ltd. These borrowings are secured in favour of all the aforementioned banks by a first parri-passu charge by way of hypothecation of all stocks and receivables and a second parri-passu charge by joint deed of hypothecation on all fixed assets of the Company.

(ii) Unsecured Preshipment loans are availed from Kotak Mahindra Bank for funding purchase orders and working capital demand loan. These loans, are obtained at floating interest rates repayable through weekly instalments.

(iii) There is no default, continuing or otherwise in repayment of instalment, loan, balance outstanding as the case may be and interest as on the balance sheet date.

(iv) Borrowings are measured at amortised cost

22 TRADE PAYABLES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (Refer note 34)	1,261.50	210.71	217.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,271.60	11,795.95	10,731.86
Acceptances	2,766.09	699.53	1,010.27
	18,299.19	**12,706.19**	**11,959.94**

Notes:

(i) Trade payable from related parties are disclosed in note .

(ii) Trade payables are measured at amortised cost.

(iii) Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

Notes forming part of the Consolidated Financial Statements

The disclosure pursuant to the said MSMED Act are as follows.

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,261.50	217.81	217.81
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

23 OTHER CURRENT FINANCIAL LIABILITIES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Liabilties other than derivative liabilties			
Current maturities of long term debt	2,595.53	2,193.67	1,765.60
Accrued employee costs	624.87	514.18	472.03
Interest accrued and not due on borrowings	77.84	74.05	73.47
Unclaimed dividend	16.16	11.07	41.29
Payables in respect of fixed assets	516.48	368.64	556.60
Payables in respect of services	408.84	202.68	143.57
Royalty payable	121.25	39.06	43.20
Other liabilities	89.29	41.24	574.21
Derivative liability			
Foreign currency forward contract	8.09	53.89	-
	4,458.35	**3,498.48**	**3,669.97**

Note:

(i) Liabilities other than derivatives are measured at amortised cost.

(ii) Derivative liability are measured at fair value through profit or loss.

24 OTHER CURRENT LIABILITIES

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Advances from customers	152.22	27.46	204.76
Statutory remittances (net)	1,022.71	169.78	183.23
Tax deducted at source payable	5.87	17.74	29.11
Other liabilities (includes provident fund and other taxes)	1.36	0.86	0.25
	1,182.16	**215.84**	**417.35**

Notes forming part of the Consolidated Financial Statements

25 PROVISIONS

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1 ,2016
Provision for employee benefits			
- Gratuity (Refer note 36(2))	94.66	81.31	76.81
- Compensated Absences	113.49	78.32	78.75
Provision for bonus	197.65	191.69	201.78
	405.80	**351.32**	**357.34**

26 REVENUE FROM OPERATIONS

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Sale of products		
- Finished Goods	99,944.02	85,050.34
Other operating revenue		
- Scrap sale	3,055.99	836.07
- Other services	780.87	662.64
	103,780.88	**86,549.05**

Revenue for operations year ended 31 March 2018 is not comparable with revenue for operations of year ended 31 March 2017, as the amount of excise duty is not included in the revenue from operations post implementation of GST effective from 1 July 2017.

Details of products sold Manufactured goods

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Castings made from aluminum alloys	96,490.88	79,769.86
Conversion Income -(Job work)	10.16	1,580.48
Scrap Sales	3,055.99	836.07
Dies	3,443.14	3,700.42
Other Services	780.87	662.64
Total	**103,780.88**	**86,549.05**

27 OTHER INCOME

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Interest Received	85.48	48.47
Rental income	143.08	139.10
Foreign exchange gains (net)	90.14	-
Export incentive	446.11	127.37
Miscellaneous Income	136.69	59.78
Derivative profit	45.80	-
	947.30	**374.72**

Notes forming part of the Consolidated Financial Statements

28 COST OF MATERIALS CONSUMED

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Inventory of materials at the beginning of the year	2,522.45	1,597.78
Purchases	52,443.60	40,039.41
Inventory of materials at the end of the year	3,626.34	2,687.44
	51,339.71	**38,949.75**

29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Work-in-progress		
Inventories at the beginning of the year	2,936.32	2,481.63
Inventories at the end of the year	4,323.42	2,936.32
	(1,387.10)	**(454.69)**

Material consumed includes material on conversion account as certified by the management.

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

30 EMPLOYEE BENEFITS EXPENSE

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Salaries, wages and bonus	11,794.31	9,734.29
Contributions to Provident and other Funds	971.44	807.53
Gratuity and leave encashment	207.47	173.67
Employee share based payments expenses (refer note 43)	1,728.21	493.51
Employee Welfare Expenses	708.91	629.20
	15,410.34	**11,838.20**

31 FINANCE COSTS

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Interest on term loan & working capital (Refer note (i))	2,746.24	2,388.79
Interest on payments of Duties & Taxes	9.20	22.38
Other borrowing costs	164.25	133.85
Unwinding of interest on royalty payable	66.90	62.05
	2,986.59	**2,607.07**

Note

(i) Includes amount of ₹ 12.36 lakh (Previous year - ₹ 15.34 lakh) pertaining to amortisation of transaction cost

Notes forming part of the Consolidated Financial Statements

32 DEPRECIATION AND AMORTISATION EXPENSE

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Depreciation on property, plant and equipment (refer note 3A)	3,141.66	2,701.99
Depreciation on Investment property, (refer note 3B)	9.11	9.14
Amortization of intangible assets (refer note 3C)	70.25	18.65
	3,221.02	**2,729.78**

33 OTHER EXPENSES

(₹ lakhs)

Particulars	For the year ended March 31 , 2018	For the year ended March 31 , 2017
Manufacturing Expenses		
Consumption of stores and spares	5,739.34	4,003.52
Power and fuel	7,157.32	5,479.41
Processing charges	4,297.21	3,055.16
Repairs to Machinery	429.92	485.98
Other Manufacturing Expenses	928.99	452.10
	18,552.78	**13,476.17**
Administrative Expenses		
Legal and Professional charges	529.79	364.12
Payment to Auditor's (refer note 36 I)	26.19	27.73
Rent	631.79	499.39
Corporate Social Responcibility Expenses (refer note 36 II)	70.34	55.20
Other Administrative Expenses	1,827.65	1,837.59
	3,085.76	**2,784.03**
Selling and Distribution Expenses		
Selling and distribution expenses	3,530.87	2,060.68
	3,530.87	**2,060.68**
	25,169.41	**18,320.88**

34 FINANCIAL INSTRUMENTS

34.1 Financial Instruments by category

The carrying value of financial instruments by categories as on 31 March 2018 are as follows:

(₹ lakhs)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.50	0.12	0.62
Trade receivables	30,119.95	-	-	30,119.95
Cash and cash equivalents	945.66	-	-	945.66
Other balances with banks	672.78	-	-	672.78
Loans	674.96	-	-	674.96
Other financial assets	2,208.60	-	-	2,208.60
Total Assets	**34,621.95**	**0.50**	**0.12**	**34,622.57**
Liabilities				
Borrowings	24,242.38	-	-	24,242.38
Trade payables	18,299.19	-	-	18,299.19
Other financial liabilities	5,080.66	8.09	-	5,088.75
Total Liabilities	**47,622.23**	**8.09**	**-**	**47,630.32**

Notes forming part of the Consolidated Financial Statements

The carrying value of financial instruments by categories as on 31 March 2017 are as follows:

(₹ lakhs)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.50	0.30	0.80
Trade receivables	18,371.86	-	-	18,371.86
Cash and cash equivalents	920.51	-	-	920.51
Other balances with banks	655.28	-	-	655.28
Loans	179.72	-	-	179.72
Other financial assets	1,144.88	-	-	1,144.88
Total Assets	**21,272.25**	**0.50**	**0.30**	**21,273.05**
Liabilities				
Borrowings	22,580.06	-	-	22,580.06
Trade payables	12,706.19	-	-	12,706.19
Other financial liabilities	4,008.09	53.89	-	4,061.98
Total Liabilities	**39,294.34**	**53.89**	**-**	**39,348.23**

The carrying value of financial instruments by categories as on 1 April 2016 are as follows:

(₹ lakhs)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Investments in equity instruments	-	0.50	0.26	0.76
Trade receivables	15,157.70	-	-	15,157.70
Cash and cash equivalents	1,109.93	-	-	1,109.93
Other balances with banks	579.05	-	-	579.05
Loans	202.22	-	-	202.22
Other financial assets	694.45	-	-	694.45
Total Assets	**17,743.35**	**0.50**	**0.26**	**17,744.11**
Liabilities				
Borrowings	17,183.51	-	-	17,183.51
Trade payables	11,959.94	-	-	11,959.94
Other financial liabilities	4,171.42	-	-	4,171.42
Total Liabilities	**33,314.87**	**-**	**-**	**33,314.87**

34.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 31 March 2018.

(₹ lakhs)

Particulars	As at 31 March 2018	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.12	0.12	-	-
Derivative financial liability	8.09	-	8.09	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 31 March 2017:

Particulars	As at 31 March 2017	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.30	0.30	-	-
Derivative financial liability	53.89	-	53.89	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 1 April 2016:

(₹ lakhs)

Particulars	As at 31 March 2016	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investments in shares of Bank of Maharashtra	0.12	0.12	-	-

Valuation technique and significant unobservable inputs:

Level 2:

(i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

Fair value of financial assets and financial liabilities measured at amortised cost :

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets) and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

The Company has not performed fair valuation of its investment in unquoted equity shares as mentioned in note no. 4 which are classified as FVTPL, as the Company believes that impact of change on account of fair value is insignificant.

34.3 Financial risk management

The Company's activities exposes it to market risks, credit risks and liquidity risks. The Company’s management have overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s risks are reviewed regularly to reflect changes in market conditions and the company’s activities. Derivatives are used for hedging of foreign currency loan and not as a trading or speculative purposes.

The Company has exposure to the following risks arising from financial instruments :

a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers. To manage this, the Company periodically assesses the key accounts receivable balances. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

i. Trade receivables

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

Notes forming part of the Consolidated Financial Statements

Trade receivables that were not impaired

(₹ lakhs)

Particulars	Carrying amount		
	31 March 2018	31 March 2017	01 April 2016
Less than 180 days	29,926.47	18,233.80	14,991.18
More than 180 days	193.48	138.06	166.52
Total	**30,119.95**	**18,371.86**	**15,157.70**

Movement in allowance of bad and doubtful trade receivable

Particulars	₹ Lakhs
At 1 April 2016	**1,924.05**
Provided during the year	21.60
Amount written off / written back	(50.17)
At 31 March 2017	**1,895.47**
Provided during the year	89.05
Amount written off / written back	(19.83)
At 31 March 2018	**1,964.70**

ii. **Financial instruments and Cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties.

b. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk for which company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

(₹ lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Cash and cash equivalents	945.66	920.51	1,109.93
Other balances with banks	672.78	655.28	579.05
Total	**1,618.44**	**1,575.79**	**1,688.98**

The following are the remaining contractual maturities of financial liabilities as on 31 March 2018.

(₹ lakhs)

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings	17,380.08	2,595.53	6,862.30	26,837.91
Trade payables	736.40	17,562.79	-	18,299.19
Other financial liabilities	16.16	1,846.66	630.40	2,493.22

Notes forming part of the Consolidated Financial Statements

The following are the remaining contractual maturities of financial liabilities as on 31 March 2017.

(₹ lakhs)

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings	15,454.63	2,193.67	7,125.43	24,773.73
Trade payables	626.22	12,079.97	-	12,706.19
Other financial liabilities	11.07	1,293.74	563.50	1,868.31

The following are the remaining contractual maturities of financial liabilities as on 01 April 2016.

(₹ lakhs)

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings	12,264.54	1,765.60	4,918.97	18,949.11
Trade payables	494.81	11,465.13	-	11,959.94
Other financial liabilities	41.29	1,863.08	501.45	2,405.82

c. **Market risk**

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables and deposits with banks.

i. **Foreign currency risk**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency. The Company manages its foreign currency risk by hedging foreign currency denominated loan using foreign currency forward contracts . The Company negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

The following foreign currency exposures have not been hedged by derivative instruments at the Balance Sheet date:

(₹ lakhs)

Nature of exposure	Amount in foreign currency			Equivalent amount in INR		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
USD						
Trade payables	1.10	1.01	3.51	70.91	65.01	232.42
Payable for fixed assets	0.02	-	-	1.18	-	-
Trade receivables	55.56	24.89	14.86	3,539.83	1,613.63	985.48
Cash and bank balance	1.80	2.01	2.03	116.99	130.28	134.48
Net liabilities / (assets)	**(56.24)**	**(25.89)**	**(13.38)**	**(3,584.73)**	**(1,678.90)**	**(887.54)**
EUR						
Trade payables	-	2.20	0.46	-	152.30	34.35
Payable for fixed assets	2.60	-	-	192.52	-	-
Trade receivables	8.95	1.70	2.70	685.99	117.34	202.67
Cash and bank balance	0.01	-	-	0.17	-	-
Net liabilities / (assets)	**(6.36)**	**0.50**	**(2.24)**	**(493.64)**	**34.96**	**(168.32)**
JPY						
Trade payables	443.87	-	337.63	237.49	-	199.41
Payable for fixed assets	142.00	-	-	85.28	-	-
Cash and bank balance	3.17	-	-	1.95	-	-
Net liabilities / (assets)	**582.70**	**-**	**337.63**	**320.82**	**-**	**199.41**

Notes forming part of the Consolidated Financial Statements

(₹ lakhs)

Nature of exposure	Amount in foreign currency			Equivalent amount in INR		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
GBP						
Trade payables	0.01	-	-	0.01	-	-
Trade receivables	4.49	5.19	2.17	390.97	419.48	205.78
Cash and bank balance	0.01	-	-	0.26	-	-
Net liabilities / (assets)	**(4.49)**	**(5.19)**	**(2.17)**	**(391.22)**	**(419.48)**	**(205.78)**

Foreign currency sensitivity on unhedged exposure

(₹ lakhs)

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax	Effect on pre-tax equity
For 31 March 2018	EUR	+5%	179.24	179.24
		-5%	(179.24)	(179.24)
	USD	+5%	24.68	24.68
		-5%	(24.68)	(24.68)
	JPY	+5%	(16.04)	(16.04)
		-5%	16.04	16.04
	GBP	+5%	19.56	19.56
		-5%	(19.56)	(19.56)
For 31 March 2017	EUR	+5%	83.95	83.95
		-5%	(83.95)	(83.95)
	USD	+5%	(1.75)	(1.75)
		-5%	1.75	1.75
	GBP	+5%	20.97	20.97
		-5%	(20.97)	(20.97)

Details of foreign currency loan that are hedged by derivative instruments or otherwise:

(₹ lakhs)

Particulars	Currency	Amount in foreign currency	Equivalent INR	Maturity Profile	Fair Value in Balance Sheet
As at 31 March 2018	USD	5.39	350.52	Within one year	8.09
As at 31 March 2017	USD	13.85	917.01	Within one year	53.89

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instruments are follows:

(₹ lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Variable rate instruments			
Borrowings	26,837.91	24,773.73	18,949.11

Interest rate sensitivity on variable rate instruments

(₹ lakhs)

Particulars	31 March 2018	31 March 2017
Impact on profit before tax or pre-tax equity		
Increase by 50 basis points	(134.19)	(123.87)
Decrease by 50 basis points	134.19	123.87

Notes forming part of the Consolidated Financial Statements

35 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March, 2017 and 1 April 2016.

36 I Auditor's Remuneration

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Statutory Audit	15.00	15.00
Limited Review	4.50	4.50
Consolidation Audit	5.00	2.50
Certifications	1.00	0.70
Review of Internal Financial Controls	-	4.00
Out of pocket expenses	0.69	1.02
Total	**26.19**	**27.72**

II Details of CSR Expenditure : -

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Gross amount to be spend during the year	64.30	55.50
Amount spend during the year	70.34	55.19

37 DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY IND-AS 19 - "EMPLOYEE BENEFITS ARE AS UNDER":

1 Defined contribution plan - Provident fund

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

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Contribution to employee provident fund	293.99	259.20
Total	**293.99**	**259.20**

2 Defined benefit plan

i) The defined benefit plan comprises gratuity, which is funded.

ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Notes forming part of the Consolidated Financial Statements

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Change in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	768.79	686.24
Current service cost	81.32	76.81
Interest cost	52.46	50.46
Actuarial loss / (Gain) recognised in other comprehensive income		
a) changes in financial assumptions	(51.98)	50.41
b) changes in demographic assumptions	-	-
c) experience adjustments	(23.59)	(2.00)
Past service cost	49.42	-
Benefits paid	(84.72)	(93.13)
Present value of defined benefit obligation at the end of the year	**791.70**	**768.79**
Change in the fair value of plan assets		
Fair Value of plan assets at the beginning of the period	300.62	295.68
Interest Income	21.46	22.99
Return on plan assets, excluding interest income	1.34	(0.61)
Contribution by the employer	112.17	75.68
Benefit paid from the fund	(84.72)	(93.13)
Fair Value of plan assets at the end of the period	**350.87**	**300.61**
Analysis of defined benefit obligation		
Present value of obligation as at the end of the year	(791.70)	(768.79)
Fair Value of Plan Assets at the end of the Period	350.87	300.61
Net (asset) / liability recognized in the Balance Sheet	(440.83)	(468.18)
Bifurcation of liability as per Schedule III		
Current Liability	83.56	81.32
Non-Current Liability	357.29	386.86
Net (asset) / liability recognized in the Balance Sheet	**440.85**	**468.18**
Components of employer expenses/remeasurement recognized in the statement of Profit and Loss		
Current service cost	81.32	76.81
Net Interest Cost	31.00	27.47
Past Service Cost	49.42	-
Expenses recognized in the Statement of Profit and Loss	**161.74**	**104.28**
Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)		
Actuarial loss / (gain)	(75.57)	48.41
Return on plan assets, Excluding interest income	(1.34)	0.61
Net (income)/expense recognized in the OCI	**(76.91)**	**49.02**
Analysis of defined benefit obligation		
Net opening provision in books of accounts	468.18	390.57
Employee Benefit Expense	161.74	104.28
Amounts recognized in Other Comprehensive Income	(76.91)	49.02
Contribution by the employer	(112.17)	(75.68)
Net (asset) / liability recognized in the Balance Sheet	**440.84**	**468.19**
Composition of the plan assets		
Policy of insurance	100.00%	100.00%
Total	**100.00%**	**100.00%**

Notes forming part of the Consolidated Financial Statements

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Actuarial Assumptions:		
Discount rate	7.55%	7.25%
Salary Escalation	5.50%	6.00%
Withdrawal rates per annum		
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 35 to 45 years	6.00%	3.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.

b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

c. Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ lakhs)

Projected benefit obligation on current assumptions	FY 2017-18		FY 2016-17	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	761.47	824.18	735.58	807.29
Future salary growth (0.5 % movement)	823.18	761.79	803.47	738.19
Attrition rate (1 % movement)	795.56	787.10	769.04	768.55

Maturity profile of defined benefit plan

(₹ lakhs)

Projected benefits payable in future years from the date of reporting	FY 2017-18	FY 2016-17
1st Following year	125.52	90.88
2nd Following year	36.42	71.87
3rd Following year	77.71	26.75
4th Following year	41.59	67.14
5th Following year	107.51	37.47
Sum of years 6 to 10	365.03	336.78

Weighted average assumptions used to determine net periodic benefit cost

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Number of active members	987	1,009
Per month salary cost for active members	186.24	179.32
Average monthly salary (₹)	18,869	17,771
Average age (years)	36.65	35.82
Weighted average duration of the projected benefit obligation (years)	8.79	8.53
Average expected future service (years)	21.79	22.93
Average outstanding term of the obligations (Years)	9.24	11.81
Prescribed contribution for next year (12 Months)	83.56	81.32

Notes forming part of the Consolidated Financial Statements

38 SEGMENT INFORMATION

The Group's operating business predominantly relates to manufacture of Aluminium Castings thereof and hence the Company has considered "Aluminium Castings" as the single reportable segment.

39 NET DEBT RECONCILIATION

Position of net debt

(₹ lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Borrowings		
Non-current borrowings	6,862.30	7,125.43
Current borrowings	17,380.08	15,454.63
Current maturities of long term loans	2,595.53	2,193.67
Net debt	**26,837.91**	**24,773.73**

Movement in net debt

(₹ lakhs)

Particulars	Borrowings
Net debt as at 31st March 2017	24,773.73
Cash flows	2,053.11
Foreign exchange adjustment	11.07
Interest accrued but not due as on 1st April 2017	74.05
Interest accrued but not due as on 31st March 2018	(77.84)
Interest expense	2,746.24
Interest paid	(2,742.45)
Net debt as at 31st March 2018	**26,837.91**

40 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 share application money (in transit) refer note 4 and 6 for the PY 70.19 lakhs of the Company by such parties.

41 RELATED PARTY DISCLOSURES

A. Relationship between the related party:

Relationship	Name of related party
Group Company	Atlas Castalloy Limited*

*Enterprise where director has significant influence.

B. List of Key Management Personnel and their relatives:

Key Management Personnel (KMP)	Shailendrajit Rai	Managing Director
	Rajeev Sikand	Chief Executive Officer (CEO)
	Vimal Gupta	Chief Financial Officer (CFO)
	P.S. Rao	Company Secretary
	Pamela Rai	Non-Executive Director
	Anil D Harolikar	Independent Director
	Vinay Punjabi	Independent Director
	Ajay Nanawati	Independent Director
	Junichi Suzuki	Independent Director
Relatives of KMP	Preeti Gupta	Relative of CFO

Notes forming part of the Consolidated Financial Statements

C. Transactions with related parties :

(₹ lakhs)

No.	Aggregate of transaction	FY 2017-18	FY 2016-17
1	Sales	-	1.54
2	Purchases	2,348.35	4,420.68
3	Expenses charged to the company	-	352.70
4	Expenses charged by the company	1,271.40	5.74
5	Amount receivable at the end of the year	-	541.74
6	Amount payable at the end of the year	1,538.49	745.45
7	Fixed assets purchased (net)	1,112.65	105.65

D. Transaction with related party of Key Managerial Personnel :

(₹ lakhs)

No.	Particulars	FY 2017-18	FY 2016-17
1	Rent paid	2.28	2.28

E. Compensation to key management personnel :

(₹ lakhs)

No.	Particulars	FY 2017-18	FY 2016-17
1	**Shailendrajit Rai (Managing Director)**		
	Short term employee benefits	57.36	22.23
	Post-employment benefits	0.90	0.90
	Commission	17.71	15.84
	Other long-term benefits	-	-
	Total	**75.97**	**38.97**
2	**Rajeev Sikand (Chief Executive Officer)**		
	Short term employee benefits	104.52	96.27
	Post-employment benefits	11.59	10.86
	Commission	122.35	91.32
	Other long-term benefits	-	-
	Share based payments	621.98	-
	Total	**860.44**	**198.45**
3	**Vimal Gupta (Chief Financial Officer)**		
	Short term employee benefits	56.29	68.73
	Post-employment benefits	4.21	4.16
	Other long-term benefits	-	-
	Share based payments	544.24	-
	Total	**604.74**	**72.89**
4	**P.S. Rao (Company Secretary)**		
	Short term employee benefits	1.20	1.20
	Total	**1.20**	**1.20**
5	**Pamela Rai (Non-Executive Director)**		
	Sitting Fees	0.75	0.40
	Total	**0.75**	**0.40**
6	**Anil D Harolikar (Independent Director)**		
	Sitting Fees	2.10	1.30
	Total	**2.10**	**1.30**

Notes forming part of the Consolidated Financial Statements

(₹ lakhs)

No.	Particulars	FY 2017-18	FY 2016-17
7	**Vinay Punjabi (Independent Director)**		
	Sitting Fees	2.10	1.50
	Total	**2.10**	**1.50**
8	**Ajay Nanawati (Independent Director)**		
	Sitting Fees	1.25	0.85
	Total	**1.25**	**0.85**

Note:

As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above. The amount included above is the contribution made by company.

42 LEASE TRANSACTIONS

Operating leases

Obligations towards non-cancellable operating Leases:

The Company has taken facilities and office premises on lease. The future lease payments for these facilities are as under:

(₹ lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Lease obligation			
- Not later than one year	252.00	252.00	252.00
- later than one year and Not later than five years	252.00	504.00	756.00
- Later than five years	-	-	-

The operating lease arrangement is with group company and same is renewable on five yearly.

43 STOCK OPTION PLANS

1 **Employee Stock Option Plan– 2015**

This Scheme shall be called the “Alicon Castalloy Limited – Employee Stock Option Scheme 2015 (ESOS 2015)”.

The objective of the ESOS 2015 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Shareholders in their meeting held on 30th December 2015 have resolved to authorize the Board to issue to the Employees of the Company, not more than 6,12,800 (Six Lakh Twelve Thousand Eight Hundred Only) Employee Stock Options under ESOS 2015 exercisable Equity Shares of face value of ₹ 5/- each fully paid up, being not more than 5% of the Issued Equity Share Capital of the Company as on March 31, 2015, to be issued and allotted by the Company (hereinafter referred as “Primary Shares”), in one or more tranches, with each such Option conferring a right upon the Employees to apply for one Equity Share in the Company, in accordance with the terms and conditions of ESOS 2015. The ESOS 2015 shall be administered by the Compensation Committee.

The Employee Stock Options granted may be exercised by the Option grantee at any time within a period of one year from the date of Vesting of the respective Stock Options or such other period as may be decided by the Compensation Committee from time to time. The shares issued upon exercise of options shall be freely transferable and will not be subject to any lock - in period after such exercise provided.

Notes forming part of the Consolidated Financial Statements

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

Particulars	FY 2017-18		FY 2016-17	
	No. of shares	Weighted average exercise price (₹)	No. of shares	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	465,333	124.00	-	-
Granted during the year	120,000	124.00	465,333	124.00
Forfeited / surrendered during the year	10,233	124.00	-	-
Exercised during the year	253,899	124.00	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	321,201	124.00	465,333	124.00
Options exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	5.16 years		6.32 years	

The weighted average market price of the options exercised under Employees Stock Option Scheme -2015 on the date of exercise 11th August 2018 during the year was ₹ 523.32 (Previous year ₹ Nil)

The fair value of each option granted during the year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars		FY 2017-18	FY 2016-17
1.	Exercise price (₹)	124.00	124.00
2.	Price of the underlying share in market at the time of the option grant (₹)	513.54	318.20
3.	Weighted average fair value of options granted (₹)	390.84	227.40
4.	Expected life of the option (years)	2.25	4.48
5.	Risk free interest rate (%)	6.66%	7.00%
6.	Expected volatility (%)	46.85%	59.95%
7.	Dividend yield (%)	1.58%	1.18%

The Company recorded an employee compensation cost of ₹ 496.08 lakhs (Previous year ₹ 493.51) in the Statement of Profit and Loss.

2 Employee Stock Option Plan– 2017

This Scheme shall be called the "Alicon Castalloy Limited – Employee Stock Option Scheme 2017 ("ESOS 2017" or "Scheme").

The objective of the ESOS 2017 is to reward the Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Shareholders by way of special resolution dated June 08, 2017 have authorized the Nomination and Remuneration Committee to grant not exceeding 6,75,000 (Six lacs seventy five Thousand only) Options to the Employees under the ESOS 2017, in one or more tranches, exercisable into not more than 6,75,000 (Six lacs seventy five Thousand only) Shares of face value of ₹ 5 (Rupees five) each fully paid-up, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the ESOS 2017.

Notes forming part of the Consolidated Financial Statements

Options granted under ESOS 2017 would Vest after 1 (one) year but not later than 4 (four) years from the date of grant of such Options

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

Particulars	FY 2017-18	
	No. of shares	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	-	-
Granted during the year	675,000	5.00
Forfeited / surrendered during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of year	675,000	5.00
Options exercisable at the end of the year	-	-
Weighted average remaining contractual life	2.54 years	

The fair value of each option granted during the year is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	FY 2017-18
1. Exercise price (₹)	5.00
2. Price of the underlying share in market at the time of the option grant (₹)	507.10
3. Weighted average fair value of options granted (₹)	485.77
4. Expected life of the option (years)	2.20
5. Risk free interest rate (%)	6.35%
6. Expected volatility (%)	48.09%
7. Dividend yield (%)	1.55%

The Company recorded an employee compensation cost of ₹ 1232.13 lakhs (Previous year ₹ Nil) in the Statement of Profit and Loss.

44 RESEARCH AND DEVELOPMENT

The Company has separate in-house research & development set-up which is involved in new product development, new process development etc. The details of R&D expenditure are as under:

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Capital expenditure	41.43	6.06
Revenue expenditure	567.63	514.21
Total R&D expenditure	**609.06**	**520.27**

45 BASIC AND DILUTED EARNINGS PER SHARE

Particulars		FY 2017-18	FY 2016-17
Nominal value per equity share	₹	5.00	5.00
Profit for the year	₹ in lakhs	3,867.86	2,468.04
Weighted average number of equity shares	No. of shares	13,101,547	12,256,222
Earnings per share - Basic	₹	29.52	21.35
Earnings per share - Diluted	₹	28.49	21.00

Notes forming part of the Consolidated Financial Statements

46 DISCLOSURE OF CAPITAL COMMITMENT & CONTINGENT LIABILITIES

1. **Capital commitment**

(₹ lakhs)

No.	Particulars	31 March 2018	31 March 2017	01 April 2016
1	Estimated amount of contracts remaining to be executed on capital account	626.35	723.73	1,051.80
	Total	**626.35**	**723.73**	**1,051.80**

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

(₹ lakhs)

No.	Particulars	31 March 2018	31 March 2017	01 April 2016
1	Letters of credit issued by the banks against imports	3,231.77	126.03	692.12
2	Performance and financial guarantees issued by the banks	321.57	377.98	404.78
3	Customs and related duties for non fulfilment of export obligation	1,222.49	1,272.09	1,290.13
4	Assessment dues of VAT & CST	210.02	1,302.52	1,122.59
5	Pending cases in local civil court	449.09	353.63	353.63
6	Income tax dues including interest	18.74	18.74	18.74

47 INCOME TAXES

The income tax expense consists of following:

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Tax expense		
Current tax	1,348.92	602.69
MAT credit entitlement	-	-
Deferred tax (benefit) / charge	339.74	476.60
Total tax expense	**1,688.66**	**1,079.29**
Other comprehensive income		
Remeasurements gains and losses on post employment benefits	26.62	(16.97)
Income tax expense reported in the statement of other comprehensive income	**26.62**	**(16.97)**

The deferred tax relates to origination/reversal of temporary differences.

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Profit before tax	5,556.52	3,547.33
Indian statutory income tax rate	34.61%	34.61%
Expected tax expense	1,923.01	1,227.68
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of weighted deductions, exemptions and deductions	(149.67)	(164.39)
Effect of permanent adjustments	(2.68)	18.57
Effect of differential overseas tax rate	(75.97)	(39.87)
Others (net)	(6.02)	37.30
Total tax expense	**1,688.66**	**1,079.29**

Notes forming part of the Consolidated Financial Statements

Deferred Tax

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

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
-Property, plant and equipment	396.02	515.55
-Unwinding of enkei payable	(23.14)	(21.48)
-Transaction cost on term loans amortised over the tenure of the loan	(4.28)	(5.31)
-Provision for doubtful debts and advances	(19.18)	9.85
-Provision allowed on payment basis	3.98	(27.03)
-Foreign currency loan and forward contracts	11.95	(11.95)
Total expenses	**365.35**	**459.63**
- Recognised in Profit or Loss	338.73	476.60
- Recognised in Other Comprehensive Income	26.62	(16.97)
	365.35	**459.63**

The gross movement in the deferred tax for the year ended 31 March 2018 and 31 March 2017 is as follows:

(₹ lakhs)

Particulars	FY 2017-18	FY 2016-17
Net deferred tax asset (liability) at the beginning	1,313.95	854.32
Credits / (charge) relating to temporary differences	338.73	476.60
Temporary differences on other comprehensive income	26.62	(16.97)
Net deferred income tax asset at the end	1,679.30	1,313.95

48 I) Consequent to implementation of SAP, the method of valuation of inventories of raw material has to change from First In First Out to Moving Average Price. Impact of such change in method of valuation has not been ascertained and previous year's financials has not been restated for the same.

II) During the year company has received share application money under ESOS scheme but the company has not been able to allot 4,611 shares out of 2,53,899 shares within the prescribed time limit of the Companies Act, 2013 due to technical problem in the respect this transaction, further the company decided to allot these shares during the upcoming vesting in financial year 2018-19.

Notes forming part of the Consolidated Financial Statements

49 FOR DISCLOSOURE MANDATED BY SCHEDULE III OF COMPANIES ACT 2013,BY WAY OF ADDITIONAL INFORMATIONIN,REFER BELOW :

(₹ lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	comprehensive income As % of consolidated othere comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Alicon Castalloy Limited	100.00%	25,582.89	100.00%	3,617.17	100.00%	54.39	100.00%	3,671.56
Subsidiaries								
Alcion Holding GmbH	-0.17%	(43.76)	-0.24%	(9.13)	-	-	-0.23%	(9.13)
Illichmann Castalloy S.R.O	-1.62%	(409.79)	5.68%	219.65	-	-	5.60%	219.65
Illichmann Castalloy GmbH	0.44%	111.54	1.04%	40.17	-	-	1.02%	40.17

50 EXPLANATION OF TRANSITION TO IND AS

These financial statements, for the year ended 31 March 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP.

Accordingly, the Company has prepared financial statements which comply with IndAs applicable for periods ending 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1 April 2016, the Company's date of transition to IndAS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at 1 April 2016 and the financial statement as at and for the year ended 31 March 2017.

Exemptions applied

1. Estimates

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

- equity reconciliation as at 1 April 2016;
- equity reconciliation as at 31 March 2017;
- profit reconciliation for the year ended 31 March 2017; and

There are no material adjustments to the cash flow statements

Notes forming part of the Consolidated Financial Statements

Reconciliation of equity as previously reported under Indian GAAP to Ind AS

(₹ lakhs)

Sr.No.	Particulars	Refer Note	As at 31 March 2017	As at 01 April 2016
(A)	**Shareholders' equity under Indian GAAP**		17,451.72	14,397.14
(B)	**Impact on retained earnings**			
1	Reversal of proposed dividend	(a)	-	553.17
2	Unwinding of interest expense on account of fair valuation of long term liability	(b)	629.30	691.35
3	Effect on borrowing cost pursuant to application of effective interest method	(c)	28.37	43.71
4	Effect of forward contract and exchange fluctuation on loan	(e)	(34.51)	-
5	Effect of fair valuation of ESOP	(f)	(66.24)	-
6	Effect of expected credit loss	(h)	(1,693.01)	(1,693.01)
7	Deferred tax	(i)	(265.37)	(262.22)
	Total impact on retained earnings		**(1,401.46)**	**(666.99)**
(C)	**Impact on other component of equity**	(f)(g)		
1	Effect of fair valuation of ESOP		66.24	-
2	Fair value on equity instrument through other comprehensive income		0.10	0.06
3	Others		-	(42.09)
	Total impact on other component of equity		**66.34**	**(42.03)**
(D)	**Total impact on account of Ind AS**		**(1,335.12)**	**(709.03)**
(E)	**Shareholders' equity under Ind AS**		**16,116.60**	**13,688.11**

Reconciliation of profit as previously reported under Indian GAAP to Ind AS

(₹ lakhs)

Sr.No.	Particulars	Refer Note	As at 31 March 2017
(A)	**Net profit as per Indian GAAP**		2,617.30
(B)	**Ind AS adjustment**		
1	Unwinding of interest expense on account of fair valuation of long term liability	(b)	(62.05)
2	Effect on borrowing cost pursuant to application of effective interest method	(c)	(15.35)
3	Remeasurements of defined benefit plans	(d)	49.02
4	Effect of forward contract and exchange fluctuation on loan	(e)	(34.51)
5	Effect of fair valuation of ESOP	(f)	(66.24)
6	Deferred tax	(i)	(20.11)
	Total Ind AS adjustments		**(149.24)**
(C)	**Net profit for the period as per Ind AS (A+ B)**		**2,468.06**
(D)	Other Comprehensive Income (net of taxes)	(g)(i)	21.08
	Remeasurements of defined benefit plans		(49.02)
	Income tax on remeasurements of defined benefit plans		16.96
	Net (loss) or gain on FVTOCI assets		0.04
	Exchange differences in translating the financial statements of foreign operations		53.09
(E)	**Total comprehensive income as per Ind AS**		**2,489.15**

Notes forming part of the Consolidated Financial Statements

EXPLANATION (RECONCILIATION) OF TRANSITION TO INDIAN ACCOUNTING STANDARDS (IND AS)

(a) Under Indian GAAP, Provision for proposed dividend is accounted by debiting reserves and surplus in the year for which dividend is declared. Under Ind AS, Entity shall not recognise dividend declared after reporting period as liability. Accordingly provision for proposed dividend is reversed.

(b) Under Indian GAAP, long term liability is stated at historical cost. Under Ind AS, long term liability is fair valued on initial recognition and subsequently measured at amortised cost.

(c) Under Indian GAAP, financial liabilities are initially recognised at cost. Also,the transaction cost incurred to originate the loan is expensed out immediately.Under Ind AS, transaction costs incurred, in connection with interest bearing loans and borrowings, are netted off against the intial recognition of financial liability and charged to statement of profit and loss using effective interest rate.

(d) Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.

(e) Under Indian GAAP, the company had measured hedged foreign currency loan liability at a foreign exchange rate fixed by the company's bank. Under Ind AS, foreign currency loan liability is measured at closing foreign exchange rate as on the reporting date with unrealised/ realised foreign exchange differences recognised in the statement of profit and loss. Further, derivative instrument is separately recorded and measured at fair value through profit and loss.

(f) Under Indian GAAP, a company uses intrinsic value approach to measure the cost of share based payments. Under Ind AS, costs of share based payments are recorded based on the fair value of employee stock option.

(g) Under Indian GAAP, long term investments are carried at cost less provision for diminution in value, if any. Under Ind AS, investment in equity shares classified as 'Fair value through other comprehensive income' are measured at fair value at each reporting date. The subsequent changes in fair value of such investments are recognised in other comprehensive income. Further, gains or losses recognised in other comprehensive income are never reclassified from equity to Statement of Profit or Loss.

(h) On transition to Ind AS, the Company has recognised provision of loss allowance on trade receivables measured at amortised cost based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables measured at amortised cost reduced with a corresponding decrease in retained earnings on the date of transition.

(i) Under Indian GAAP, the deferred tax is recognised using the income statement / balance sheet approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, the Company has recognised deferred taxes using the balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Also, deferred taxes is recognised on account of the above mentioned changes explained in notes.

(j) Other reclassification adjustments:

1 Under Indian GAAP, excise duty is reduced from gross revenues to report revenues net of excise duty. Under Ind AS, revenue includes gross inflows of economic benefits received by a company for its own account. Excise duty collected, which is a duty on manufacture and a primary obligation of the manufacturer is considered as revenue with the corresponding payments to Government as expenditure. This adjustment does not have any impact on statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

2 Under Indian GAAP, cash discounts and certain customer incentives are often reported as a separate expenditure in Statement of Profit and Loss.Under Ind AS, revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any cash discounts and volume rebates allowed by the company.

3 Under Indian GAAP, dividend proposed after the date of the financial statements but prior to the approval of financial statements is considered as an adjusting event, and a provision for dividend is recognised in the financial statements of the period to which the dividend relates. Under Ind AS, dividend declaration is considered as a non-adjusting event and provision for dividend is recognised only in the period when the dividend is approved by the shareholders in annual general meeting.

4 Under Indian GAAP, foreign exchange differences arising on translation of non-integral foreign operations are recognised directly in 'Foreign currency translation reserve'. Under Ind AS, foreign exchange differences arising on translation of foreign operations whose functional currency is different from that of a parent are recognised in 'Other comprehensive income' and are accumulated as part of 'Exchange differences in translating the financial statements of foreign operations'. Such differences are reclassified from equity to statement of profit and loss on disposal of the net investment.

51 Previous year figures have been regrouped whereever considered necessary to make them comparable to those of current year.

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

Parag Pansare
Partner
Membership No. 117309

Place: Pune
Dated: 30 April 2018

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

S. Rai
Managing Director
DIN : 00050950

A.D.Harolikar
Director
DIN : 00239460

P.S. Rao
Company Secretary

Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

28TH ANNUAL GENERAL MEETING ON 22ND SEPTEMBER, 2018

ATTENDANCE SLIP

REG. FOLIO NO. ....

I CERTIFY THAT I AM REGISTERED SHAREHOLDER / PROXY FOR THE REGISTERED SHAREHOLDER OF THE COMPANY.

I HEREBY RECORD MY PRESENCE AT THE ANNUAL GENERAL MEETING OF THE ABOVE COMPANY AT THE GAT NO. 1426, VILLAGE - SHIRAKPUR, TALUKA - SHIRUR, DISTRICT - PUNE – 412208

MEMBERS / PROXY'S NAME IN BLOCK LETTERS .... MEMBERS/ PROXY'S SIGNATURE ....

Note: Fill in the attendance slip and hand it over at the Entrance of The Meeting Hall.

COMPANY HAS ARRANGED THE VEHICLE FROM PUNE RAILWAY STATION TO COMPANY AND VEHICLE WILL LEAVE LATEST BY 11:00 AM.

Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

28TH ANNUAL GENERAL MEETING ON 22ND SEPTEMBER, 2018

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s)..

Registered Address..

E-mail Address..

Folio/Client Id :..DP ID :..

I/We, being the member (s) holding..Shares of the above named company, hereby appoint:

Name : ....Email ID..

Address : ....

....Signature..or failing him

Name : ....Email ID..

Address : ....

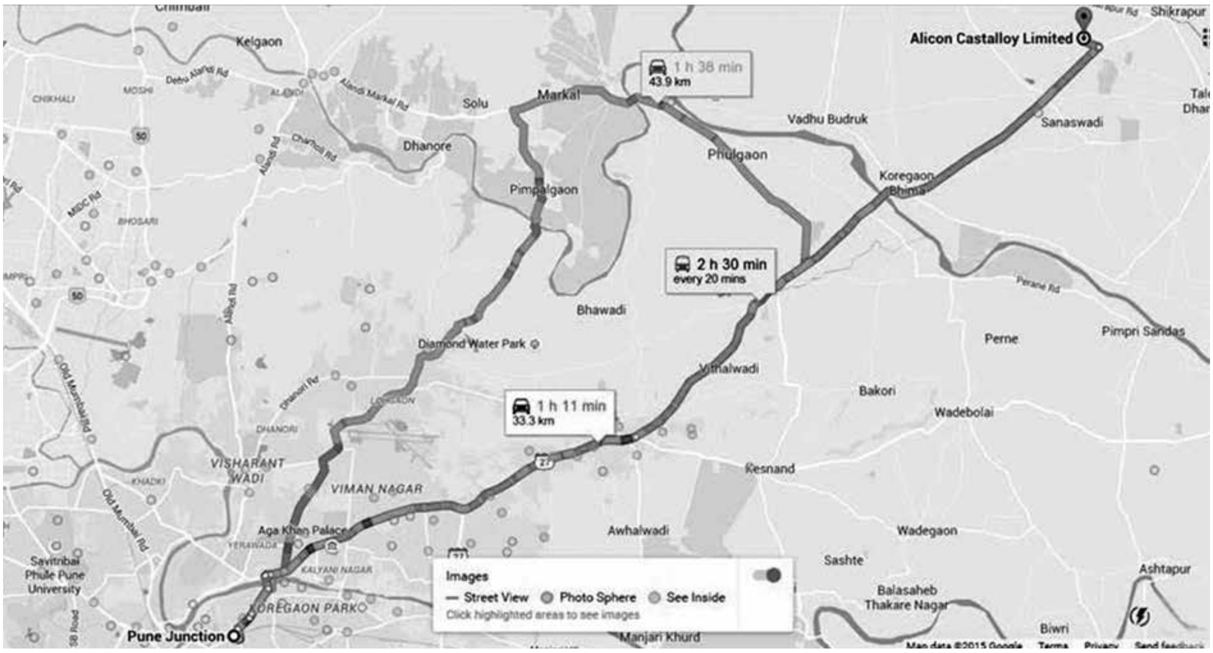
....Signature..or failing him

Name : ....Email ID..

Address : ....

....Signature..or failing him

ROUTE MAP



Source: Google Maps

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the on Saturday, 22nd day of September, 2018 at 12:30 p.m. at the Registered Office premises of the Company at Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

ITEM NO. RESOLUTIONS

	ORDINARY BUSINESS
1.	To receive, consider and adopt the audited Balance Sheet and Statement of Profit & Loss for the year ended March 31, 2018.
2.	To declare final dividend.
3.	To appoint a Director in place of Mrs. Pamela Rai, who retires by rotation, but being eligible offers herself for reappointment.
4.	To appoint Auditors and fix their remuneration.
	SPECIAL BUSINESS
5.	To approve amendment in Alicon Castalloy ESOS 2017

Signed this ....day of................................, 2018.

Affix
Revenue
Stamp
₹ 1/-

....
Signature of Member (s)

....
Signature of Proxy holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Alicon Castalloy Limited

Registered Office : Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune-412 208, Maharashtra

(CIN: L99999PN1990PLC059487)

28TH ANNUAL GENERAL MEETING ON 22ND SEPTEMBER, 2018

ECS MANDATE FORM

(APPLICABLE FOR SHARES IN PHYSICAL FORM ONLY)

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

Name of the First/Sole Shareholder..

Folio No. ....

Income Tax Permanent Account Number (PAN)..
(Please attach a copy of PAN card)

Email ID..

ECS Mandate Form (For shares in physical form only)

Bank Name..

Branch Name and Address..

Bank Account Type (Tick) ☐ SB ☐ Current ☐ Others

Bank Account Number ....

9 Digit Code Number of the Bank.. and Branch ....

Appearing on MICR cheque issued by the Bank..
(Pl attach a photocopy of the cheque)

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through e-mail towards dividend paid by the Company under the ECS mode.

Signature of the 1st Registered Holder/ Sole Holder

Notes

Notes

ALICON CASTALLOY LIMITED
CIN: L99999PN1990PLC059487

If undelivered
Registered Office:
Gat No.1426, Village - Shikrapur,
Taluka - Shirur, District Pune - 412 208

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)