



**To Achieve the Goal  
with Teamwork!!**



**Numbers Show Results.**

**ENKEI WHEELS (INDIA) LIMITED**

An ISO/TS 16949 ISO14001 OHSAS 18801:2007 Company



**BOARD OF DIRECTORS:**

Mr. Masakatsu Uchiyama (upto 29th February 2016)	Managing Director
Mr. Kazuhiko Shimamura (w. e. f. 1st March 2016)	Managing Director
Mr. Junichi Suzuki	Non-Executive Director
Dr. Haresh Shah	Independent & Non-Executive Director
Mr. Shailendrajit Rai	Non-Executive Director
Mr. Satyavara Prasad Garimella	Independent & Non-Executive Director
Ms. Shilpa Dixit	Independent & Non-Executive Director

**CHIEF FINANCIAL OFFICER :**

Mr. Jitendra Parmar

**COMPANY SECRETARY:**

Mr. Omkar Kaulgud

**BANKERS:**

Bank of Tokyo Mitsubishi UFJ Ltd	-	Mumbai
Mizuho Bank Ltd	-	Mumbai
Sumitomo Mitsui Banking Corporation	-	Delhi
Axis Bank Ltd	-	Pune
Kotak Mahindra Bank Ltd	-	Pune
State Bank of India	-	Pune
ICICI Bank Ltd.	-	Pune

**AUDITORS:**

Asit Mehta & Associates  
Chartered Accountants, Mumbai

**REGISTERED OFFICE & WORKS:**

Enkei Wheels (India) Limited,  
CIN : L34300PN2009PLC133702  
Gat no. 1425, Village Shikrapur,  
Taluka Shirur, Dist. Pune - 412208.  
Tel: (02137) 618700 , Fax: (02137) 618720  
Email: secretarial@enkei.in  
Website : www.enkei.in

**REGISTRAR & SHARE TRANSFER AGENTS:**

Universal Capital Securities Pvt. Ltd.  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri, (East), Mumbai 400093.  
Tel: 022-28207203-05/ 28257641  
Email: info@unisec.in

<b><u>Content</u></b>	<b><u>Page No.</u></b>
<b>MD's Message .....</b>	<b>3</b>
<b>Notice and Notes .....</b>	<b>5</b>
<b>Director's Report .....</b>	<b>9</b>
<b>Auditor's Report .....</b>	<b>40</b>
<b>Balance Sheet .....</b>	<b>50</b>
<b>Statement of Profit &amp; Loss .....</b>	<b>51</b>
<b>Cash Flow Statement .....</b>	<b>52</b>
<b>Notes to Accounts .....</b>	<b>54</b>

# PRODUCT PROFILE

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## PASSENGER CAR WHEELS



## MOTORCYCLE WHEELS



## MESSAGE FROM MD's DESK

*With the help of our Enkei Group Company Motto 2015 "SUUJI WO MITE TSUKAU: "Numbers do not lie", we aspire to see the future by setting up clear goal in terms of the NUMBERS.*



### Dear Shareholders,

It gives me a great pleasure to share with you an update on the overall performance of your Company. I would like to begin by expressing my gratitude to each of you for extending your continuous support towards Enkei Wheels (India) Limited.

### Performance

In the financial year, 2015-16, orders for 4W segment were sufficient and all the 4W production lines (MAP lines) were occupied throughout year. However due to unfavorable circumstances, we witnessed downward sales trend in Q4 for 2W segment.

Despite of such challenging external environment your company succeeded in delivering 2.13 million pieces of wheels and achieved net revenue of INR 3 858 million during the year as compared to 2.17 Million pieces of wheels & revenue of INR 3,839 Million in last year.

As a result, we could post positive profit at operational level. However, the company landed in negative net profit as it incurred extraordinary loss from surrender of leasehold land which was the matter of concern over the years. But it is a proactive step in the years to come.

### External Scenario

Considering the external perspective, due to poor monsoon, motorcycle segment in 2W suffered which resulted into order crisis. Then as a measure towards environmental problems Hon'ble Supreme Court of India ruled out vehicle registrations above 2000 CC for diesel variant cars in Delhi which too, to some extent affected our orders. However the Indian automobile industry continued to post positive 7.2% growth (domestic sale) for passenger cars (incl. UV & Van) in 2015-16 against the previous fiscal year and 3.0% positive growth for 2W segment. Your company has received sufficient orders from customers for their new models.

### Internal Controllers

Internally, we continue to adopt & inculcate Enkei DNA, Enkei Ownership & 7 Efforts and try to Level & Label up of employees with the help of fundamentals like 5S activities & improve the loyalty of employees towards the company.

We have been continuously practicing the BEP (Break Even Point) Management and Daily Income Statement (DIS), that is:

1. Increase Value Added Ratio (Implementation of 3B)
2. Reduce Fixed Cost (FCR Activity: Fixed Cost Reduction activity)
3. Increase Sales Amount (Adoption of Product Mix strategy)

We also make use of CFT Activity (Cross Functional Team activity) for better problem solving, Enhancement of communication and motivational activities & Compliance of world standards (Certification of ISO/TS16949, ISO14001 & OHSAS18001) for environmental compliance.

### Parent Support & Policy

It is our accomplishment that we have strengthened 64 years of vast experience of Enkei Group in the field of research & development and manufacturing of aluminum alloy wheels. The technical assistance & cultural exchange from Japan and other ASEAN group companies of Enkei, help us to successfully uphold the No.1 position for OEM supplier in the hybrid industry producing 2W & 4W aluminum alloy wheels of India and we remain committed to continue the same growth.

### Looking Forward

In the current financial year 2016-17, consistently, like the previous year we will ride on this favorable wind and aim to obtain further new orders and ensure stable production. Along with this, due to positive sentiment of monsoon as well as focus on enhancing the operational efficiency we have strong intention to put our best foot forward towards making more profit than the previous financial year.

We believe in the EKIN 2016 slogan "CHIMUWAKU DE MOKUHYOU WO TASSEI SURU: To Achieve the Goal with Teamwork" and with the help of our Enkei Group Company Motto 2016 "SUUJI DE KEKKA WO DASU: "Numbers show results", we aspire to achieve the future goals in terms of NUMBERS .

### Challenges

Currently Indian Government is focused towards many issues like environmental problems, introduction of GST and further compliances.

To adhere to the same, we will practice environmental management system, comply with health & safety standards, follow upcoming GST laws & new Companies Act, 2013.

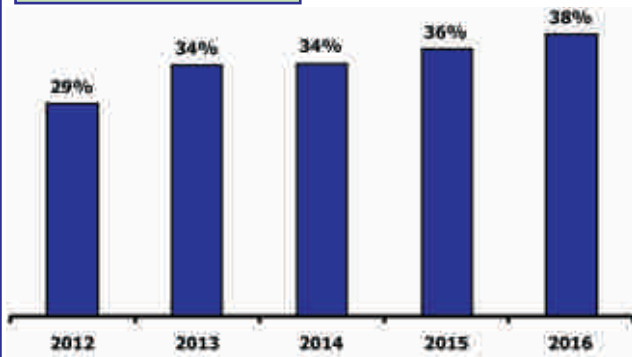
We will ensure our reason for existence in the society – Make Profit, Make Contributions to the Community, Preserve Company's longevity.

At the end of this communication, I would like to thank to all our stakeholders, shareholders, customers, suppliers, vendors, employees, union, our group companies, the Governments and regulatory agencies around the world for taking keen interest in the company and extending continuous support to us and we hope to receive the same in future as well.

**Kazuhiko Shimamura**  
Managing Director

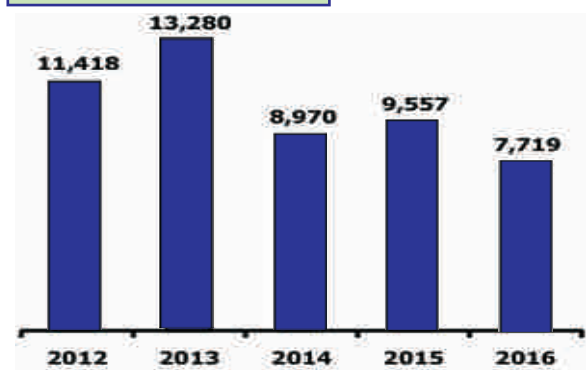
## FINANCIAL HIGHLIGHTS

### Contribution



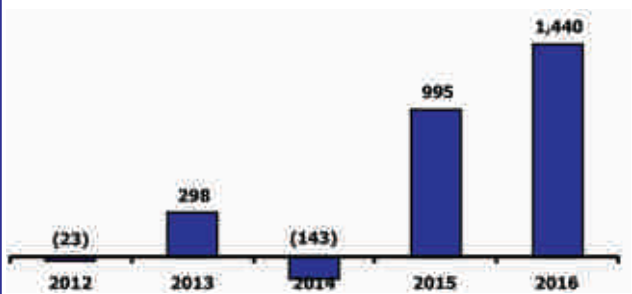
### Current Liabilities

Figures in Lacs(₹)



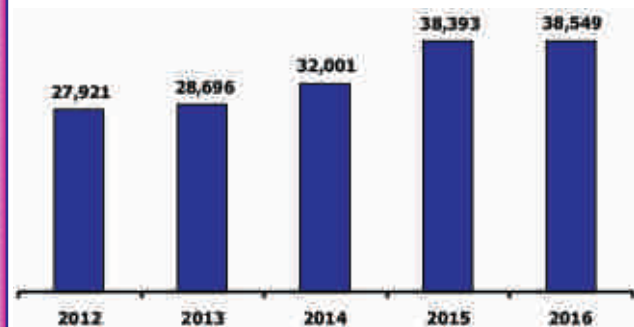
### EBITA

Figures in Lacs(₹)



### Net Sales

Figures in Lacs(₹)



**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ENKEI WHEELS (INDIA) LIMITED WILL BE HELD ON FRIDAY THE 29TH DAY OF JULY 2016 AT 12.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT GAT NO. 1425, VILLAGE SHIKRAPUR, TALUKA SHIRUR, PUNE-412208 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

**ITEM NO. 1 -** To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2016 and the Reports of the Board of Directors and Auditors thereon.

**ITEM NO.2 -** To appoint a director in place of Mr. Junichi Suzuki (DIN: 02628162), who retires by rotation, and being eligible, seeks reappointment.

**ITEM NO. 3 -** Ratification of Appointment of Statutory Auditors.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s Asit Mehta & Associates, Chartered Accountants (Firm's Registration No. 100733W), as Auditors of the Company for the term of five years i.e. till the conclusion of the Tenth Annual General Meeting (AGM), to be held in calendar year 2019 subject to ratification at every AGM, be and is hereby ratified to hold office till the conclusion of Eighth AGM of the Company to be held in calendar year 2017 at such remuneration plus service tax, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**ITEM NO.4 -** Regularisation of Appointment of Mr. Kazuhiko Shimamura (DIN: 05129816) as a Director

**"RESOLVED THAT** Mr. Kazuhiko Shimamura, who was appointed as an Additional Director with effect from 1st March, 2016 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article 113 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

**ITEM NO. 5 -** Appointment of Mr. Kazuhiko Shimamura (DIN: 05129816) as Managing Director of the Company.

To Consider and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to recommendation of the Board , Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 141 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Kazuhiko Shimamura, as Managing Director of the Company with effect from 1st March, 2016 to 28th February 2019, as well as the payment of salary and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Kazuhiko Shimamura.



**RESOLVED FURTHER THAT** the remuneration payable to Mr. Kazuhiko Shimamura, shall not exceed the limit prescribed in the Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

**ITEM NO. 6** Re- Appointment of Ms. Shilpa Dixit (DIN: 00001761) as an Independent Director for period of Five Years :

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

"**RESOLVED THAT** pursuant to provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Shilpa Dixit (DIN 00001761), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto the conclusion of the 12th Annual General Meeting of the Company to be held in the calendar year 2021, subject to Ms. Shilpa Dixit satisfying the criteria of independence in terms of the Companies Act 2013, Rules madethereunder and shall not be liable to retire by rotation."

**For & On Behalf of the Board of Directors**

**Kazuhiko Shimamura**  
(Managing Director)  
(DIN: 05129816)

Place : Pune  
Date : 27<sup>th</sup> May, 2016

**NOTES:**

- 1) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to the Special Business to be transacted at the Seventh Annual General Meeting is annexed hereto.
- 2) Pursuant to SS-2 i.e. Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India, the route map for reaching the Meeting venue is given on page no. 82 of this Annual Report. Further, the Company has uploaded the above route map on its website at [www.enkei.in](http://www.enkei.in)
- 3) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the company. Proxies in order to be effective must be deposited at the registered office of the company in not less than 48 hours before the time fixed for the meeting. The blank proxy form is enclosed.
- 4) Corporate Members intending to send their authorised representative to attend the Annual General Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
- 5) The Registrar of Members and Share Transfer Books of the Company will be closed from 23rd July 2016 to 29th July 2016 (both days inclusive).
- 6) 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.





7) Following are the details of director seeking appointment/re-appointment at Annual General Meeting.

Sr. No.	Particulars	Description
1.	Name of Director	Junichi Suzuki
2.	Father's Name	Kenji Suzuki
3.	Relationship with other Directors	NIL
4.	Date of Birth	25 / 01 / 1948
5.	Date of Appointment	24 / 03 / 2010
6.	Qualifications	Engineer
7.	Expertise	Engineering & Management
8.	List of outside directorships Held (Public Limited Co.)	Alicon Castalloy Limited
9.	Member of the Committees in other companies in India	Nil
10.	Shareholding in the Company	Nil

8) In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Companies (Management and Administration) Amendment Rules, 2015 as amended and in terms of Regulation 44 of Listing Regulations, 2015 all the businesses i.e. Ordinary and Special may be transacted through electronic voting system (remote e-voting), which is being provided by the Company or by ballot paper. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the remote e-voting facility. The instructions for remote e-voting are given herein below.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 26th July 2016 and ends on 28th July 2016 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd July 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**



(xx) **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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**i. In case of Members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 26th July 2016 and ends on 28th July 2016 at 5.00 p.m. During this period, shareholders' of the Company, holding shares as on 22nd July, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at '[www.evotingindia.co.in](http://www.evotingindia.co.in)' under help section or write an email to '[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)'.

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

**MEMBERS WHO WISH TO VOTE USING BALLOT FORM:**

In terms of Regulations 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 members may fill in the Ballot Form which is the part of this annual report and submit the same in a sealed envelope to the Scrutinizer, Mr. Shailesh Indapurkar, Practising Company Secretary, Unit: Enkei Wheels (India) Limited. C/o. Universal Capital Securities Pvt. Ltd., 21/25 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, so as to reach by IST 5.00 p.m. of 28th July, 2015. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final. The ballot form is also available on the website of the Company at [www.enkei.in](http://www.enkei.in)

**In the event member casts his votes through both the processes i.e. E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the physical ballot form would be ignored.**

- The scrutiniser shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting and votes cast through ballot paper; and thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated scrutiniser's report of the total votes cast in favour or against, if any, upon conclusion of the meeting, to the Chairman of Meeting who shall countersign the same.
- The scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the scrutiniser's report shall be placed on the Company's website [www.enkei.in](http://www.enkei.in) and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the annual general meeting of the Company.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013.****Item No. 4:**

Mr. Kazuhiko Shimamura was appointed as an Additional Director w.e.f. 1st March, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 113 of Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Kazuhiko Shimamura for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Kazuhiko Shimamura on the Board is desirable and would be beneficial to the company.

None of the Directors, except Mr. Kazuhiko Shimamura and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

**Item No. 5:**

Mr. Kazuhiko Shimamura was appointed as Managing Director of the Company w.e.f. 1st March 2016 for 3 years.

The remuneration & perquisites of Mr. Kazuhiko Shimamura are set out in draft agreement referred in the resolution no. 5 of the notice and are subject to approval of members & Central Government under the provisions of Sections 196, 197, 198, 203 and other applicable provisions read with Schedule V of the Companies Act, 2013

- i. Salary at the rate of ₹ 162,000 per month.
- ii. The Managing Director shall be entitled to the following perquisites and facilities:

**1 PERQUISITES:**

- I. Medical Reimbursement:  
Reimbursement of medical expenses as per Income Tax Act & Rules.
- II. Club Fees:  
Fees of maximum two clubs excluding admission and life membership fees.
- III. Housing Accommodation :  
Reasonable apartment accommodation shall be provided by the company.
- IV. Annual Leave:  
30 days annual leave with pay for every completed service of eleven months.
- V. Leave Travel Concession:  
For twice a year, round trip air ticket to be provided by the company.


**VI. Provident fund and superannuation:**

- a) Company's contribution to Provident Fund shall be as per Rules framed under the Company's relevant scheme.
- b) Gratuity at the rate of half month's salary for each completed year of service shall be payable according to the Rules of the Company.

**VII. Provision of Car:**

One car shall be given by the Company for MD exclusive use.

**VIII. Telephone:**

Cell phone charge to be provided from the Company.

**IX. The company shall reimburse actual entertainment and traveling expenses incurred by the managing director in connection with the company's business.**

In the event of inadequacy or absence of profits during the duration of the agreement, the Managing Director shall be entitled to remuneration herein provided but without commission and where applicable the same shall be subject to the approval of the Central Government.

Total amount of above perquisites shall not exceed ₹ 3,00,000 p.m.

**Information as per the provisions of Section II of Part II of Schedule V is as follows:**
**I. General Information:**

- a. Nature of Industry: Company is in Auto Parts & Equipment Industry, engaged in the manufacturing of Aluminum alloy wheels for 2W & 4W.
- b. Date of Commencement of Commercial Production: 30th March 2009
- c. Financial Performance:

(₹ In Millions)

<b>For the year ended</b>	<b>31.03.2015</b>
Total Income	3841
Total Expenses	3823
Profit/(loss) Before Tax	18
Provision for Taxation (Current , Deferred , MAT and others)	(4)
Profit After Tax and Extraordinary items	23
Profit After Tax carried to the Balance Sheet	23

- d. Foreign Investment: As on 31.03.2016 the total foreign Investment in the Company is 68.16% which are held by Enkei Corporation, Japan.

**II. Information about appointee:****1. Background :**

Mr. Kazuhiko Shimamura has done Master in Business Administration (MBA) from Chukyo University, Japan and he has the 24 years of experience. He has a special expertise in Business Management Analysis & Finance.

**2. Past Remuneration:**

Details of the remuneration drawn by Mr. Kazuhiko Shimamura in preceding three years prior to date of appointment are as follows:

Period	Salary (in ₹ Approx)	Commission on (in ₹)	Total (in ₹ Approx)	Name of organisation and Designation
01-04-2015 to 28-02-2016	1,859,397	--	1,859,397	Enkei Wheels (India) Limited Sr. Vice President
01-04-2014 to 31-03-2015	2,042,934	-	2,042,934	Enkei Wheels (India) Limited Alternate Director (till 14.08.2014) Sr. Vice President w.e.f. 15.08.2014
01-04-2013 to 31-03-2014	2,008,768	--	2,008,768	Enkei Wheels (India) Limited Alternate Director

**3. Recognitions or awards:**

Nil.

**4. Job Profile and his suitability:**

Mr. Kazuhiko Shimamura has the experience of 24 years in the Enkei Group. This has enabled him to garner wide experience in the Auto Industry. He is responsible for the overall Management of the Company under the supervision, control and direction of the Board of Directors.



**5. Remuneration proposed:**

It is proposed to maintain monthly remuneration to ₹ 4,62,000 inclusive of other perquisites and in the event of any loss or inadequacy of profit in any financial year, subject to Section II of part II of the Schedule V of the Companies Act, 2013, or any modifications thereof, the Managing Director shall be paid the above remuneration by way of salary and perquisites as specified above as the minimum remuneration.

**6. Comparative remuneration profile with respect to industry, size of the Company, profit of the position and person:**

The exact latest data of the comparative profile with remuneration of CEO/MD/Key Personnel of Auto parts & Equipments Companies is not available; however the CEO's/MDs/Key Managerial personnel of Auto parts & Equipments Companies of comparable status are generally receiving remuneration in above scale only.

**7. Pecuniary relationship directly or indirectly with the Company:**

Mr.Kazuhiko Shimamura does not have any pecuniary relationship with the company or with managerial persons.

**III. OTHER INFORMATION:**

**1. Reasons for the loss or inadequate profits:**

Company imports 100% its raw material therefore the currency fluctuations affecting the financials. The fixed cost of the company is still on the higher side. Company is taking steps to minimise its fixed costs by implementing various kaizens.

**2. Steps taken or proposed to be taken for improvement:**

Company is taking steps to minimise its exchange loss by implementing hedging strategy and seeking alternative domestic sources for procurement of raw materials.

**3. Expected increase in productivity and profits in measurable terms:**

The demand for alloy wheels is huge in the market in forthcoming years which will increase the productivity & profits.

None of the Directors, except Mr. Kazuhiko Shimamura and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

**Item no.6**

Ms. Shilpa Dixit is a Non -Executive (Independent) Director of the Company. She joined the Board in 14-08-2014. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, she being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Ms. Shilpa Dixit for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Shilpa Dixit:

- (i) Consent in writing to act as director in Form DIR - 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013,
- (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Shilpa Dixit as an Independent Director of the Company up to 31st March, 2021 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. She is not liable to retire by rotation.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Description</b>
1.	Name of Director	Ms. Shilpa Dixit
2.	Father's Name	Mr. Kedar Dixit
3.	Relationship with other Directors	NIL
4.	Date of Birth	23 / 01 / 1977
5.	Date of Appointment	14 / 08 / 2014
6.	Qualifications	Bcom., Company Secretary & LLB
7.	Expertise	Corporate Laws
8.	List of outside directorships Held (Public Limited Co.)	Nil
9.	Member of the Committees in other companies in India	Nil
10.	Shareholding in the Company	Nil

None of the Directors, except Ms. Shilpa Dixit and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.




**DIRECTORS' REPORT**

To,  
The Members,  
We are delighted to present the Seventh Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2016:

**Financial Highlights:**

The Company's financial performance during the year 2015-16, as compared to the previous year 2014-15 is summarized below:

(₹ In Million)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Gross Sales	<b>4,372.41</b>	4,315.93
Net Sales	<b>3,854.86</b>	3,839.31
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)	<b>400.45</b>	382.05
Less : Depreciation	<b>256.47</b>	281.81
Less : Financial Expenses	<b>51.49</b>	81.95
Profit / (Loss) before exceptional and extraordinary items and tax	<b>92.49</b>	18.29
Less : Exceptional and Extraordinary items	<b>121.09</b>	(0.65)
Profit/(Loss) before Tax	<b>(28.60)</b>	18.94
Less : Provisions for Taxes	<b>26.11</b>	(3.89)
Profit/(Loss) after Tax	<b>(54.71)</b>	22.83

**REVIEW OF OPERATIONS:**

The Company operates into the single business segment of manufacturing of aluminum alloy castings wheels mainly used in automobile industry. This year was the year of stabilization. The Company has maintained the sales of above ₹ 4000 Millions despite of slowdown in 2 wheeler segment.

**TURNOVER**

During the year under review, the Company has recorded Gross Sales of ₹ 4,372.41 million (net Sales of ₹ 3,854.86) in current fiscal year as compared to Gross Sales of ₹ 4,315.93 million (net sales of ₹ 3,839.31 million) last fiscal year. There was a slight increase in sales of the Company as compared to last year.

**CAPITAL**

During the year under review, Company has allotted 706,500 Equity Shares on Preferential basis on 11th January 2016 against share application money of ₹ 13,28,22,00 at ₹ 188 (including the premium of ₹ 183) each received from its Holding Company i.e. Enkei Corporation, Japan after obtaining requisites approvals from all competent authorities.



### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### a) Industry Structure and Development:

##### Production:

The 4 wheeler industry produced a total of 3,413,859 Passenger vehicles including utility vehicles & Vans in Financial Year 2015-2016 as against 3,221,419 in Financial Year 2014-2015, registering a growth of 5.97% on year to year basis.

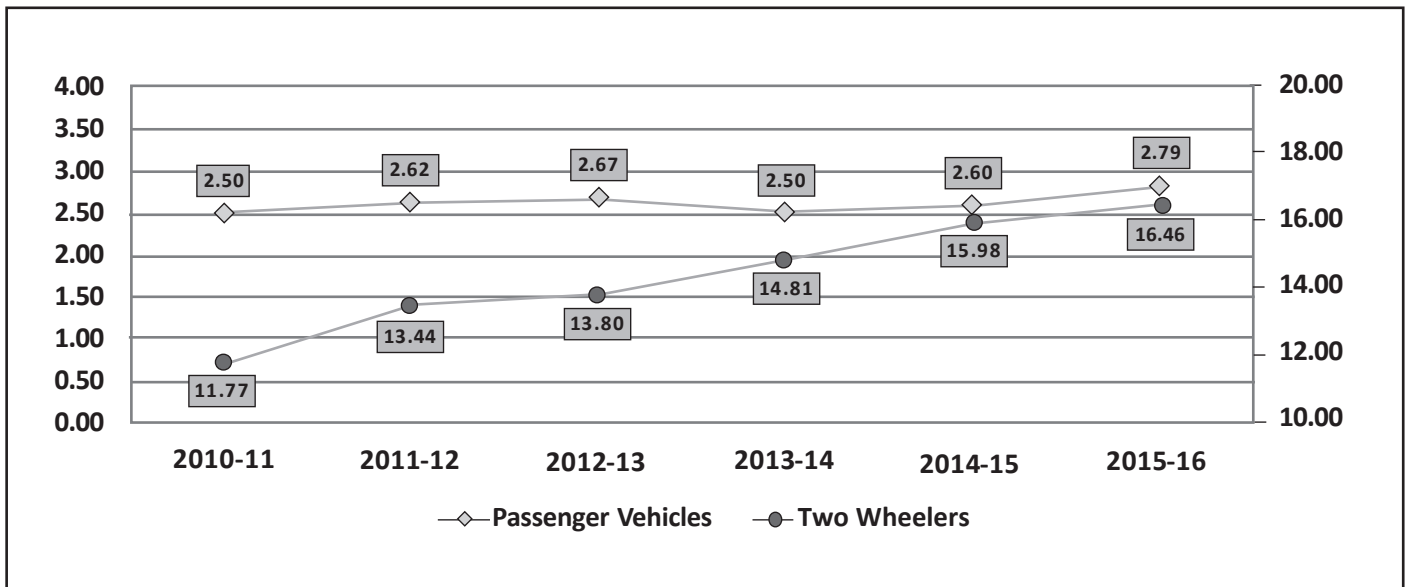
2 wheeler industry produced a total of 18,829,786 including Scooter, Motor cycles & Mopeds in Financial Year 2015-2016 as against 18,489,311 in Financial Year 2014-2015, registering merely growth of 1.84% on year to year basis.

##### Domestic Sales

The domestic sales of Passenger Vehicles grew by 7.24% in Financial Year 2015-2016. Within the Passenger Vehicles segment, Passenger Cars and Utility Vehicles grew by 7.87% and 6.25% respectively, while Vans sales increased by 3.58%.

Two Wheelers domestic sales registered growth of 3.78% in Financial Year 2015-16 on year to year basis. Within the Two Wheelers segment, Scooters sales grew by 11.79%, while Motorcycles and Mopeds registered negative growth by -0.34% & -3.32%.

(Figures in Million)



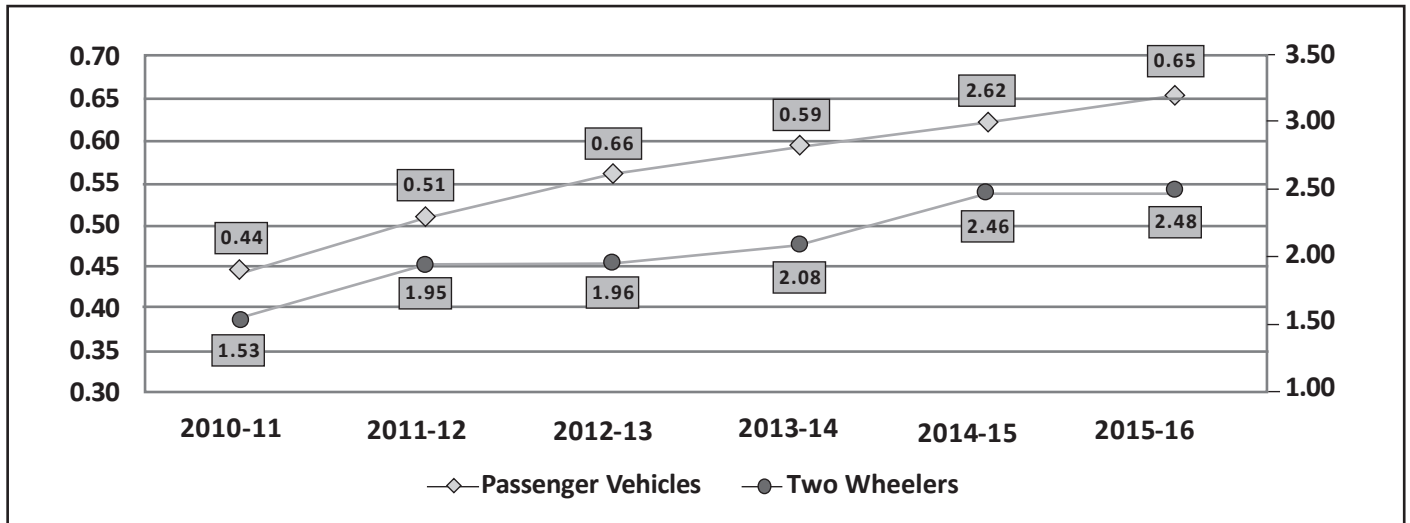
Source : SIAM

##### Exports

In financial year 2015-16, passenger cars exports grew by 5.24% on year to year basis. In Passenger Vehicles utility vehicles registered highest growth in exports of 54.13% as compared to last year. In case of 2 wheelers total exports merely increases by 0.97% on year to year basis. In case of 2 wheelers Scooters has registered highest growth of 31.77%.



(Figures in Million)



Source : SIAM

**b) Opportunities, Threats & Outlook:**

Your Company's product mainly used in utility vehicles and mid-size car segments. According to research firm J D Power Asia-Pacific. In the last four years there has been a significant shift in the vehicle body-types being considered by car buyers. In 2012, 65 % of new-vehicle buyers considered a small car during the shopping process. This has come down to 45% in 2015. At the same time, consideration for utility vehicles and mid-size cars has gone up by 12 % and 7 % respectively over the same period. As per the study, consideration for newly launched models has increased among new vehicle shoppers in India. In 2015, 10 % of all shoppers considered a newly launched model, the highest in the last three years.

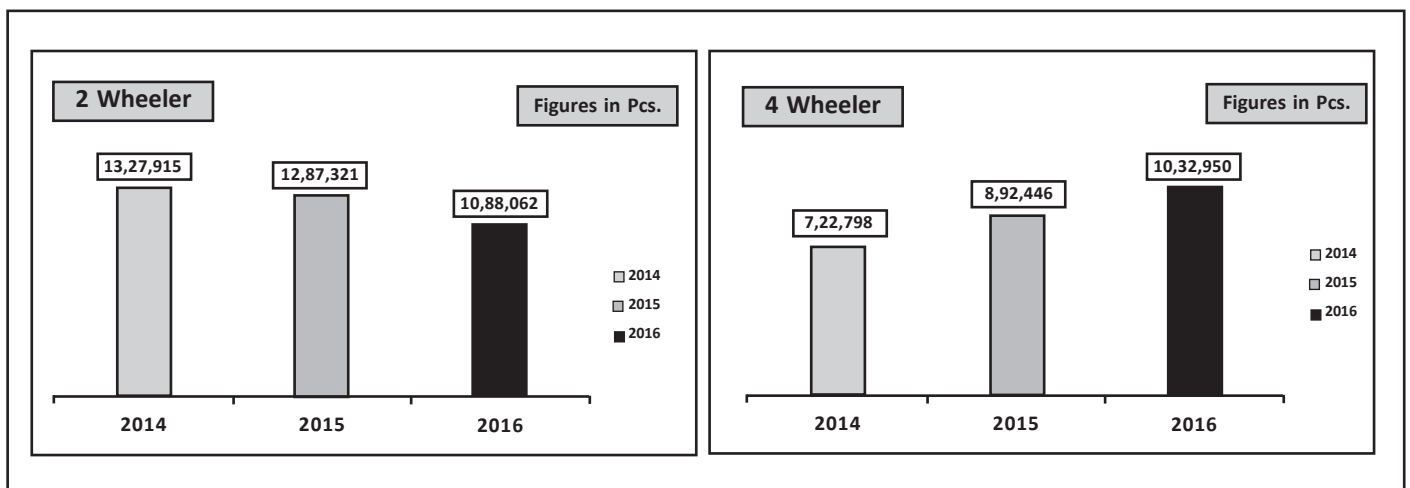
So, the market demand will be increase with rise in sales of utility & mid-segment vehicles.

**c) Product wise Performance**

Your Company has mainly two products i.e. Aluminum alloy wheels for 2 Wheeler & Aluminum alloy wheels for 4 Wheeler. Following is the product wise installed capacity:

For 2 Wheeler: 110,000 pcs/avg. per month

For 4 Wheeler: 80,000 pcs/avg. per month





**d) Risks & Concerns:**

The management is accountable for the integration of risk management practice into the day to-day activities. The risk assessment and minimization procedures being followed by the management and steps taken by it to mitigate these risks are periodically placed before the Board and Audit Committee along with findings of the internal auditors. All the assets of the Company are adequately insured.

Your Company evaluates potential risks, and has evolved over the years a comprehensive risk-management strategy. It takes into account changing market trends, competition scenario, emerging customer preferences, potential disruptions in supplies and regulatory changes, among others.

**e) Internal Control Systems & their adequacy:**

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

This ensures high degree of system-based checks and control and continuous monitoring of the effectiveness of the controls. Your Company's internal audit team performs audits in all its areas.

The audit findings and management's resolution plans are reported on quarterly basis to the Audit Committee of the Board, headed by a Nonexecutive Independent Director.

Internal controls have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

Asit Mehta & Associates, the statutory auditors of the Company has audited the financial statements included in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

Your Company has also appointed M/s Mrugendra Mandake & Associates, Chartered Accountant, Pune to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and the audit committee.

**f) Discussion on Financial Performance with respect to operational performance**

At operational level your Company is doing good with the help of advance Japanese technology & benchmarking within Enkei Group. Your Company's value addition has increased as compared with Financial year 2014-15 & also productivity improved due to improvement in Pass through ratio (PTR) and reduction in rejection. Company has posted positive results of 2.4% of the sales with the value of ₹ 924.8 lacs before exceptional and Extra-ordinary items. Your Company will continue to evolve on operational level with the support of Parent & Group Companies. Your Company remains top Alloy wheels suppliers to the Japanese Car manufacturer in India. The Company continued to focus and enhance its technology to meet the expectation of the Customers thus expecting the consistent orders of new models launching in the future.

**g) Human Resources:**

The Company is giving utmost importance to human resource development as Company's performance is highly depending on Human Resource. In this direction, the Company is providing intensive training in India and overseas to employees of all



levels for improving competence, production, enhancing safety and social values.

To retain the skill with the company a special drive has been given towards increasing the ratio of company and contractual labors. Achieving the high morale and motivation is the ultimate goal of each training program. The management also launched the "3E" - Enkei Evolving Education system and thereby ensuring a framed training to all employees.

For all the employees of your company has a policy of annual health checkup and also conducts health and fitness education as an on-going process. Your Company follows its group standard's to up LEVEL & LABEL of its employees. For the year ended as on 31st March 2016 Company's attrition ratio was 7.02%.

The management expects to continue the customized development program of employees during the current year also. The management of the Company enjoys cordial relations with its employees at all levels. The Board of Directors wishes to place on record its highest appreciation of the contribution being made by all the employees.

The Company's total employee's strength as on 31st March, 2016 stands at 476.

#### **Expansion and Capital Expenditure:**

In view of decelerate growth in Automobile Industry Company is currently focusing on full utilization of existing capacity. The Company has also started the initial steps for enhancing the Manufacturing Process of Advance Technology as per the market and customers demand. The Company has incurred ₹ 13.24 Million on Capital Expenditure during the Financial Year 2015-16.

#### **Cautionary Statement:**

Certain Statements in Management Discussion and Analysis Report describing the Company's view's about Industry, objectives, projections, estimates and expectation may be considered as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement. The Company's operations may be affected with supply and demand situation, input prices and their availability, changes in Government regulations, tax laws and other factors such as Industrial relations and economic developments etc.

#### **PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE :**

The Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013 provides for protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

The Company has framed a Policy on Prevention of Sexual Harassment at Workplace as per the provisions of this Act. There were no cases reported during the year under review under the said Policy.

#### **LISTING FEES:**

The annual listing fees for the year under review have been paid to BSE Limited where your Company's shares are listed.



**PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT - 9 is annexed herewith as 'Annexure I' to this Report.

**NUMBER OF MEETINGS OF THE BOARD :**

During the year under review, Eight Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and as per the SEBI (Listing Obligation & Disclosure) Regulations, 2015. Following are the details of the Board Meeting held during the year:

<b>Name of Director</b>	<b>No. of Board Meetings Attended (Total Meetings held: 8)</b>
Mr. Masakatsu Uchiyama*	6 / 8
Mr. Junichi Suzuki	1 / 8
Mr. Shailendrajit Rai	7 / 8
Dr. Haresh Shah	7 / 8
Mr. Satyavara P. Garimella	8 / 8
Ms. Shilpa Dixit	8 / 8
Mr. Kazuhiko Shimamura**	0 / 8

\* Resigned w.e.f. 29th February 2016

\*\* Appointed w.e.f. 1st March 2016

**SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

Pursuant to schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 15th March 2016 to consider the following business as required under the Companies Act, 2013:

- I. review the performance of non-independent directors and the Board as a whole;
- II. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- III. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent directors were present for the meeting.



## **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act 2013, with respect to Directors' responsibility Statement, it is hereby confirmed as under :

- a. That in the preparation of the annual accounts for year ending on 31st March 2016; the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. That the Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the Loss of the company for that year.
- c. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the company and for preventing and detecting fraud and other irregularities.
- d. That the Directors had prepared the annual accounts for the year ended on 31st March 2016 on a going concern basis.
- e. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **DIVIDEND**

In the view of accumulated losses of the company & to conserve the resources of the company, your Directors have not recommended any dividend for the current financial year.

## **A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS :**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

## **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :**

The Board had on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The Company policy on Directors & KMP remuneration is available on the Company;s website at <http://www.enkei.in/Other.aspx>

## **AUDITORS :**

### **A. Statutory Auditor**

The Members of your Company at fifth Annual General Meeting of your Company held on 25th September 2014 appointed M/s. Asit Mehta & Associates, Chartered Accountants, Mumbai (Firm Registration No. 100733W) as the Statutory Auditors of your Company to hold such office till the conclusion of the Annual General Meeting in the calendar year 2019. The ratification of appointment of Statutory Auditors is subject to the approval of the Members of your Company.



The Company has received requisite certificate pursuant to Section 139 of the Companies Act, 2013. Your Directors propose ratification of appointment of M/s. Asit Mehta & Associates. as the Statutory Auditors of your Company.

**B. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Shailesh Indapurkar, Practicing Company Secretary (Membership No. ACS 17306 CP No. 5701), to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as 'Annexure II' to this Report.

**EXPLANATION ON COMMENTS ON STATUTORY AUDITORS' AND SECRETARIAL AUDITORS' REPORTS:**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Asit Mehta & Associates Statutory Auditors, in their Audit Report and by Mr. Shailesh Indapurkar, Practicing Company Secretary, in his Secretarial Audit Report.

**RISK MANAGEMENT**

The management is accountable for the integration of risk management practice into the day to-day activities. The risk assessment and minimization procedures being followed by the management and steps taken by it to mitigate these risks are periodically placed before the Board and Audit Committee along with findings of the internal auditors. All the assets of the Company are adequately insured.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

During the year under review, the Company has not advanced any loans, given guarantees and made investments.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 :**

All contract/arrangement/transactions entered by the Company during the Financial Year 2015-16 with the related parties were in the ordinary course of business and on arm's length basis. Hence, no particulars are being provided in Form AOC-2.

During the year, the Company has not entered into contract/arrangement/transactions with related parties which could be considered material in accordance with the Company's 'Policy on Related Party Transactions. The said policy is uploaded on the website of the Company.

Further, we draw your attention to Note no 32(n) of the Financial Statements of the Company.

**STATE OF COMPANY'S AFFAIRS :**

Discussion on state of Company's affairs has been covered in the Management Discussion and Analysis.

**AMOUNTS PROPOSED TO BE CARRIED TO RESERVES :**

Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the Company.



**MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT :**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report.

**EMPLOYEES' REMUNERATION :**

In terms of the provisions of Section 197(12) of the Act, there are no employees of the Company drawing remuneration in excess of the limits set out in the said provision.

Details of the Remuneration as required 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 is attached as Annexure-III to this Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT FOREIGN EXCHANGE EARNINGS AND OUTGO :****CONSERVATION OF ENERGY :**

Your Company is committed to conservation of Energy which will result in reduction in Energy Cost. Being a Manufacturing Company, We have wide scope to conserve energy at different stages of production.

We are following Group Policy "Save 20 Return 10" towards energy saving. Company's aim is to reduce Energy Cost by 20%. During the year under review, Company has started the Power Trading with Mittal Processors Pvt Ltd to reduce its electricity cost. Company has incurred capital expenditure of ₹ 1.9 Million towards this power trading.

**RESEARCH AND DEVELOPMENT:**

During the year under review your company has started its own Laboratory equipped with latest technology for further development in its Products.

The Company has incurred ₹ 14.18 Million towards Research & Development during the year.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total foreign exchange earned : ₹ 0.73 Million

Total foreign exchange used : ₹ 1994.06 Million

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

**CORPORATE SOCIAL RESPONSIBILITY ( CSR)**

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the company. Therefore Company has not constituted the CSR committee.

**BOARD EVALUATION:**

Pursuant to provisions of the Companies Act, 2013, Rules thereunder, the Board has carried out evaluation of its own performance and that of its Committees and individual Directors.



**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:**

**DIRECTORS APPOINTED DURING THE YEAR**

Mr. Kazuhiko Shimamura was appointed as an Additional Director on the Board of your Company effective from 1st March, 2016. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Kazuhiko Shimamura will hold office up to the date of the ensuing AGM. He has confirmed his eligibility and willingness to accept the office of Directorship of your Company, if appointed. Your Company has received a notice under Section 160 of the Companies Act, 2013, proposing appointment of Mr. Kazuhiko Shimamura as Managing Director of your Company. A separate proposal seeking approval of the Members for the appointment of Mr. Kazuhiko Shimamura as a Managing Director of your Company has been incorporated in the Notice of the ensuing Annual General Meeting.

In the opinion of your Directors, Mr. Kazuhiko Shimamura has the requisite qualifications and industry experience which would be useful to your Company and would enable him to contribute effectively in his capacity as an Managing Director of your Company.

**DIRECTORS AND KMP'S RESIGNED DURING THE YEAR:**

Mr. Masakatsu Uchiyama, Managing Director had resigned with effect from 29th February 2016. The Board places on record its sincere appreciation for the valuable services rendered by him as a Managing Director.

**DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING:**

Mr. Junichi Suzuki, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment and Ms. Shilpa Dixit Independent Director of the Company whose term is expiring in the ensuing Annual General Meeting. It is proposed to re-appoint her for second term of 5 years up to the year 2021.

**DETAILS OF DEPOSITS WHICH ARE NOT IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER V OF THE COMPANIES ACT, 2013:**

None.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There has been no change in the nature of business during the Financial Year under review.

**SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:**

During the year under review, there are no companies which has become/ ceased to become a Subsidiary/ Joint Ventures/ Associate Companies.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE :**

The Company has neither received nor is aware of any such order from Regulators, Courts or Tribunals during the year.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS :**

These details are already covered in Management Discussion & Analysis Report

**COMMITTEES TO THE BOARD :**

**AUDIT COMMITTEE :**

The Audit Committee comprises of Dr. Haresh Shah, Chairman of the Committee and Mr. Satyavara P. Garimella, both being



Independent Directors and Mr. Kazuhiko Shimamura, Managing Director. During the year under review Mr. Masakatsu Uchiyama has resigned w.e.f. 29th February 2016 & Mr. Kazuhiko Shimamura has been appointed as a Committee member w.e.f. 1st March 2016. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the SEBI (Listing Obligation & Disclosure) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Company Secretary acts as the Secretary to the Committee. The representatives of the Internal Auditors and Statutory Auditors are also invited to the meetings.

During the Financial Year 2015-16, 4 (Four) Audit Committee Meetings were held on following dates:

27th April 2015; 28th July 2015; 5th November 2015 and 5th February 2016.

Particulars of attendance of Audit committee Members at the Audit committee Meetings held during the Financial Year 2015-16:

Name of Audit committee Member	Meetings Attended during Financial Year 2015-16 (Total Meetings held 4)
Dr. Haresh Shah	4 / 4
Mr. Masakatsu Uchiyama*	4 / 3
Mr. Satyavara P. Garimella	4 / 4
Mr. Kazuhiko Shimamura**	0

\* Resigned w.e.f. 29th February 2016

\*\* Appointed w.e.f. 1st March 2016

#### Powers of Audit Committee

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice;
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **NOMINATION & REMUNERATION COMMITTEE**

The Remuneration Committee comprises of Dr. Haresh Shah, Chairman of the Committee, Mr. Shailendra Rai and Mr. Satyavara P. Garimella. Being all Non-Executive Directors of the Company.

The composition is in conformity with the Companies Act, 2013.

The terms of reference of this committee are:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Recommending remuneration payable to Managing Director and other Directors as and when necessity arises.
- Reviewing sitting fees payable to Directors for attending Board Meetings, Committee Meetings, etc

During the Financial year 2015-16, 1 (One) meeting of Remuneration Committee was held on 5th February 2016.



**STAKEHOLDER GRIEVANCE COMMITTEE**

The Stakeholder Grievance Committee comprises of, Mr. Satyavara P. Garimella Chairman of the Committee, Dr. Haresh Shah and Mr. Kazuhiko Shimamura as members to look into redressal of Stakeholders' complaints on various issues. During the year Mr. Masakatsu Uchiyama resigned w.e.f. 29th February 2016 and Mr. Kazuhiko Shimamura was appointed w.e.f. 1st March 2016.

There were no complaints received from the shareholders during the year 2015-16.

Mr. Omkar kaulgud Company Secretary is Compliance officer of Company

**SHARE TRANSFER COMMITTEE**

The Share Transfer Committee comprises of Mr. Satyavara P. Garimella, Chairman of the Committee, Dr. Haresh Shah, and Mr. Kazuhiko Shimamura as members. During the year under review Mr. Masakatsu Uchiyama has resigned w.e.f. 29th February 2016 & Mr. Kazuhiko Shimamura has been appointed as a Committee member w.e.f. 1st March 2016. The terms of reference of this Committee are to approve the share transfers.

During the Financial Year 2015-16, 1 (One) Share Transfer Committee Meetings was held on 13th November 2015.

**VIGIL MECHANISM :**

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website.

**CASH FLOW:**

A Cash Flow Statement for the year ended 31 March 2016 is attached to the Balance Sheet.

**SHARE SUSPENSE ACCOUNT**

This is not applicable to the Company.

**CORPORATE GOVERNANCE :**

Enkei Wheels (India) Limited is falling within the criteria of Regulation 15 (2) of SEBI (Listing Obligation & Disclosure) Regulations, 2015. Therefore, Corporate Governance requirement prescribed under SEBI (Listing Obligation & Disclosure) Regulations, 2015 are not applicable to the Company as on 31st March, 2016.

**ACKNOWLEDGEMENT**

Your Directors wish to convey their appreciation to all the employees for their collective contribution to the Company's performance. Directors also wish to thank Enkei Corporation, our promoters, banks, financial institutions, and customers for their unstinted support and shareholders for their confidence reposed in the management.

**For & On Behalf of the Board of Directors**

**Kazuhiko Shimamura  
Managing Director  
(DIN: 05129816)**

**Haresh Shah  
Director  
(DIN: 00228471)**

**Place : Pune**

**Date : 27<sup>th</sup> May 2016**


**ANNEXURE TO DIRECTORS' REPORT**
**Annexure I**

**Form No. MGT - 9**  
(as at Financial Year ended 31st March 2016)

**EXTRACT OF ANNUAL RETURN :**

[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 :**

i.	CIN	L34300PN2009PLC133702
ii.	Registration Date	30th March 2009
iii.	Name of the Company	Enkei Wheels (India) Limited
iv.	Category / Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
v.	Address of the Registered Office and contact details	Gat No. 1425, Village Shikrapur, Taluka-Shirur, Pune - 412208, Maharashtra. Tel No. (02137)-618700 Fax No. (02137)-618720 Website: www.enkei.in
vi.	Whether listed company	Yes
vii.	Name, address and contact details of Registrar and Transfer Agent, if any	<b>Universal Capital Securities Pvt Ltd.</b> (Formerly known as Mondkar Computers Pvt Ltd.) 21/25 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel:+91 (22) 2820 7203-05 / 2825 7641 Fax: +91 22 2820 / 7207 Website : www.unisec.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10% or more of the total turnover of the Company stated below :

Sr. No.	Name and description of main products	NIC code of the product	% to total turnover of the Company
1.	Manufacturing of Aluminum Alloy road wheels for 2 Wheeler & 4 Wheeler	29301	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.	Enkei Corporation ACT Tower 26F 111-2 Itaya-machi, Naka-ku Hamamatsu City, Shizuoka Pref 430-7726, Japan	N.A.	Holding	68.16	2(46)



**IV. SHARE HOLDING 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	
<b>A. Promoter</b>									
<b>1) Indian</b>	0	0	0	0	0	0	0	0	0
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FII	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corporate	8,926,360	0	8,926,360	66.48	9,632,860	0	9,632,860	68.16	1.68
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter:-</b>	<b>8,926,360</b>	<b>0</b>	<b>8,926,360</b>	<b>66.48</b>	<b>9,632,860</b>	<b>0</b>	<b>9,632,860</b>	<b>68.16</b>	<b>1.68</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	1,305,630	1,210	1,306,840	9.73	1,292,115	1,210	1,293,325	9.15	(0.15)
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,453,867	141,162	1,595,029	11.18	1,696,143	139,462	1,835,605	12.98	1.80
(ii) Individual share holders holding nominal share capital in excess of ₹ 1 lakh	1,185,253	0.00	1,185,253	8.83	940,161	0.00	940,161	6.65	(2.18)
c) Others (Specify)									
i. Clearing Members	14,159	0.00	14,159	0.11	28,554	0.00	28,554	0.20	
ii. NRI	120,885	0.00	120,885	0.90	121,921	0.00	121,921	0.86	
iii. Directors & Relatives	277,834	0.00	277,834	2.07	277,734	0.00	277,734	1.96	
<b>Sub-total(B)(2)</b>	<b>4,357,628</b>	<b>142,372</b>	<b>4,500,000</b>	<b>33.52</b>	<b>4,359,328</b>	<b>140,672</b>	<b>4,500,000</b>	<b>31.84</b>	<b>(1.68)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>4,357,628</b>	<b>0.00</b>	<b>4,500,000</b>	<b>33.52</b>	<b>4,359,328</b>	<b>140,672</b>	<b>4,500,000</b>	<b>31.84</b>	
<b>C. Shares held by Custodian for GDRs&amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>13,283,988</b>	<b>142,372</b>	<b>13,426,360</b>	<b>100</b>	<b>13,992,188</b>	<b>140,672</b>	<b>14,132,860</b>	<b>100</b>	

Note: % Figure are rounded off to two decimals.


**(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 share holding 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.	Enkei Corporation	8,926,360	66.48	0.00	9,632,860	68.16	0.00	1.68
	<b>Total</b>	8,926,360	66.48	0.00	9,632,860	68.16	0.00	1.68

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company the	No. of Shares	% of total shares of the company
	<b>At the beginning of the year</b>	<b>8,926,360</b>	<b>66.48</b>		
	Date wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / (e.g. allotment / transfer / bonus / sweat equity etc.)				
	<b>Date</b>	<b>Name of Promoter</b>	<b>Reason</b>		
1.	11th Jan. 2016	Enkei Corporation	Preferential Allotment	706,500	1.68
	<b>At the End of the Year</b>	<b>706,500</b>	<b>1.68</b>	<b>9,632,860</b>	<b>68.16</b>

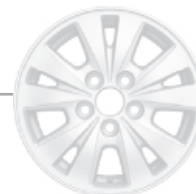
**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR and ADRs)**

Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding at the beginning of the year		Reason for Change	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	MOTILAL GOPILAL OSWAL	At the Beginning of the year	600000	4.25			
		5th June 2015	(600)	0.01	Transfer	599400	4.24
		12th June 2015	(400)	0.00	Transfer	599000	4.24
		31st July 2015	(4000)	0.03	Transfer	595000	4.21
		7th August 2015	(143000)	1.01	Transfer	452000	3.20
		14th August 2015	(29000)	0.21	Transfer	423000	2.99
		21st August 2015	(35000)	0.25	Transfer	388000	2.75
		28th August 2015	(36000)	0.25	Transfer	352000	2.49
		11th September 2015	(238)	0.00	Transfer	351762	2.49
		18th September 2015	(24462)	0.17	Transfer	327300	2.32



Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding at the beginning of the year		Reason for Change	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company		No. of Shares	% of total shares of the company
		23rd October 2015	(1900)	0.01	Transfer	325400	2.30
		27th November 2015	(2342)	0.02	Transfer	323058	2.29
		18th December 2015	(19208)	0.14	Transfer	303850	2.15
		25th December 2015	(62350)	0.44	Transfer	241500	1.71
		31st December 2015	(30500)	0.22	Transfer	211000	1.49
		1st January 2016	(21000)	0.15	Transfer	190000	1.34
		8th January 2016	(30000)	0.21	Transfer	160000	1.13
		15th January 2016	(610)	0.00	Transfer	159390	1.13
		At the end of Year	159390	1.13			
2.	NASTIC TRADING LLP	At the Beginning of the Year	570000	4.03			
		At the end of the Year	570000	4.03			
3.	PAMELA TRADING LLP	At the Beginning of the Year	286000	2.02			
		At the end of the Year	286000	2.02			
4.	SKYBLUE TRADING AND INVESTMENTS P LTD	At the Beginning of the Year	254880	1.80			
		At the end of the Year	254880	1.80			
5	Omkar Singh Karla	At the beginning of the year	111066	0.79			
		31st July 2015	4000	0.03	Transfer	115066	0.81
		7th August 2015	434	0.01	Transfer	115500	0.82
		14th August 2015	100	0.00	Transfer	115600	0.82
		9th October 2015	(2000)	0.01	Transfer	113600	0.80
		16th October 2015	(600)	0.00	Transfer	113000	0.80
		23rd October 2015	(5500)	0.04	Transfer	107500	0.76
		11th December 2015	(3930)	0.03	Transfer	103570	0.73
		25th December 2015	(500)	0.00	Transfer	103070	0.73
		At the end of the year	103070	0.73			
6	Chandraparkash Padiyar	At the beginning of the year	102268	0.72			
		At the end of the year	102268	0.72			
7	Savita Raghavan	At the beginning of the year	58365	0.41			
		At the end of the year	58365	0.41			
8	S Kusuma Bai	At the beginning of the year	51638	0.37			
		At the end of the year	51368	0.37			
9	Atlas Castalloy Limited	At the beginning of the year	49820	0.35			
		At the end of the year	49820	0.35			
10	Bijal Kishorchand Madhani	At the beginning of the year	40000	0.28			
		17th April 2015	(1500)	0.01	Transfer	38500	0.27
		24th April 2015	(2500)	0.02	Transfer	36000	0.25
		1st May 2015	(2615)	0.02	Transfer	33385	0.24
		29th May 2015	(1665)	0.01	Transfer	31720	0.22





Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding at the beginning of the year		Reason for Change	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company		No. of Shares	% of total shares of the company
		5th June 2015	(3891)	0.03	Transfer	27829	0.20
		19th June 2015	(1829)	0.01	Transfer	26000	0.18
		3rd July 2015	(1000)	0.01	Transfer	25000	0.18
		10th July 2015	(2000)	0.01	Transfer	23000	0.16
		17th July 2015	(3000)	0.02	Transfer	20000	0.14
		24th July 2015	15000	0.11	Transfer	35000	0.25
		31st July 2015	(5000)	0.04	Transfer	30000	0.21
		30th September 2015	(2500)	0.02	Transfer	27500	0.19
		9th October 2015	(7500)	0.05	Transfer	20000	0.14
		16th October 2015	(15000)	0.11	Transfer	5000	0.04
		6th November 2015	(2089)	0.01	Transfer	2911	0.02
		13th November 2015	(2911)	0.02	Transfer	0	0.00
		At the end of Year	Nil	0.00			
11	Ankit Ramswaroop Goyal	At the beginning of the year	1345	0.01			
		30th June 2015	1001	0.01	Transfer	2346	0.02
		3rd July 2015	1000	0.01	Transfer	3346	0.02
		10th July 2015	2300	0.02	Transfer	5646	0.04
		24th July 2015	100	0	Transfer	5746	0.04
		31st July 2015	6863	0.05	Transfer	12609	0.09
		7th August 2015	6248	0.04	Transfer	18857	0.13
		14th August 2015	100	0	Transfer	18957	0.13
		4th September 2015	18715	0.13	Transfer	37672	0.27
		11th September 2015	13851	0.1	Transfer	51523	0.36
		18th September 2015	1356	0.01	Transfer	52879	0.37
		25th September 2015	25904	0.18	Transfer	78783	0.56
		30th September 2015	15094	0.11	Transfer	93877	0.66
		2nd October 2015	1292	0.01	Transfer	95169	0.67
		9th October 2015	11984	0.08	Transfer	107153	0.76
		16th October 2015	1100	0.01	Transfer	108253	0.77
		23rd October 2015	1391	0.01	Transfer	109644	0.78
		30th October 2015	46	0.00	Transfer	109690	0.78
		13th November 2015	(61)	0.00	Transfer	109629	0.78
		4th March 2016	400	0.00	Transfer	110029	0.78
		At the end of Year	110029	0.78	Transfer		



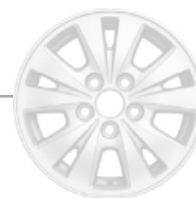
(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		No, of Shares		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>							
1.	Mr. Masakatsu Uchiyama	Nil	Nil	Nil	Nil	Nil	Nil
2.	Mr. Kazuhiko Shimamura	Nil	Nil	Nil	Nil	Nil	Nil
3.	Mr. Junichi Suzuki	Nil	Nil	Nil	Nil	Nil	Nil
4.	Mr. Shailendrajit Rai	262,674	1.96	Nil	Nil	262,674	1.86
5.	Dr. Haresh Shah	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Satyavara Prasad Garimella	Nil	Nil	Nil	Nil	Nil	Nil
7.	Ms. Shilpa Dixit	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr. Jitendra Parmar	Nil	Nil	Nil	Nil	Nil	Nil
9.	Mr. Omkar Kaulgud	Nil	Nil	Nil	Nil	Nil	Nil

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT:

(₹ In Millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
a. Principal Amount	215.45	659.10	-	874.55
b. Interest due but not paid	0.77	-	-	0.77
c. Interest accrued but not due	-	-	-	-
<b>Total (a+b+c)</b>	<b>216.22</b>	<b>659.10</b>	<b>-</b>	<b>875.32</b>
<b>Change in indebtedness during the financial year</b>				
• Addition	30.00	1,604.53	-	1,634.53
• Reduction	245.45	1,477.59	-	1,723.05
Net Change	(215.45)	126.94	-	(88.52)
<b>Indebtedness at the end of the financial year</b>				
d. Principal Amount	-	786.04	-	786.04
e. Interest due but not paid	-	-	-	-
f. Interest accrued but not due	-	-	-	-
<b>Total (a+b+c)</b>	<b>-</b>	<b>786.04</b>	<b>-</b>	<b>786.04</b>


**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration of Managing Director, Whole-time Directors and / or Manager**

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager	
		Mr. Masakatsu Uchiyama Managing Director (upto 29th Feb. 2016)	Mr. Kazuhiko Shimamura Managing Director (w.e.f. 1st March 2016)
1.	Gross Salary	4,056,033	255,114
	Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	3,396,196	217,257
	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	659,840	37,857
	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit - others, specify .....	Nil	Nil
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	125,730	6,048
	<b>Total (A)</b>	<b>4,181,763</b>	<b>261,162</b>
	<b>Ceiling as per the Companies Act, 2013</b>	Mr. Masakatsu Uchiyama was appointed as managing director w.e.f. 10th April 2012 for period of 5 years. The shareholders of the company had confirmed is appointment alongwith his remuneration which was in compliance with schedule XIII of Companies Act, 1956. His remuneration is in Compliance with Schedule V of Companies Act, 2013 also.	Mr. Kazuhiko Shimamura was appointed as managing director w.e.f. 1st March 2016 for period of 3 years. His remuneration is in Compliance with Schedule V of Companies Act, 2013.



**B. Remuneration to other Directors :**

Particulars of Remuneration	Name of the Director			Total Amount
	Dr. Hareesh Shah	Mr. Satyavara Prasad Garimella	Ms. Shilpa Dixit	
Independent Directors				
Fee for attending board / committee meetings	60,000	65,000	40,000	1,65,000
Commission	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>60,000</b>	<b>65,000</b>	<b>40,000</b>	<b>1,65,000</b>
Other Non-Executive Directors	Mr. Junichi Suzuki	Mr. Shailendra Rai		
Fee for attending board / committee meetings	5,000	35,000		40,000
Commission	Nil	Nil		Nil
Others, please specify	Nil	Nil		Nil
<b>Total (2)</b>	<b>5,000</b>	<b>35,000</b>		<b>40,000</b>
<b>Total (B) = (1 + 2)</b>	<b>65,000</b>	<b>95,000</b>	<b>40,000</b>	<b>2,05,000</b>
<b>Total Managerial Remuneration</b>	<b>4,647,925</b>			
<b>Overall Ceiling as per the Companies Act, 2013</b>	In Compliance with Schedule V of Companies Act, 2013.			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLE TIME DIRECTOR :**

Sr. No.	Particulars of Remuneration	Mr. Jitendra Parmar Chief Financial Officer	Mr. Omkar Kaulgud Company Secretary	Total Amount
1.	Gross Salary	1,998,987	432,222,	2,431,209
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,998,987	432,222,	2,431,209
b.	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	Nil	Nil	Nil
c.	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify .....	Nil	Nil	Nil
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	118,080	23,844	141,924
	<b>Total</b>	<b>2,117,067</b>	<b>456,066</b>	<b>2,573,133</b>


**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Sr. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fee imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
<b>A.</b>	<b>Company</b>					
	Penalty	--	--	--	--	--
	Punishment	--	--	--	--	--
	Compounding	--	--	--	--	--
<b>B.</b>	<b>Directors</b>					
	Penalty	--	--	--	--	--
	Punishment	--	--	--	--	--
	Compounding	--	--	--	--	--
<b>C.</b>	<b>Other Officers in Default</b>					
	Penalty	--	--	--	--	--
	Punishment	--	--	--	--	--
	Compounding	--	--	--	--	--



Form No. MR-3

Annexure II

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

To,  
The Members,  
**Enkei Wheels (India) Limited**  
Gat No. 1425, Village Shikrapur  
Tal - Shirur, Pune - 412208

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ENKEI WHEELS (INDIA) LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2016, 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 and External Commercial Borrowings;
- 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, 1992 & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 & The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) As informed to us none of the other laws are applicable specifically to the company.

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

- (i) Secretarial Standards with respect to board & general meetings issued by The Institute of Company Secretaries of India applicable from the period 1st July, 2015 to 31st March, 2016.
- (ii) The Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We 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 period 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 notes on agenda were sent at least seven days in advance except for notice for the Board Meeting dated 08.09.2015 (Notice dated 04.09.2015), Board Meeting dated 04.12.2015 (Notice dated 02.12.2015) and Board Meeting dated 11.01.2016 (Notice 06.01.2016) Wherein, Independent Director was present and company complied with the section 173 (3) of the Companies Act, 2013. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

- 1) The Company has made allotment of 706,500 equity shares to the promoters i.e. Enkei Corporation Japan on preferential basis.

#### **For Shailesh Indapurkar & Associates**

##### **Company Secretaries**

**CS Shailesh Indapurkar**

Proprietor

ACS 17306

C. P. No: 5701

**Place : Pune**

**Date : May 27, 2016**

**This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**



'ANNEXURE A'

To,

**Enkei Wheels (India) Limited**

Gat No. 1425, Village Shikrapur

Tal - Shirur, Pune - 412208

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Shailesh Indapurkar & Associates**

**Company Secretaries**

**CS Shailesh Indapurkar**

Proprietor

ACS 17306

C. P. No: 5701

**Place : Pune**

**Date : May 27, 2016**




**Annexure III**
**DETAILS OF THE REMUNERATION AS REQUIRED 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:**

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows:

Sr. No.	Name of Director/KMP & Designation	Remuneration of Director / KMP for financial year 2015-16 (In ₹)	% increase in Remuneration in the financial year 2015-16	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Mr. Masakatsu Uchiyama (Managing Director)*	40,56,033	12.16	11.86	The growth in revenue was 0.45% and decrease in Profit after tax was 340% during FY 2015-16
2	Mr. Kazuhiko Shimamura (Managing Director)**	2,55,114	**	**	The growth in revenue was 0.45% and decrease in Profit after tax was 340% during FY 2015-16
3	Mr. Jitendra Parmar (Chief Financial Officer)	19,98,987	18.65	5.84	The growth in revenue was 0.45% and decrease in Profit after tax was 340% during FY 2015-16
4	Mr. Omkar Kaulgud (Company Secretary)	4,32,222	15.28	1.26	The growth in revenue was 19.68% and increase in Profit after tax was 331% during FY 2014-15

2. The median remuneration of employees of the Company during the financial year 2015-16 was ₹ 342,080.
3. In the financial year 2015-16, there was an increase of 13.85% in the median remuneration of employees.
4. As on March 31, 2016, there were 476 permanent employees who were on the roll of the Company.
5. Relationship between average increase in remuneration and Company performance:  
The Profit After Tax for the financial year ended 31st March, 2016 decreased by 340% whereas the median remuneration increased by 13.85% which was in line with Company performance.
6. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of the Key Managerial Personnel(s) increased by 5.92% from 63.65 Lacs in 2014-15 to 67.42 Lacs in 2015-16 whereas Profit After Tax decreased by 340% from 228.25 Lacs in 2014-15 to (547.14) Lacs in 2015-16.

\* Resigned w.e.f. 29th February 2016

\*\* Appointed w.e.f. 1st March 2016



**INDEPENDENT AUDITORS' REPORT**

To,

The Members of,

**Enkei Wheels (India) Limited.**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Enkei Wheels (India) Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements.**

2. The Company's Board of Directors and its Management are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 ("the Rules").

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other regularities; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also



includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors and its Management as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate, to provide a basis for our audit opinion on the financial statements.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2016, and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we enclose in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by Section 143(3) of the Act, we report that:
  - (a) Except for the matters described hereinafter and in annexures enclosed hereto and for the reasons stated therein, 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 and the cash flow statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply, in all material respects, with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Rules, as applicable.
  - (e) On the basis of written representations received from the Directors, as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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' enclosed herewith and



- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32(k) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts and accordingly there are no material foreseeable losses which the Company are required to provide for in its financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Sanjay S. Rane**  
Partner  
Membership No.100374

**Place : Pune**

**Date : May 27, 2016**

**ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 7 under the heading 'Report on Other Legal and Regulatory Requirements of our report of even date on the financial statements of **Enkei Wheels (India) Limited** ('the Company') for the year ended March 31, 2016)

**Report on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Companies Act, 2013 ('the Act)**

On the basis of such checks, as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- (i) (a) The Company has maintained some records showing particulars including quantitative details and situation of its fixed assets. However, identification of significant component(s) if any, determination of useful lives of asset(s) and its component(s), impairment exercise etc have remained to be completed & documented by the Company.
- (b) In our opinion and according to the information and explanations given to us, all fixed assets have been physically verified by the Company's management in the preceding financial year. We are informed that discrepancies noticed are being reconciled with the books of account. Pending this, discrepancies, whether material or not, have remained to be properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories comprising semi-finished goods, raw materials, stores and spares etc. have been physically verified by the Company's management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.
- (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 no loans, investments, guarantees and security by a company to any person or other body corporate contemplated by the provisions section 186 of the Act. Accordingly, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public and does not have unclaimed deposits within the meaning of the provisions of section 73 to 76 of the Companies Act, 2013 Act and rules framed thereunder. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (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, the provisions of clause (vi) paragraph 3 of the Order are not applicable to the Company.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing of the amounts deducted / accrued in its books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, duty of customs, duty of excise, sales-tax, value added tax, cess and other material statutory dues as applicable to it to the appropriate authorities. As informed to us, there are no dues payables on account employees' state insurance and local body tax and thus have not been accrued in its books of account.

According to the records of the Company and according to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred above were in arrears as at March 31, 2016 for a period of more than six months from the date those became payable.

- (b) According to the information and explanations given to us, there are no dues of income-tax, service tax, duty of customs, duty of excise, sales-tax, value added tax, cess which have not been deposited on account of any dispute other than those mentioned below.

Particulars	Period to which the amount relates	Amount involved (₹)	Forum where dispute is pending
Value Added Tax	2010-11	53,428,525/-	Joint Commissioner of Sales Tax (Appeals) 2, Pune

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to banks. There are no loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, moneys raised by way of term loans by the Company, have, prima-facie, been applied for the purposes for which those were raised. The Company has not raised moneys raised by way of initial public offer or further public offer.
- (x) According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company has paid or provided the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
- (xii) The Company is not the Nidhi Company and therefore the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance of with section 177 and 188 of the Act where applicable and the details of which have been disclosed in the financial statements etc as required by the applicable accounting standards.



- (xiv) The Company has made preferential allotment during the year under audit which is in compliance of the requirement of section 42 of Act and the amount raised have, prima- facie, been used for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him and therefore the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

For **Asit Mehta & Associates**

Chartered Accountants  
Registration No. 100733W

**Sanjay S. Rane**

(Partner)

Membership No. 100374

**Place : Pune**

**Date : May 27, 2016**



**ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 8 (f) of our report of even date on the financial statements of **Enkei Wheels (India) Limited** ('the Company') for the year ended March 31, 2016)

**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 Enkei Wheels (India) Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company and its Management are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

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 Act.

**Auditors' 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 Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act and the Guidance Note to the extent applicable to an audit of internal financial controls over financial reporting. 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 judgment, 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **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.

According to the information and explanations given to us and based on our audit, the following deficiencies & weaknesses have been identified in internal financial controls over financial reporting as at March 31, 2016.

- a) The existing rules, policies, and some of its key business processes (including sub-processes) have remained to be documented, updated and strengthened to cover all components and facets of internal control. We have been advised that the Company's management has initiated steps in this regard.
- b) The Company does not have risk assessment framework & mitigation plan at present, to address the risks - both current and potential. The Company, inter alia, has been incurring foreign exchange losses which are quite substantial and which have eroded sizable part of the Company's net worth. We have been advised that the Company's management has already initiated steps in this regard which will ensure its sustainability, business continuity and overall financial health of the Company in the near future.
- c) The Company does have the system of performing reconciliations of its significant accounts like trade receivables, but the same is not operating effectively. The accounts are not being reconciled with the parties' ledgers in timely or accurate manner. Pending this, few accounts have remained to be reconciled and agreed with the customers as at our report date. We are informed that most of its customers are original equipment manufacturers and there are no bad and doubtful debts as such.
- d) The Company does not a comprehensive & documented policy in respect of purchase (sale) of fixed assets and related expenditure so as to ensure proper accounting, classification and the safeguarding of its assets from loss, damage, misappropriation etc, There is no in-built procedure of periodical reconciliation of physical assets with its book records, as some of the assets physically verified have remained to be reconciled with the book records. We are advised that the Company has taken appropriate steps in this regard.



## Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Company has, except for the matters the stated above, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

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

**Sanjay S. Rane**  
Partner  
Membership No.100374

**Place : Pune**  
**Date : May 27, 2016**

**BALANCE SHEET AS AT MARCH 31, 2016**

(Amt. in ₹)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share capital	3	70,664,300	67,131,800
(b) Reserves and surplus	4	190,569,311	115,993,827
(c) Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	626,036,000	625,093,274
(b) Deferred tax liabilities (net)	6	31,806,703	-
(c) Other Long term liabilities	7	922,122,494	1,062,187,084
(d) Long-term provisions	8	6,377,970	6,095,393
<b>4 Current liabilities</b>			
(a) Short-term borrowings	9	160,000,000	176,734,244
(b) Trade payables	10	566,737,166	659,753,946
(c) Other current liabilities	11	35,300,072	115,033,111
(d) Short-term provisions	12	9,880,884	4,071,655
	<b>TOTAL</b>	<b>2,619,494,900</b>	<b>2,832,094,334</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) <b>Fixed assets</b>			
(i) Tangible assets	13	1,313,429,585	1,638,158,715
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	14	70,947,286	54,410,199
(e) Foreign Currency Monetary Item Translation Difference	15	237,958,954	158,479,326
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories	16	188,404,728	182,783,502
(c) Trade receivables	17	646,594,408	562,837,066
(d) Cash and cash equivalents	18	78,501,864	84,729,729
(e) Short-term loans and advances	19	82,280,324	150,505,659
(f) Other current assets	20	1,377,751	190,138
	<b>TOTAL</b>	<b>2,619,494,900</b>	<b>2,832,094,334</b>
Significant Accounting Policies	1 & 2		
Other Notes forming part of Financial Statements	32		

As per our report attached.

For and on behalf of the Board of Directors of Enkei Wheels (India) Limited

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

**Kazuhiko Shimamura**  
(Managing Director)  
(DIN : 05129816)

**Haresh Shah**  
(Director)  
(DIN : 00228471)

**Sanjay S. Rane**  
(Partner)  
Membership No. : 100374  
Place : Pune  
Date : May 27, 2016

**Jitendra Parmar**  
(Chief Financial Officer)  
Place : Pune  
Date : May 27, 2016

**Omkar Kaulgud**  
(Company Secretary)


**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**
**(Amt. in ₹)**

Particulars	Note No.	For year ended March 31, 2016	For year ended March 31, 2015
<b>I</b> Revenue from operations (Net of excise duty of ₹ 517,557,644) (PY : ₹ 476,628,265)	21	<b>3,854,861,287</b>	3,839,306,604
<b>II</b> Other income	22	<b>3,631,899</b>	1,771,140
<b>III Total Revenue (I+II)</b>		<b><u>3,858,493,186</u></b>	<b><u>3,841,077,744</u></b>
<b>IV Expenses</b>			
Cost of materials consumed	23	<b>2,046,627,205</b>	2,152,629,229
Purchases of stock-in-trade	24	<b>2,621,517</b>	3,052,979
Changes in inventories of work-in-progress and stock-in-trade	25	<b>7,956,887</b>	(15,462,440)
Employee benefits expense	26	<b>259,856,386</b>	249,275,078
Finance costs	27	<b>51,495,668</b>	81,946,989
Depreciation and amortization expense	28	<b>256,468,208</b>	281,810,672
Stores and spares consumed	29	<b>339,470,721</b>	325,637,867
Other expenses	30	<b>801,509,289</b>	743,897,806
	<b>TOTAL</b>	<b><u>3,766,005,881</u></b>	<b><u>3,822,788,180</u></b>
<b>V Profit before exceptional &amp; extraordinary items and tax (III - IV)</b>		<b>92,487,305</b>	18,289,564
<b>VI</b> Prior Period & Exceptional items - Income / (Expenses)	31	<b>(121,087,921)</b>	650,931
<b>VII Profit before extraordinary items and tax (V - VI)</b>		<b>(28,600,616)</b>	18,940,495
<b>VIII</b> Extraordinary items		-	-
<b>IX Profit before tax (VII - VIII)</b>		<b>(28,600,616)</b>	18,940,497
<b>X Tax expense:</b>			
(1) Current tax - Current Year		<b>9,011,405</b>	3,789,567
(2) Current Tax - Prior Years		<b>(14,704,710)</b>	-
(3) Deferred tax charge/(credit)		<b>31,806,703</b>	(7,674,439)
		<b><u>26,113,398</u></b>	<b><u>(3,884,872)</u></b>
<b>XI Profit/(Loss) for the period (IX- X)</b>		<b><u>(54,714,014)</u></b>	<b><u>22,825,367</u></b>
Earnings per equity share (Face Value ₹ 5 /-)			
(1) Basic		<b>(4.03)</b>	1.76
(2) Diluted		<b>(4.03)</b>	1.76
Significant Accounting Policies	1 & 2		
Other Notes forming part of Financial Statements	32		

As per our report attached.

For and on behalf of the Board of Directors of Enkei Wheels (India) Limited

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

**Kazuhiko Shimamura**  
 (Managing Director)  
 (DIN : 05129816)

**Haresh Shah**  
 (Director)  
 (DIN : 00228471)

**Sanjay S. Rane**  
 (Partner)  
 Membership No. : 100374  
**Place : Pune**  
**Date : May 27, 2016**
**Jitendra Parmar**  
 (Chief Financial Officer)

**Omkar Kaulgud**  
 (Company Secretary)

**Place : Pune**  
**Date : May 27, 2016**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Amt. in ₹)

Particulars	For year ended March 31, 2016	For year ended March 31, 2015
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(28,600,616)	18,940,495
<b>Adjusted for:</b>		
Prior Period and Exceptional items - Income / (Expense)		
Loss on surrender of Land	121,102,447	-
Old liabilities written back (net)	(14,526)	(928,146)
Net Profit / (Loss) before exceptional items and tax	<u>92,487,305</u>	<u>18,012,349</u>
<b>Adjusted for:</b>		
Depreciation, amortisation	256,468,208	281,810,672
Loss/(Profit) on sale of Other Fixed Assets	415,190	(101,776)
Interest expenses	46,080,059	71,705,912
Interest Income	(1,415,385)	(1,662,431)
Provision for Bad & Doubtful debts	2,666,633	-
Unrealised Foreign Exchange Loss (net)	45,708,206	32,326,252
Sundry balances written off	1,530	27,200
Old inventories written off	9,814,490	-
<b>Operating profit / (loss) before working capital changes</b>	<u>452,226,236</u>	<u>402,118,178</u>
<b>Adjusted for:</b>		
Inventories	(15,435,716)	(82,569,983)
Trade receivables	(86,423,975)	(7,037,568)
Advances and other current assets	64,820,229	7,168,370
Trade payables	(88,439,554)	154,337,769
Other liabilities and provisions	(197,618,651)	(209,615,450)
	<u>(323,097,667)</u>	<u>(137,716,862)</u>
Cash generated from operations	<u>129,128,569</u>	<u>264,401,316</u>
Income tax (paid) / refunds	(3,199,774)	(2,917,076)
Income tax excess receivable written off	2,420,129	-
<b>Net cash flow from / (used in) operating activities (A)</b>	<u>128,348,924</u>	<u>261,484,240</u>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets, Capital Expenditure and Capital Advances	(143,564,602)	(108,142,394)
Sale of Fixed Assets	83,787,858	482,920
Investment in Term deposits (not considered as cash & cash equivalent)	-	-
Interest Income	1,415,385	1,662,431
<b>Net cash flow from / (used in) investing activities (B)</b>	<u>(58,361,358)</u>	<u>(105,997,043)</u>


**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (Contd.)**
**(Amt. in ₹)**

Particulars	For year ended March 31, 2016	For year ended March 31, 2015
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital / share application	<b>132,822,000</b>	-
Proceeds from short term borrowings	-	-
Repayment of long term borrowings	<b>(145,454,546)</b>	(214,545,454)
Short term borrowings (net)	<b>(16,734,244)</b>	(53,265,756)
Interest paid	<b>(46,848,640)</b>	(71,705,912)
Net cash flow from / (used in) financing activities	<b>(76,215,430)</b>	<b>(339,517,122)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<b>(6,227,865)</b>	(184,029,925)
Cash and cash equivalents at the beginning of the year	<b>84,729,729</b>	268,759,654
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	<b>78,501,864</b>	<b>84,729,729</b>
<u>Reconciliation of cash and cash equivalents with the balance sheet :</u>		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	<b>78,501,864</b>	84,729,729
Less : Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	-	-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements ) included in Note 14	<b>78,501,864</b>	<b>84,729,729</b>
Cash and cash equivalents at the end of the year*	<b>78,501,864</b>	<b>84,729,729</b>
* Comprises		
(a) Cash on Hand	<b>438,358</b>	116,510
(b) Balances with banks		
- in current accounts -Rupee accounts	<b>75,227,506</b>	82,293,219
- In deposit accounts	<b>2,836,000</b>	2,320,000

See accompanying notes forming part of the financial statements

As per our report attached.

For and on behalf of the Board of Directors of Enkei Wheels (India) Limited

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

**Kazuhiko Shimamura**  
(Managing Director)  
(DIN : 05129816)

**Haresh Shah**  
(Director)  
(DIN : 00228471)

**Sanjay S. Rane**  
(Partner)  
Membership No. : 100374  
Place : Pune  
Date : May 27, 2016

**Jitendra Parmar**  
(Chief Financial Officer)  
Place : Pune  
Date : May 27, 2016

**Omkar Kaulgud**  
(Company Secretary)

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS****1 Corporate information**

Enkei Wheels (India) Limited ("the Company") is a public limited company domiciled in India and is listed on the Bombay Stock Exchange. The Company is the manufacturer of aluminium alloy casting wheels ("products") mainly used in automotive segment of the industry in India.

**2 Significant accounting policies****2.1 Basis of accounting and preparation of financial statements**

- a) These financial statements have been prepared under historical cost convention and are presented in Indian Rupees.
- b) The financial statements have been prepared from the books of account maintained on an accrual basis and comply in all material respects with the accounting principles generally accepted in India ('Indian GAAP'), the Accounting Standards, to the extent applicable, issued by the Institute of Chartered Accountants of India and specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.
- c) All assets and liabilities have been classified as current or non current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.
- d) The accounting policies adopted in the preparation of financial statements by the Company are consistent with those of the earlier years except to the extent stated otherwise hereinafter.

**2.2 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires that the Company's management to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the reported period. Examples of such estimates include the useful lives of depreciable assets & asset impairment, employee benefits, provision for doubtful receivables, provision for income taxes. Future results could differ as a result of changes in the estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialise.

**2.3 Inventories****a. Raw Materials and Traded goods**

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

**b. Work-In-Progress/Semi-Finished goods**

Inventory of Work-In-Progress/Semi-Finished goods is valued at lower of cost and net realisable value. Cost comprises of material cost and conversion cost. Conversion cost includes cost of consumables, direct labour, variable overheads and fixed cost in respect of production facilities.

**c. Consumables, Stores and Spares**

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

**2.4 Depreciation and amortisation**

- a) Depreciation on Tangible Fixed Assets has been provided on Straight Line Method in the manner provided under of Schedule II to the Companies Act, 2013 on the basis of the useful lives of the assets prescribed under Part C of Schedule II to the Companies Act, 2013.
- b) Depreciation on additions during the year has been provided on pro-rata basis from the date of acquisition or from the date(s) on which commercial production is obtained, particularly in case of plant and machineries, with fair degree of regularity and not only on the basis of the assets are ready to put to use, as the case may be.



**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS (Contd).**

- c. Individual asset costing less than ₹ 5,000/- each is fully depreciated in the year of its purchase.
- d. The Company has not determined useful lives of its assets and their significant parts if any, based on technical evaluation or otherwise. Pending this, the Company has followed the useful lives of the assets prescribed under Part C of Schedule II to the Companies Act, 2013, for whole of the assets(s). The Company is in the process of identification and determination of useful lives of significant components separately.
- e. Intangible assets are amortised over a period of five years.
- f. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and if there is a significant change in the expected pattern of economic benefits from the asset, the amortisation method is revised to reflect the changed/ actual pattern.

**2.5 Revenue recognition**

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

- b. Sale of goods

Revenue from sale of goods are recognised on despatch of goods by the Company from its factory premises and are accounted in the books net of returns and trade discounts.

- c. Other operating revenue

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.

**2.6 Other income**

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

**2.7 Expenditure**

Purchases and Expenses, net of taxes recoverable, are accounted on accrual basis and once liability is determined for goods, services & value received.

**2.8 Tangible Fixed Assets**

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

**2.9 Intangible assets**

- a. Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprises and the cost of the assets can be measured reliably.
- b. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price (net of recoverable of taxes) and expenses directly attributable for bringing the asset to its working condition for its intended use.

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS (Contd).****2.10 Foreign currency transactions and translations**

- a. Transactions denominated in foreign currencies are recorded in the books at the exchange rate prevailing on the date transactions or that approximates the actual rate at the date of transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at exchange rates prevailing as at end of the year.
- c. As per the option available under paragraph 46 of the Accounting Standard (AS-11)–'The Effects of changes in Foreign Exchange Rates' and exercised by the Company, the exchange differences on account of depreciable fixed assets are capitalised as part of the asset to which differences relate and depreciated over the remaining useful life of such assets. In other cases, exchange differences are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' amortisable equally over the period of 8 years starting with the year in which the option is first exercised.
- d. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.
- e. In case of monetary items, which are covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as an expense or income, as the case may be over the life of the contract.

**2.11 Investments**

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

**2.12 Employee benefits**

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

**Defined contribution plans**

The Company's contribution to provident fund and pension fund are considered as defined contribution plans and are charged to the statement of profit and loss as and when those are incurred.

**Defined benefit plans**

For defined benefit plans, such as gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss of the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested or otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

**Short-term employee benefits**

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

**Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability determined by actuarial valuation, at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

**2.13 Borrowing costs**

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

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS (Contd).**

charged to the revenue. Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use. A longer period than period of twelve months has been considered as a substantial period of time in exceptional and unforeseen circumstances.

**2.14 Leases**

- a. Operating Leases : Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease payments under operating leases are recognised as an expense and are charged to the Statement of Profit and Loss on a straight line basis over the lease term.
- b. Finance Leases : Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease whichever is lower. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

**2.15 Taxes on income**

- a. Tax expense comprises of current income tax and deferred tax.
- b. Current tax is the amount of tax due & payable on the taxable income as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will utilise the credit in near future. Accordingly, MAT is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will flow to the Company.
- c. Deferred tax expense (or credit) is recognised subject to the consideration of prudence, on timing differences between accounting income and taxable income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.
- d. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses etc. are recognised, but only to the extent of Deferred tax liabilities, if it has legally enforceable right and those relate to taxes on income levied by the same governing taxation laws.
- e. During the year, the Company has also provided Deferred tax liability (net) in respect of Foreign Currency Monetary Item Translation Difference (FCMITD) for the year. This is a change in accounting policy, as till the last financial year, the Company has not provided deferred tax, either expense or credit on account of FCMITD. Had the Company not provided deferred tax expense on account of FCMITD, its loss after tax would have been lower by ₹ 3,05,12,120/-

**2.16 Impairment of assets**

- a. The management of the Company periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable value. An impairment loss, if any is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
- b. Assets/facilities retired from active use and held for re-work/disposal are classified separately as 'Assets held for Disposal'. In such situations, impairment loss is charged to the statement of Profit and Loss, in the year in which the loss is crystallised and quantified with ease.

**2.17 Provisions, contingencies and commitments**

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE : 3 SHARE CAPITAL

(Amt. in ₹)

Sr. No.	Particulars	As at 31st March 2016		As at 31st March 2015	
		Number of shares	Amount	Number of shares	Amount
1	<b>AUTHORISED :</b>				
	(i) Equity shares of ₹ 5/- each with voting rights	52,000,000	260,000,000	52,000,000	260,000,000
	(ii) Compulsorily Convertible Preference shares of Rs.10/- each	14,000,000	140,000,000	14,000,000	140,000,000
		<u>66,000,000</u>	<u>400,000,000</u>	<u>66,000,000</u>	<u>400,000,000</u>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP</b>				
	(i) Equity shares of ₹ 5/- each with voting rights	14,132,860	70,664,300	13,426,360	67,131,800
	<b>TOTAL</b>	<u>14,132,860</u>	<u>70,664,300</u>	<u>13,426,360</u>	<u>67,131,800</u>

a) Reconciliation of share capital

(Amt. in ₹)

Sr. No.	Particulars	As at 31st March 2016		As at 31st March 2015	
		Number of shares	Amount	Number of shares	Amount
(i)	Shares outstanding at the beginning of the year	13,426,360	67,131,800	12,755,360	63,776,800
(ii)	Add/(Less) : During the year Share Issued	706,500	3,532,500	671,000	3,355,000
		<u>14,132,860</u>	<u>70,664,300</u>	<u>13,426,360</u>	<u>67,131,800</u>
(iii)	Shares outstanding at the end of the year	<u>14,132,860</u>	<u>70,664,300</u>	<u>13,426,360</u>	<u>67,131,800</u>

(b) Detail of the rights, preferences and restrictions attaching to each class of shares.

Sr. No.	Particulars	As at 31st March 2016	As at 31st March 2015
		No. of Equity shares with voting rights	No. of Equity shares with voting rights
	Lock-in of shares held by Promoters Enkei Corporation, Japan	9,632,860	8,926,360

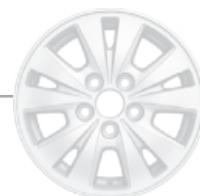
(c) Rights of the Equity Share holders

The Company has one class of equity shares of face value of ₹ 5/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Details of shares held by each shareholder holding more than 5% shares:

(Amt. in ₹)

Sr. No.	Class of shares / Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
(i)	Equity shares with voting rights Enkei Corporation, Japan	9,632,860	68.16	8,926,360	66.48


**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**(e) Details of Allotment of Shares for consideration other than cash, allotments of Bonus Shares and Shares bought back**

Sr. No.	Particulars	Financial Year (Aggregate No. of Shares)				
		2014-15	2013-14	2012-13	2011-12	2010-11
(i)	<b>Equity shares :</b>					
a	Fully paid up by way of bonus shares	-	-	-	-	-
b	Allotted pursuant to contract(s) without payment being received in cash	-	-	521,860	1,233,500	11,000,000
c	Shares bought back	-	-	-	-	-

**(f) Details of shares held by Holding Company (Face value ₹ 5 /-)**

Sr. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015	
		Number of shares held	Amount ₹	Number of shares held	Amount ₹
(i)	<b>Equity shares with voting rights</b>				
a	Enkei Corporation, Japan	9,632,860	48,164,300	8,926,360	44,631,800

**NOTE : 4 RESERVES & SURPLUS**
**(Amt. in ₹)**

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	<u>Securities premium account</u>		
	As per last Balance sheet	188,962,508	158,767,508
	Add: Addition during the year	129,289,500	30,195,000
		<b>318,252,008</b>	188,962,508
2	<u>Surplus / (Deficit) in Statement of Profit and Loss</u>		
	As per last Balance sheet	(72,968,683)	(95,794,048)
	Add: Profit / (Loss) for the year	(54,714,014)	22,825,367
		<b>(127,682,697)</b>	(72,968,681)
	<b>TOTAL</b>	<b>190,569,311</b>	115,993,827

**NOTE : 5 LONG-TERM BORROWINGS**

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	<b>Secured</b>		
	<u>Term Loans</u>		
	(A) From Banks	-	72,727,274
2	<b>Unsecured</b>		
	(A) Foreign Currency Loans (ECBs)	626,036,000	552,366,000
	<b>TOTAL</b>	<b>626,036,000</b>	625,093,274

There is no default, continuing or otherwise in repayment of loans and interest as on the balance sheet date.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

NOTE : 5 LONG-TERM BORROWINGS (Contd.)

(Amt. in ₹)

Sr. Particulars No.			As at 31st March, 2016	As at 31st March, 2015				
<b>Details of terms of repayment of long-term borrowings, applicable rate of interest, security wherever provided etc.</b>								
<b>1 Secured</b>								
<b>Term Loans from Banks</b>								
	Amount of Loan Sanctioned (₹ Miln)	Amount of Loan Availed (₹ Miln)	Outstanding Loan Amount (₹ Miln)	Installment Amount in ₹ Miln	Rate of Interest	Number of Installments due		
Mizuho Bank Ltd	480	480	145.45	18.18	base rate + 4.10%	8 Equal Qtrly Installment	-	145,454,546
Security-First Parri-Passu charge by way of Equitable Mortgage on the existing Fixed Assets in a favour of Mizuho Bank Ltd.								
Sub-Total							-	145,454,546
Less: Current maturities of long-term debt (Refer Note No. 11)							-	72,727,272
<b>TOTAL</b>							-	<b>72,727,274</b>
<b>2 Unsecured</b>								
<b>Foreign Currency Loans from Bank</b>								
<b>External Commercial Borrowings</b>								
<b>Lender - THE BANK OF TOKYO-MITSUBISHI UFJ LTD, Japan</b>					<b>626,036,000</b>		<b>552,366,000</b>	
	Bank	ECB AMT in Million JPY	Rate of Interest	ECB Repayment in Million JPY	No. of Installment	Repayment Date		
	Bank Tokyo Mitsubhshi UFJ Ltd	1060	1.515%	106	10	Half Yearly Equal installments starting from 30th September 2018		
Sub-Total							<b>626,036,000</b>	552,366,000
Less: Current maturities of long-term debt (Refer Note No. 11)							-	-
<b>TOTAL</b>							<b>626,036,000</b>	<b>552,366,000</b>
<b>Total Long-term Borrowings</b>							<b>626,036,000</b>	<b>625,093,274</b>


**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**NOTE : 6 DEFERRED TAX LIABILITIES (NET)**
**(Amt. in ₹)**

Sr. Particulars No.	As at 31st March,2016	As at 31st March,2015
<b>Deferred tax liabilities</b>		
Foreign currency monitoring item translation difference	30,512,120	-
Fixed Assets / Depreciation	1,294,583	27,861,410
	<u>31,806,703</u>	<u>27,861,410</u>
<b>Deferred tax assets *</b>		
Unabsorbed depreciation and carry forward of losses	-	(27,861,410)
<b>TOTAL</b>	<u><u>31,806,703</u></u>	<u><u>-</u></u>

\* In the absence of virtual certainty of realisation, deferred tax assets in respect of carry forward of losses are recognised to the extent of deferred tax liability.

**NOTE : 7 OTHER LONG-TERM LIABILITIES**

Sr. Particulars No.	As at 31st March,2016	As at 31st March,2015
a Trade Payables	791,403,749	895,408,920
b Fixed Assets	130,718,745	166,778,164
<b>TOTAL</b>	<u><u>922,122,494</u></u>	<u><u>1,062,187,084</u></u>

**NOTE : 8 LONG-TERM PROVISIONS**

Sr. Particulars No.	As at 31st March,2016	As at 31st March,2015
<b><u>Provision for employee benefits:</u></b>		
1 Defined benefit obligation - Leave encashment	6,377,970	6,095,393
<b>TOTAL</b>	<u><u>6,377,970</u></u>	<u><u>6,095,393</u></u>

\* Net of Plan Assets



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

## NOTE : 9 SHORT-TERM BORROWINGS

(Amt. in ₹)

Sr. Particulars No.	As at 31st March,2016	As at 31st March,2015
<b>1 Secured</b>		
<u>Working Capital Demand Loans</u>		
- From Banks	-	70,000,000
	-	<b>70,000,000</b>
<b>2 Unsecured</b>		
<u>Working Capital Demand Loans</u>		
- From Banks	160,000,000	60,000,000
- Bill Discounting Facility	-	46,734,244
	<b>160,000,000</b>	106,734,244
<b>TOTAL</b>	<b>160,000,000</b>	<b>176,734,244</b>

There is no default, continuing or otherwise in repayment of loans and interest as on the balance sheet date.

## Note : 9. Short-term borrowings (contd.)

Sr. Particulars No.	As at 31st March,2016	As at 31st March,2015
<b>Details of applicable rate of interest, security wherever provided etc.</b>		
<b>1 SECURED</b>		
<b>Working Capital Demand Loans</b>		
(a) Axis Bank Ltd.	-	70,000,000
<b>Security</b>		
Exclusive Charge on current assets of the company -Present and future		
<b>Repayment</b>		
From time to time, nevertheless payable on demand.		
(rollover arrangements are entered with the bank with the same terms)		
<b>2 UNSECURED</b>		
(a) <b>Working Capital Demand Loans from Banks</b>		
(1) Bank of Tokyo Mitsubishi UFJ Ltd.	-	60,000,000
<b>Repayment</b>		
From time to time, nevertheless payable on demand.		
(rollover arrangements are entered with the bank with the same terms)		
(2) Mizuho Bank Ltd.	160,000,000	-
<b>Repayment</b>		
From time to time, nevertheless payable on demand.		
(rollover arrangements are entered with the bank with the same terms)		
(b) <b>Bill Discounting Facility</b>		
(1) Kotak Mahindra Bank Ltd.	-	46,734,244




**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**NOTE : 10 TRADES PAYABLES**
**(Amt. in ₹)**

Sr. Particulars No.	As at 31st March,2016	As at 31st March,2015
1 Micro, Small & Medium Enterprises	-	-
2 <u>Others</u>		
Raw materials & Components	483,617,868	556,781,192
Services & Expenses	32,486,530	56,680,398
3 <u>Payables to Overseas Group Companies</u>		
Raw materials & Components	7,543,894	4,506,777
Services & Expenses	43,088,874	41,785,579
<b>TOTAL</b>	<b>566,737,166</b>	<b>659,753,946</b>

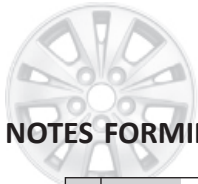
**NOTE : 11 OTHER CURRENT LIABILITIES**

Sr. Particulars No.	As at 31st March,2016	As at 31st March,2015
1. Current maturities of long-term debt	-	72,727,272
2. Current Maturities of Finance lease obligation	-	595,213
3. Interest accrued and due on borrowings	-	768,581
4. Hedging premium accrued but not due on Forward Contract	699,990	300,746
5. Payables on purchase of fixed assets	17,162,729	1,294,874
6. Statutory remittances	8,552,188	29,491,063
7. Employee dues	7,938,401	9,437,947
8. Others	946,764	417,413
<b>TOTAL</b>	<b>35,300,072</b>	<b>115,033,109</b>

\* there are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

**NOTE : 12 SHORT-TERM PROVISIONS**

Sr. Particulars No.	As at 31st March,2016	As at 31st March,2015
1 Provision for employee benefits		
a Defined benefit obligation - (Gratuity) - (net of plan assets)	-	-
b Defined benefit obligation - Leave encashment	869,479	282,088
2 Others		
Income Tax - Current Tax	9,011,405	3,789,567
<b>TOTAL</b>	<b>9,880,884</b>	<b>4,071,655</b>

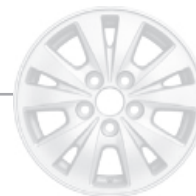


NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

(₹)

**NOTE : 13 TANGIBLE FIXED ASSETS**

Sr. No	Particulars	Gross Block				Depreciation				Net Block		
		Cost As on 01-04-2015	Additions during the year	Deductions during the year	Effect of foreign currency exchange differences	Cost As on 31-03-2016	Depreciation As on 01-04-2015	Depreciation for the year	Deduction on for the year	Depreciation upto 31-03-2015	As on 31.03.2016	As on 31.03.2015
1	Freehold Land	340,985,703	0	0	0	340,985,703	0	0	0	0	340,985,703	340,985,703
2	Leasehold Land	204,524,762	204,524,762	0	0	0	0	0	0	0	204,524,762	0
3	Buildings	219,724,543	15,085,434	0	0	234,809,977	39,466,675	7,121,931	0	46,588,606	188,224,370	180,257,867
4	Plant and Machinery	1,355,590,232	26,070,091	0	890,816	1,382,551,139	769,196,719	157,589,572	0	926,786,291	455,764,848	586,393,513
5	Factory Equipments	92,838,527	3,841,023	825,000	0	95,854,550	62,833,547	11,539,559	420,623	73,952,483	21,902,067	30,004,980
6	Electrical Installation	62,140,685	7,739,494	0	0	69,880,179	31,118,965	5,733,424	0	36,852,389	33,027,790	31,021,720
7	Furniture and Fixture	13,813,949	117,708	0	0	13,931,658	6,522,315	1,928,264	0	8,450,578	5,481,079	7,291,635
8	Computers	15,113,582	4,154,817	1,073,856	0	18,194,543	7,275,341	4,368,791	971,771	10,672,361	7,522,183	7,838,242
9	Office Equipments	10,228,146	376,940	36,256	0	10,568,830	7,504,243	812,958	34,443	8,282,758	2,286,073	2,723,903
10	Quality Control Equipments	2,614,626	577,350	0	0	3,191,976	2,049,710	334,288	0	2,383,999	807,977	564,915
11	Vehicles - Owned	10,366,756	3,892,354	1,643,819	0	12,615,291	4,885,914	1,703,733	1,371,360	5,218,286	7,397,005	5,480,843
	- Leased	2,104,193	0	0	0	2,104,193	638,611	265,828	0	904,439	1,199,754	1,465,582
12	Dies & Moulds	359,903,316	68,169,441	0	6,129,109	434,201,866	120,298,270	65,069,860	0	185,368,130	248,833,736	239,605,046
	<b>TOTAL</b>	<b>2,689,949,021</b>	<b>130,024,653</b>	<b>208,103,693</b>	<b>7,019,925</b>	<b>2,618,889,906</b>	<b>1,051,790,310</b>	<b>256,468,208</b>	<b>2,798,197</b>	<b>1,305,460,321</b>	<b>1,313,429,585</b>	<b>1,638,158,711</b>
	(Previous Year)	2,583,340,075	122,155,390	2,008,844	(13,537,599)	2,689,949,020	772,636,512	280,781,495	1,627,700	1,051,790,307	1,638,158,713	1,810,703,563


**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**NOTE : 14 LONG TERM LOANS AND ADVANCES**
**(Amt. in ₹)**

Sr. No.	Particulars	As at 31st March,2016	As at 31st March,2015
	<u>Unsecured, considered good</u>		
a	Capital Advances	15,254,489	1,714,540
b	Security Deposits	24,086,764	22,769,462
c	Other Loans and advances		
i)	Advance income tax	2,704,038	7,607,099
ii)	MAT credit entitlement	20,481,288	14,798,582
iii)	Balances with government authorities	8,420,707	7,520,516
	<b>TOTAL</b>	<b>70,947,286</b>	<b>54,410,199</b>

**NOTE : 15 FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE**
Foreign Currency Monetary Item Translation Difference

As per last Balance sheet	158,479,326	229,961,609
Add: Adjustment/Accumulation during the year	129,750,533	(39,786,418)
	288,229,859	190,175,191
Less: Amortisation during the year	50,270,906	31,695,865
<b>TOTAL</b>	<b>237,958,954</b>	<b>158,479,326</b>

**NOTE : 16 INVENTORIES**

1	Raw Materials	138,362,753	127,522,495
2	Work-In-Progress	25,834,776	33,626,697
3	Stock of Traded Goods	672,714	837,679
4	Stores,Spares & Consumables	23,534,485	20,796,631
	<b>TOTAL</b>	<b>188,404,728</b>	<b>182,783,502</b>

**Details of inventories (contd.)**

1	Raw Materials		
	Alluminium Ingots	138,362,753	127,522,495
2	Semi Finished Goods		
a	Wheels - Two Wheelers	115,809	7,809,929
b	Wheels - Four Wheelers	25,718,967	25,816,768
		25,834,776	33,626,697
3	Traded Goods		
a	Wheels - Two Wheelers	—	—
b	Wheels - Four Wheelers	—	156,772
c	Accessories	672,714	680,907
		672,714	837,679
4	Stores, Spares & Consumables	23,534,485	20,796,631
	<b>Total</b>	<b>188,404,728</b>	<b>182,783,502</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

## NOTE : 17 TRADE RECEIVABLES

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
a)	<b><u>Debts Outstanding for a period exceeding six months from the date they were due for payment</u></b>		
	Unsecured, considered good	454,413	7,247,277
	Unsecured, considered doubtful	2,666,633	-
		3,121,046	7,247,277
	Less: Provision for doubtful debts	2,666,633	-
		454,413	7,247,277
b)	<b><u>Other Debts</u></b>		
	Unsecured, considered good	99,283,596	72,893,242
	Unsecured, considered doubtful	-	-
		99,283,596	72,893,242
	<b>TOTAL DEBTS DUE (a+b)</b>	99,738,009	80,140,519
		-	-
c)	<b><u>Debts Not Due</u></b>	546,856,399	482,696,547
	<b>TOTAL</b>	646,594,408	562,837,066

## NOTE : 18 CASH &amp; CASH EQUIVALENTS

1	<b><u>Balances with Banks</u></b>		
	In current accounts	75,227,506	82,293,219
	In deposit accounts	2,836,000	2,320,000
2	<b><u>Cash On Hand</u></b>	438,358	116,510
	<b>TOTAL</b>	78,501,864	84,729,729

Note : Bank Balances do not include any margin monies. There are no deposits which have an original maturity or maturity of more than 12 months from the balance sheet date.

## NOTE : 19 SHORT TERMS LOANS AND ADVANCES

1	<b><u>Secured, Considered Good :</u></b>	-	-
2.	<b><u>Unsecured, Considered Good :</u></b>		
	Others		
	i) Advances to employees & Others	428,130	648,044
	ii) Prepaid Expenses	6,106,906	3,804,670
	iii) Balances with government authorities	72,462,402	145,555,004
	iv) Advance paid to the Gratuity Fund	3,282,886	497,941
	<b>TOTAL</b>	82,280,324	150,505,659

## NOTE : 20 OTHER CURRENT ASSETS

	Accrued interest on term deposits	1,377,751	190,138
	<b>TOTAL</b>	1,377,751	190,138


**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**NOTE : 21 REVENUE FROM OPERATIONS**
**(Amt. in ₹)**

Sr. No.	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1	Sale of Products	4,322,660,664	4,256,087,334
2	Other operating revenues	49,758,267	59,847,535
		<u>4,372,418,931</u>	<u>4,315,934,869</u>
	Less :		
	Excise duty	517,557,644	476,628,265
	<b>TOTAL</b>	<u><u>3,854,861,287</u></u>	<u><u>3,839,306,604</u></u>

**NOTE: 21.1 PARTICULARS OF SALE OF PRODUCTS**
**a Manufactured goods**

i	Wheels - Two Wheelers	1,336,550,223	1,602,059,587
ii	Wheels - Four Wheelers	2,472,253,693	2,179,484,437
	<b>TOTAL - Sale of manufactured goods</b>	<u><u>3,808,803,916</u></u>	<u><u>3,781,544,024</u></u>

**b Traded goods**

i	Wheels - Four Wheelers	-	-
ii	Accessories	1,846,979	3,655,735
	<b>TOTAL - Sale of traded goods</b>	<u><u>1,846,979</u></u>	<u><u>3,655,735</u></u>
	<b>TOTAL - Sale of products (a + b)</b>	<u><u>3,810,650,895</u></u>	<u><u>3,785,199,759</u></u>

**NOTE : 22 OTHER INCOME**

1	Interest on Term Deposits with Banks	1,415,385	1,662,431
2	Profit on sale of fixed assets	-	101,776
3	Other Income	2,216,514	6,933
	<b>TOTAL</b>	<u><u>3,631,899</u></u>	<u><u>1,771,140</u></u>

**NOTE : 23 COST OF MATERIALS CONSUMED**

	Opening Stock	127,522,495	63,267,125
	Add: Purchases	2,057,467,463	2,216,884,599
		<u>2,184,989,958</u>	<u>2,280,151,724</u>
	Less: Closing Stock	138,362,753	127,522,495
	<b>Cost of materials consumed*</b>	<u><u>2,046,627,205</u></u>	<u><u>2,152,629,229</u></u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

## NOTE : 23.1 DETAILS OF PURCHASE OF RAW MATERIAL IMPORTED AND INDIGENOUS ITEMS

(Amt. in ₹)

Sr. Particulars No.	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	%	Value	%	Value
<b>Raw Materials</b>				
Imported	92.7	1,907,512,017	93.8	2,078,451,469
Indigenous	7.3	149,955,445	6.2	138,433,131
<b>TOTAL</b>	<b>100.00</b>	<b>2,057,467,462</b>	<b>100.00</b>	<b>2,216,884,600</b>

## NOTE : 24 PURCHASES OF STOCK-IN-TRADE

(Amt. in ₹)

Sr. Particulars No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Accessories	2,621,517	3,052,979
<b>TOTAL</b>	<b>2,621,517</b>	<b>3,052,979</b>

## NOTE : 24.1 DETAILS OF PURCHASE OF STOCK-IN-TRADE IMPORTED AND INDIGENOUS ITEMS

(Amt. in ₹)

Sr. Particulars No.	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	%	Value	%	Value
<b>Traded Goods</b>				
Imported	0.0	-	0.0	-
Indigenous	100.0	2,621,517	100.0	3,052,979
<b>TOTAL</b>	<b>100.0</b>	<b>2,621,517</b>	<b>100.0</b>	<b>3,052,979</b>

## NOTE : 25 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amt. in ₹)

Sr. Particulars No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>1 Inventories (at close)</b>		
a Semi Finished goods	25,834,775	33,626,696
b Traded goods	672,715	837,681
	<b>26,507,490</b>	<b>34,464,377</b>
<b>2 Inventories (at commencement)</b>		
a Semi Finished goods	33,626,696	18,307,527
b Traded goods	837,681	694,410
	<b>34,464,377</b>	<b>19,001,937</b>
<b>TOTAL</b>	<b>7,956,887</b>	<b>(15,462,440)</b>

## NOTE : 26 EMPLOYEE BENEFITS EXPENSES

1 Salaries, Wages, Allowances & Bonus	208,128,422	194,446,952
2 Contribution to Provident, Gratuity and other Funds	12,882,746	14,671,469
3 Leave Encashment	3,427,539	5,837,384
4 Welfare Expenses	35,417,679	34,319,273
<b>TOTAL</b>	<b>259,856,386</b>	<b>249,275,078</b>


**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**NOTE : 27 FINANCE COST**
**(Amt. in ₹)**

Sr. No.	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1	Interest on Rupee Loans	12,715,918	26,123,516
2	Interest on Foreign Currency Loans (ECB)	9,787,283	17,285,471
3	Interest on Working Capital Demand Loans and Credit Facilities	20,098,668	28,296,925
4	Interest on payment of statutory dues	3,478,190	774,068
5	Other Borrowing Costs	5,415,609	9,467,009
	<b>TOTAL</b>	<b>51,495,668</b>	<b>81,946,989</b>

**NOTE : 28 DEPRECIATION & AMORTISATION EXPENSE**

1	Depreciation on tangible fixed assets	256,468,208	280,781,495
2	Amortisation on intangible assets	—	1,029,177
	<b>TOTAL</b>	<b>256,468,208</b>	<b>281,810,672</b>

**NOTE : 29 CONSUMPTION - STORES & SPARES**

1	Opening Stock	20,796,631	17,944,458
	Add: Purchases	342,232,501	328,490,040
		363,029,132	346,434,498
	Less : Closing Stock	23,534,485	20,796,631
	<b>COST OF MATERIALS CONSUMED*</b>	<b>339,470,721</b>	<b>325,637,867</b>

**NOTE : \*29.1 CONSUMPTION - STORES & SPARES**

Sr. No.	Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
		%	Value	%	Value
	<u>Consumption- Stores and Spares</u>				
	Imported	8.2	27,673,538	7.0	22,902,309
	Indigenous	91.8	311,797,183	93.0	302,735,558
	<b>TOTAL</b>	<b>100.0</b>	<b>339,470,721</b>	<b>100.0</b>	<b>325,637,867</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

## NOTE : 30 OTHER EXPENSES

(Amt. in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>1</b>	<b>Manufacturing Expenses</b>		
a	Power and Fuel	269,387,572	294,695,597
b	Processing Charges- Remelting	81,035,434	76,586,558
c	Processing Charges- Others	70,030,404	64,375,958
d	Royalty	49,514,451	42,786,763
e	Other Manufacturing Expenses	67,674,877	65,346,848
		<b>537,642,738</b>	<b>543,791,724</b>
<b>2</b>	<b>Foreign Exchange Fluctuation Loss/(Gain)</b> (including unrealised loss of ₹ 45,708,206 /- PY ₹ 34,168,661/-)	<b>82,603,638</b>	41,927,515
<b>3</b>	<b>Administrative Expenses</b>		
a	Legal and Professional Fees	9,836,798	9,018,984
b	Other Administrative expenses	62,978,096	49,894,857
		<b>72,814,894</b>	<b>58,913,841</b>
<b>4</b>	<b>Selling &amp; Distribution Expenses</b>		
a	Freight Outward	91,218,671	88,659,828
b	Other selling & distribution expenses	17,229,348	10,604,898
		<b>108,448,019</b>	<b>99,264,726</b>
	<b>TOTAL</b>	<b>801,509,289</b>	<b>743,897,806</b>

## NOTE : 31 PRIOR PERIOD &amp; EXCEPTIONAL ITEMS

a	<u>Prior period income</u>		
i	Old liabilities (net) written back (including overseas)	(14,526)	928,146
b	<u>Less : Prior period &amp; exceptional expenses</u>		
i	Loss on surrender of Leasehold Land to RIICO	121,102,447	—
ii	Others	—	277,215
	<b>TOTAL</b>	<b>(121,087,921)</b>	<b>650,931</b>

## NOTE : 32 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

## a Share Capital

During the year, the Company has allotted 7,06,500 equity shares issued on preferential basis to its promoter & holding Company ENKEI CORPORATION, Japan after receiving the requisite approvals from the regulatory authorities.




**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**b Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**
**(Amt. in ₹)**

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**c Disclosure under regulation 34 (3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015**

Amount of loan and advances in nature of loans outstanding from subsidiaries as at March 31, 2016 :

Name of the subsidiary	Relationship	Amount outstanding as at 31st March, 2016	Amount outstanding as at 31st March, 2015
-	-	-	-

**d Details of the year-end foreign currency exposures that have been hedged**

The company has entered into foreign exchange forward contracts to partly hedge its risks associated with the foreign currency fluctuations relating to firm commitments. Forward Exchange Contracts entered into by the Company and remained outstanding at the year end are :

**(Amt. in ₹)**

	For the year ended 31st March, 2016 in Foreign Currency	For the year ended 31st March, 2015 in Foreign Currency
Forward Contracts against Imports		
- In US Dollars ..... Number of contracts.....(7)	2,242,669	589,005
	<u>2,242,669</u>	<u>589,005</u>
	<b>in Indian Rupees</b>	<b>in Indian Rupees</b>
- Equivalent Indian Rupees	<u>150,442,884</u>	<u>36,865,841</u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

		(Amt. in ₹)	
		For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>e</b>	<b>Details of the year-end foreign currency exposures that have not been hedged</b> <b>(Particulars with balances as per books of account)</b>		
	External Commercial Borrowings	626,036,000	552,366,000
	Purchase of Fixed Assets	130,718,745	166,778,164
	Trade Payables	<u>1,055,260,192</u>	<u>1,187,007,267</u>
		<u>1,937,000,883</u>	<u>1,906,151,431</u>
<b>f</b>	<b>Value of imports calculated on CIF basis @ :</b>		
	Raw materials	1,907,512,017	2,078,451,469
	Spare parts	27,673,538	22,902,309
	Capital goods	58,877,331	56,265,005
		<u>1,994,062,886</u>	<u>2,157,618,783</u>
	@ the total value of imports relates to the imports made excluding the relevant taxes :		
<b>g</b>	<b>Expenditure in foreign currency # :</b>		
	Foreign Travel	652,309	644,078
	Computer Hire Charges	669,856	806,310
	Interest on Foreign Currency Loans	9,787,283	17,285,471
		<u>11,109,448</u>	<u>18,735,859</u>
	# on accrual basis on the gross amount of expenditure (i.e. the expenditure before withholding taxes)		
<b>h</b>	<b>Earnings in foreign exchange :</b>		
	Export of goods calculated on FOB basis	731,706	796,560
		<u>731,706</u>	<u>796,560</u>
<b>i</b>	<b>Remittance in foreign currency during the year on account of dividends</b>		
	Gross amount of dividend remitted in foreign currency	-	-
	Number of non-resident shareholders		
	Number of equity shares held by them on which dividend was due		
	Year to which the dividend relates		
	TDS Deducted		
<b>j</b>	<b>Auditors Remuneration</b>		
	Statutory Audit	1,200,000	890,000
	Limited Reviews	150,000	105,000
	Certifications	-	30,000
	Out of Pocket Expenses	129,613	149,362
		<u>1,479,613</u>	<u>1,174,362</u>


**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**(Amt. in ₹)**

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>k</b>		
<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>(i) Contingent liabilities</b>		
(a) Claims against the Company /disputed liabilities not acknowledged as debts	<b>54,850,000</b>	55,850,000
(b) Guarantees and Letters of Credits issued by the banks	<b>7,150,880</b>	2,000,000
(c) Other money for which the company is contingently liable Differential Tax Liability - C Forms not received	<b>578,856,245</b>	822,086,643
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets	<b>49,312,682</b>	5,809,675
(b) Other Commitments	-	-
<b>l</b>		
<b>Earning per Share as computed in accordance with Accounting Standard 20</b>		
Net profit / (loss) for the year	<b>(54,714,014)</b>	22,825,369
(Add) / Less : Extraordinary items (net of tax)	-	-
Less : Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	<b>(54,714,014)</b>	22,825,369
Weighted average number of equity shares for calculation of Basic EPS	<b>13,580,786</b>	12,957,579
Weighted average number of equity shares for calculation of Diluted EPS	<b>13,580,786</b>	12,957,579
Face value per share	<b>₹ 5/- per share</b>	₹ 5/- per share
Earnings per share - Basic	<b>(4.03)</b>	1.76
Earnings per share excluding extraordinary items - Basic	<b>(4.03)</b>	1.76
Earnings per share - Diluted	<b>(4.03)</b>	1.76
Earnings per share, excluding extraordinary items - Diluted	<b>(4.03)</b>	1.76

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)****Note 32 Disclosures under Accounting Standards (contd.)****m Employee benefit plans**

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

**Defined contribution plans**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 10,498,657/- (Year ended 31 March, 2015 ₹ 9,762,779/- ) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**Defined Benefit plans**

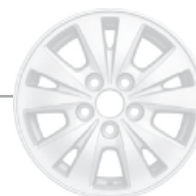
The Company offers the following employee benefit schemes to its employees :

- i. Gratuity
- ii. Leave Entitlements

Disclosures of Defined Benefit Plans in respect of Gratuity and Leave Entitlements, as per actuarial valuations by an independent valuer. The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements :

**(Amt. in ₹)**

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Gratuity	Leave Entitlements	Gratuity	Leave Entitlements
<b><u>Components of employer expense</u></b>				
Current service cost	2,247,170	1,847,239	1,421,803	849,405
Interest on obligation	957,620	341,235	658,028	166,177
Expected return on plan assets	(1,039,734)	0	(707,121)	0
Net Actuarial (gain) / loss recognized in the year	(467,066)	209,458	2,962,053	2,799,647
Past service cost	0	0	0	0
Actuarial losses/(gains) on curtailments & settlement	0	0	0	0
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>1,697,990</b>	<b>2,397,932</b>	<b>4,334,763</b>	<b>3,815,229</b>
<b><u>Net asset / (liability) recognised in the Balance Sheet</u></b>				
Present value of defined benefit obligation	15,350,663	5,247,043	12,555,887	6,377,480
Fair value of plan assets	18,633,549	0	13,053,827	0
Funded status [Surplus / (Deficit)]	3,282,886	(5,247,043)	497,940	(6,377,480)
Unrecognised past service costs	0	0	0	0
Unrecognised Actuarial loss	0	0	0	0
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>3,282,886</b>	<b>(5,247,043)</b>	<b>497,940</b>	<b>(6,377,480)</b>
<b><u>Change in defined benefit obligations (DBO) during the year</u></b>				
Present value of DBO at beginning of the year	12,555,886	4,515,844	7,452,632	1,875,983
Current service cost	2,247,170	1,847,239	1,421,803	849,405
Interest cost	957,620	341,235	658,028	166,177
Actuarial (gains) / losses	(51,442)	209,458	3,171,144	2,799,647
Past service cost	0	0	0	1,861,635
Loss (gains) on Curtailments	0	0	0	0


**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Gratuity	Leave Entitlements	Gratuity	Leave Entitlements
Benefits paid	(358,571)	(1,666,733)	(147,720)	(1,175,367)
<b>Present value of DBO at the end of the year</b>	<b>15,350,663</b>	<b>5,247,043</b>	<b>12,555,887</b>	<b>6,377,480</b>
<b>Change in fair value of assets during the year</b>				
Fair value of plan assets at beginning of year	13,053,827	-	6,948,924	-
Expenses deducted from the fund	(213,456)	-	(132,601)	-
Expected return on plan assets	1,039,734	-	707,121	-
Actuarial gain / (loss)	415,624	-	209,091	-
Assets distributed on settlements	-	-	-	-
Contribution by the employer	4,696,391	-	5,469,012	-
Benefits paid	(358,571)	-	(147,720)	-
Plan assets at the end of the year	18,633,549	-	13,053,827	-
<b>Actual return on plan assets</b>	<b>1,455,358</b>	<b>-</b>	<b>916,212</b>	<b>-</b>
<b>Composition of the plan assets is as follows:</b>				
Government of India Securities	0%	0%	0%	0%
High quality corporate bonds	0%	0%	0%	0%
Equity shares of listed companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Policy of insurance	100%	0%	100%	0%
Bank Balance	0%	0%	0%	0%
<b>Actuarial assumptions</b>				
Discount rate	8.15%	8.15%	7.80%	7.80%
Expected return on plan assets	8.15%	0.00%	8.00%	0.00%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Proportion of employees opting for early retirement	-	-	-	-

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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Note	Related Party Disclosure	
n	Related party with whom the Company had transactions during the year.	
	Relationship	Names of Related Party
	Holding & Promoter Company	Enkei Corporation, Japan
	Associate	Enkei Thai Co. Ltd., Thailand
	Associate	Enkei Thai Moulding Co. Ltd., Thailand
	Associate	Asian Enkei Trading Co. Limited, Thailand
	Associate	Enkei Audit & Computer Ltd., Japan
	Associate	PT. Enkei Indonesia, Indonesia
	Associate	Enkei Alluminium Product (China) Co. Ltd., China
	Associate	Enkei Wheel Corporation, Japan
	Associate	Enkei Asia Pacific Company Limited, Thailand
	Key Managerial Personnel (KMP)	Masakatsu Uchiyama, Managing Director, (till 29th February 2016)
	Key Managerial Personnel (KMP)	Kazuhiko Shimamura, Managing Director, (from 1st March 2016)

Note: Related parties have been identified by the Company's Management.


**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**
**Disclosure of transaction between the Company and Related Party and the status of outstanding balances as on March 31, 2016**
**(Amt. in ₹)**

Particulars		Associates	Holding & Promoter Company	Key Management Personnel (KMP)	Total
Purchases of Traded goods	CY	–	–	–	–
	PY	–	–	–	–
Export Sale	CY	–	<b>731,706</b>	–	<b>731,706</b>
	PY	–	599,700	–	599,700
Purchases of Stores & Spares	CY	<b>398,825</b>	<b>19,355,341</b>	–	<b>19,754,165</b>
	PY	491,667	10,436,325	–	10,927,992
Reimbursement Received	CY	<b>830,618</b>	–	–	<b>830,618</b>
	PY	265,524	–	–	265,524
Royalty Expenses	CY	–	<b>49,514,451</b>	–	<b>49,514,451</b>
	PY	–	42,786,763	–	42,786,763
Interest Expenses	CY	–	–	–	–
	PY	–	17,285,471	–	17,285,471
Remuneration paid	CY	–	–	<b>4,311,147</b>	<b>4,311,147</b>
	PY	–	–	4,305,844	4,305,844
Fees and costs for services received	CY	<b>3,574,353</b>	<b>8,239,727</b>	–	<b>11,814,080</b>
	PY	1,376,892	11,257,896	–	12,585,956
Write-back of old liabilities	CY	–	–	–	–
	PY	928,146	–	–	928,146
Purchase of fixed assets	CY	<b>58,877,331</b>	–	–	<b>58,877,331</b>
	PY	52,846,993	3,418,011	–	56,265,005
<b>Net Transaction during the year</b>	CY	<b>63,681,127</b>	<b>77,841,225</b>	<b>4,311,147</b>	<b>145,833,499</b>
	PY	55,909,222	85,784,167	6,365,555	148,058,944
<b>Balances with related parties</b>					
<b>Amount Receivable</b>	CY	–	–	–	–
	PY	–	–	–	–
<b>Amount Payable</b>	CY	<b>920,288,174</b>	<b>52,099,472</b>	–	<b>972,387,647</b>
	PY	884,954,550	223,524,891	–	1,108,479,441

Note: Figures in CY relates to the year 2015-16 and PY relates to the year 2014-15

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)****o Disclosure in respect of Leases pursuant to Accounting Standard (AS-19) " Leases".**

i) where the Company is a lessee :

**Finance Leases**

The Company has acquired a vehicle (motor car) on finance lease. The lease covers a period, which is fixed and non-cancellable. The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows.

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Payable not later than one year	-	412,454	-	637,750
Payable later than one year but not later than five years	-	-	-	-
Payable later than five years	-	-	-	-
Total	-	412,454	-	637,750
Less: Future finance charges	-	9,698	-	-
Present Value of minimum lease payments	-	402,756	-	637,750

**Operating Leases**

The Company has operating leases in respect of its plants, premises, computers, etc. Further, lease rentals payable in respect of the same which are non-cancellable are as follows.

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Not later than one year	27,728,734	24,451,021
Later than one year but not later than five years	-	-
Later than five years	-	-

**Other Notes :**

- p The Company is engaged in the manufacturing of aluminium alloy casting wheels which constitutes a single business segment. Accordingly, primary and secondary reporting disclosures for business/geographical segment as envisaged in Accounting Standard –17 notified under the Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 are not applicable to the Company.
- q In the opinion of the board, current assets have a value on realisation, in the ordinary course of the Company's business, equal to the amount at which these are stated.
- r Figures of the previous year have been regrouped, reclassified & restated wherever necessary to correspond with the current year classification /disclosure.





## ENKEI WHEELS (INDIA) LIMITED

CIN : L34300PN2009PLC133702

Gat no. 1425, Village Shikrapur, Taluka Shirur, Dist. Pune - 412208.

Tel: (02137) 618700 , Fax: (02137) 618720 Email: secretarial@enkei.in Website : www.enkei.in

### Attendance Slip

I / We record my / our presence at the 'SEVENTH ANNUAL GENERAL MEETING' of the Company to be held on Friday, 29th July 2016 at 12.30 P. M. at the registered office of the Company at Gat no. 1425, Village Shikrapur, Taluka Shirur, Pune - 412208.

Full name of the Member/ Proxy (In block letters) .....

No. of Share held .....

Folio No. .... DP ID No.\* ..... Client ID No.\*.....

Signature(s) of the Member(s) / Proxy 1 ..... 2 .....

Note : Members attending the meeting in-person or by proxy are requested to complete the attendance slip and deposit with the Company Officials at the venue of the Meeting.

## ENKEI WHEELS (INDIA) LIMITED

Gat No.-1425, Village Shikrapur, Tal-Shirur, Dist-Pune, Maharashtra, India-412208.

7th Annual General Meeting on 29th July 2016 .

### Proxy Form

I/We being a Member(s) of Enkei Wheels (India) Limited, hereby appoint:

1. Name:.....

Address:.....

Email Id:.....

Signature:..... or failing him;

2. Name: .....

Address:.....

Email Id:.....

Signature:.....or failing him;

3. Name: .....

Address: .....

Email Id: .....

Signature: .....

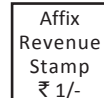
as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 7th Annual General Meeting of the Company scheduled to be held on Friday, 29th July 2016 and at any adjournment thereof, in respect of following resolutions.

ORDINARY BUSINESS	
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2016 and the Reports of the Board of Directors and Auditors thereon.
2.	To appoint a director in place of Mr. Junichi Suzuki (DIN: 02628162), who retires by rotation, and being eligible, seeks reappointment.
3.	Ratification of Appointment of Statutory Auditors.
4.	Regularisation of Appointment of Mr. Kazuhiko Shimamura (DIN: 05129816) as a Director.
5.	Appointment of Mr. Kazuhiko Shimamura (DIN: 05129816) as Managing Director of the Company.
6.	Re- Appointment of Ms. Shilpa Dixit (DIN: 00001761) as an Independent Director for period of Five Years.

Signed this .....day of .....2016

Folio No. / DP ID / Client ID.....Signature of shareholder.....

Signature of Proxy Holder .....



#### Note:

- This proxy form 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.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 7th Annual General Meeting.





## ENKEI WHEELS (INDIA) LIMITED

CIN : L34300PN2009PLC133702

Gat no. 1425, Village Shikrapur, Taluka Shirur, Dist. Pune - 412208.

Tel: (02137) 618700 , Fax: (02137) 618720 Email: secretarial@enkei.in Website : www.enkei.in

### BALLOT FORM (In lieu of E-voting)

1. Registered Folio Number / DP ID No. / Client ID No. ....
2. Name(s) & Registered Address .....
3. Name(s) of the Joint holder(s), if any: .....
4. Number of Ordinary Share(s) held .....
5. I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Seventh Annual General Meeting (AGM) of the Company to be held on Friday, 29th July, 2016 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below :

Item No.	Description of Resolution	No. of ordinary Shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2016 and the Reports of the Board of Directors and Auditors thereon.			
2.	To appoint a director in place of Mr. Junichi Suzuki (DIN: 02628162), who retires by rotation, and being eligible, seeks reappointment.			
3.	Ratification of Appointment of Statutory Auditors.			
4.	Regularisation of Appointment of Mr. Kazuhiko Shimamura (DIN: 05129816) as a Director.			
5.	Appointment of Mr. Kazuhiko Shimamura (DIN: 05129816) as Managing Director of the Company.			
6.	Re- Appointment of Ms. Shilpa Dixit (DIN: 00001761) as an Independent Director for period of Five Years.			

Date :

Place :

\_\_\_\_\_  
Signature of Shareholder

**Notes:** Please read the instructions printed overleaf before filling the form, valid Ballot form received by the scrutinizer by IST 5.00 p.m. on 28th July, 2016 shall only be considered.



INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. Shailesh Indapurkar, Practising Company Secretary, Unit: Enkei Wheels (India) Limited. C/o. Universal Capital Securities Pvt. Ltd., 21/25 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, so as to reach by IST 5.00 p.m. of 28th July, 2016. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Universal Capital Securities Pvt. Ltd. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DPID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
10. The Ballot Form is also placed on the website of the Company.

MAP FOR AGM VENUE









Registered / courier

TO,

**ENKEI WHEELS (INDIA) LIMITED.**

CIN : L34300PN2009PLC133702

Registered Office :

Gat No. 1425, Village Shikrapur,  
Taluka Shirur, Dist. Pune - 412 208.

Tel. : (02137) 618700

Email: [secretarial@enkei.in](mailto:secretarial@enkei.in)

Website : [www.enkei.in](http://www.enkei.in)