



3rd Annual Report
2011-2012

ENKEI WHEELS (INDIA) LTD.

An ISO / TS 16949 Company



*Be innovative and continue
to challenge each other*

BOARD OF DIRECTORS

Mr. Masakatsu Uchiyama	Managing Director
Mr. Osamu Ohashi	Managing Director (Up to 10th April 2012)
Mr. Junichi Suzuki	Non Executive Director
Mr. Tetsuro Masui	Non Executive Director
Dr. Haresh Shah	Independent & Non Executive Director
Mr. Shailendrajit Rai	Non Executive Director
Mr. Kazuhiko Shimamura	Alternate Director to Mr. Junichi Suzuki
Mr. Seiji Toda	Alternate Director to Mr. Junichi Suzuki (Up to 15th February 2012)
Mr. Junji Ohtaka	Alternate Director to Mr. Tetsuro Masui
Mr. Kazunobu Kuroda	Alternate Director to Mr. Tetsuro Masui (Up to 2nd August 2011)
Mr. Dhananjay Jhaveri	Independent & Non Executive Director
Mr. Sandeep Shah	Independent & Non Executive Director
Mr. Satyavara Prasad Garimella	Independent & Non Executive Director
Mr. Vinay Punjabi	Independent & Non Executive Director (Up to 24th July 2012)

BANKERS :

Bank of Tokyo Mitsubishi - UFJ Ltd.	Mumbai
Mizuho Corporate Bank Ltd.	Mumbai
Axis Bank Ltd.	Pune
Kotak Mahindra Bank Ltd.	Pune
State Bank of India	Pune

AUDITOR :

M/s Asit Mehta & Associates

Contents**COST AUDITOR:**

M/s F.X. Nelson Leo & Associates

REGISTERED OFFICE & WORKS :**Regd. Office & Works :**

Gat No. 1425,
Village Shikrapur, Taluka Shirur,
Dist. Pune - 412 208, Maharashtra
Tel. : (02137) 618700
Fax : (02137) 618720
E-mail : shareholder@enkei.in

SHARE TRANSFER AGENTS :

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

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MD'S MESSAGE

First of all I would like to thank all the stake holders of Enkei Wheels (India) Limited for their continuous support. It is your support that helped us to stand on our own feet after the demerger from M/s. Aicon Castalloys Ltd (formerly known as M/s. Enkei Castalloy Ltd.). If FY10-11 was the year of stabilization of the company, then FY 11-12 was the year of growth.

The year gone by was quite eventful for Indian Automobile parts manufacturer. It has seen its share of high and low during the year. The year started with an adverse effect of Japan Tsunami on the automobile industry, especially to passenger car manufacturers. The motor cycle and scooter manufacturers remained more or less unaffected. Though the demand for passenger cars from the end user was there, manufacturing slowed down due to lack of parts supply. This incident was then followed by Thailand water flood. Many auto parts manufacturing companies got submerged by the flood and the global supply chain was affected badly for couple of months. These incidents also affected our order and subsequent production throughout the year. However, the second half was the recovery time for the Japanese automobile industry and a high demand was maintained through the balance half of the year. Overall, passenger vehicle segment grew @ 4.16% whereas; the two wheeler segment saw a better growth @ 14.16%.

From the standpoint of performance, the overall production of the company has improved by 13% and sales by 16%. We would like to raise the bar for ourselves and achieve new heights in the coming years.



Masakatsu Uchiyama
Managing Director

Enkei group has 60 year's of rich experience in the field of research & development and manufacturing of aluminium alloy wheel. We have strong technical support from the group companies, which makes us the first choice parts supplier in the region, and we are committed to achieve and retain that status.

Keeping pace with the demand in the market, we are also continuously striving for new kaizens for improving productivity and quality. We are also expanding our capacities during FY 12-13 to meet all the new requirements. During the year we will increase our capacity by 20%. FY 12-13 is really going to be a challenging year for us and we are well poised to face the challenge with increased capacity and technical capabilities. However, we need to work harder to achieve global benchmark in different areas and make our company profitable.

At the end I would like to express my sincere thanks to all for your support and cooperation.

Masakatsu Uchiyama
Managing Director

Date: 24th July 2012

Dear Member,

You are cordially invited to attend the third Annual General Meeting of the members to be held on Monday the 17th day of September 2012 at 12.30 p.m. at the registered office of the Company at Gat No. 1425, Village Shikrapur, Taluka Shirur, Pune-412208.

The Notice for the meeting, containing the business to be transacted is enclosed herewith.

Truly yours



MASAKATSU UCHIYAMA
Managing Director

Encl: Notice

NOTICE

Notice is hereby given that the third annual general meeting of the members of enkei wheels (india) limited will be held on monday 17th day of september 2012 at 12.30 pm at the registered office of the company at gat no. 1425, village shikrapur, taluka shirur, pune-412208 to transact following business:

ORDINARY BUSINESS:

Item No 1 Adoption of accounts

To receive, consider and adopt the audited Balance Sheet as at 31st March 2012 and Profit & Loss Account for the year ended on that date, together with Report of Directors and Auditors thereon.

Item No 2 Re-appointment of Mr. Tetsuro Masui

To appoint a director in place of Mr. Tetsuro Masui, who retires by rotation, and being eligible, seeks reappointment.

Item No 3 Re-appointment of Mr. Dhananjay Jhaveri

To appoint a Director in place of Mr. Dhananjay Jhaveri, who retires by rotation, and being eligible, seeks reappointment.

Item No 4 Re-appointment of Mr. Sandeep Shah

To appoint a Director in place of Mr. Sandeep Shah, who retires by rotation, and being eligible, seeks reappointment.

Item No 5 Appointment of Auditors

To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

Item No 6 Appointment of Mr. Masakastu Uchiyama as a Director

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

RESOLVED THAT Mr. Masakastu Uchiyama, who was appointed as an additional director by the Board of Directors under Section 260 of the Companies Act, 1956 to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary in this regard.

Item No 7 Appointment of Mr. Masakastu Uchiyama as a Managing Director

To consider and if thought fit, to pass, with or without modification(s), following resolution as a special resolution:-

RESOLVED THAT subject to the approval of Central Government and pursuant to the provisions of Section 198, 269, 309 and all the applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 approval of the Company be and is hereby accorded to the appointment of Mr. Masakastu Uchiyama as a Managing Director of the Company for the period of five years with effect from 10th April 2012 upon the terms and conditions including remuneration, set out in the draft Agreement to be entered into with Mr. Masakastu Uchiyama and that the said Agreement, a draft whereof, is placed before this

meeting, be and is hereby specifically sanctioned, with a liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/or of the agreement in such a manner, as may, from time to time, be stipulated by the Central Government or to be in consonance with any revised terms and conditions as may be prescribed by the Central Government in Schedule XIII or any modification thereto, as may be agreed to between the Board of Directors and Mr. Masakatsu Uchiyama.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits, in any financial year of the Company, during the term of Mr. Masakatsu Uchiyama as a Managing Director, the remuneration including perquisites stipulated in the aforesaid agreement shall be paid to Mr. Masakatsu Uchiyama as the minimum remuneration, provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling as provided in Section II of Part II of Schedule XIII as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary or desirable to give effect to this resolution.

Item No 8 Appointment of Mr. Garimella Satya Vara Prasad as an Independent Director

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

RESOLVED THAT Mr. Garimella Satya Vara Prasad, who was appointed as an additional director by the Board of Directors under Section 260 of the Companies Act, 1956 to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary in this regard.

Item No 9 Approve holding office or place of profit by Mr. Garimella Satya Vara Prasad

To consider and if thought fit to pass with or without modification(s), following resolution as a special resolution:-

RESOLVED THAT pursuant to provisions of Section 314 of the Companies Act, 1956 and other provisions of the Companies Act, 1956, if any, Company do hereby approve the payment up to Rs. 90,000/- per month as determined by Board of Directors from time to time w. e. f. 1st August 2012 to M/s GSV Prasad & Co. a Chartered Accountant Firm in which Mr. Garimella Satya Vara Prasad, is the proprietor for providing corporate advisory services.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary in this regard.

Item No 10 Approve holding office or place of profit by Dr. Haresh Shah

To consider and if thought fit to pass with or without modification(s), following resolution as a special resolution:-

RESOLVED THAT pursuant to provisions of Section 314 of the Companies Act, 1956 and other provisions of the Companies Act, 1956, if any, Company do hereby approve the payment up to Rs. 130,000/- per month as determined by Board of Directors from time to time w. e. f. 1st July 2012 to M/s HU Consultancy Pvt Ltd., a Company in which Dr. Haresh Shah, Director of the Company is a member & Director for providing management consultancy services.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary in this regard.

Item No 11 Approve holding office or place of profit by Mr. Junji Othaka

To consider and if thought fit, to pass, with or without modification(s), following resolution as a special resolution:-

RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956 Company do hereby approve holding office or place of profit by Mr. Junji Othaka, alternate director; in the capacity of an advisor of the Company at remuneration up to Rs. 121,000/- per month as determined by Board of Directors from time to time w. e. f. 15th February 2012.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary in this regard.

Item No 12 Approve holding office or place of profit by Mr. Kajuhiko Shimamura

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

RESOLVED THAT pursuant to provisions of section 314 of the Companies Act, 1956 Company do hereby approve holding office or place of profit by Mr. Kajuhiko Shimamura, alternate director; in the capacity of an advisor of the Company at remuneration up to Rs. 111,000/- per month as determined by Board of Directors from time to time w. e. f. 15th February 2012.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary in this regard.

For & On Behalf of the Board of Directors



MASAKATSU UCHIYAMA
(Managing Director)

Place : Pune

Date : 24th July 2012

NOTES

- 1) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy(ies) to attend and vote instead of himself and that proxy(ies) so appointed need not be a member of the company. The instrument appointing proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. The blank proxy form is enclosed.
- 2) An explanatory statement as required under Section 173(2) of the Companies Act, 1956 is annexed.
- 3) The Registrar of Members and Share Transfer Books of the Company will be closed from 10th September 2012 to 17th September 2012 (both days inclusive).
- 4) As required under clause 49 of the Listing Agreement, profile of the directors being re-appointed is mentioned in Corporate Governance report.
- 5) Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No.6**

Mr. Masakatsu Uchiyama has a special expertise in machining, production control, quality and management and has a work experience of 27 years in Auto Industry. He holds Master's degree in Business Administration (MBA) from Chukyo University, Japan.

The Board of Directors had appointed Mr. Masakatsu Uchiyama as an Additional Director on the Board of the Company pursuant to Article 152 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 in its meeting held on 10th April 2012.

The Company has received notice from the member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Masakatsu Uchiyama as the Director of Company.

The resolution mentioned above is recommended for your approval as an ordinary resolution.

None of the Directors, except Mr. Masakatsu Uchiyama, being the appointee himself is concerned or interested in the above resolution.

Item No.7

Mr. Masakatsu Uchiyama was appointed as a Managing Director of the Company with effect from 10th April 2012 for the period of 5 years.

The remuneration and perquisites of Mr. Masakatsu Uchiyama are set out in the draft agreement referred to in the resolution at Item No.7 of the notice and are subject to the approval of the shareholders of the Company and Central Government under the provisions of Section(s) 269, 309 and Schedule XIII of the Companies Act, 1956 for the period of 3 years upto 9th April 2015. The material terms of appointment of Mr. Masakatsu Uchiyama as a Managing Director, as set out in a draft agreement are as follows:

I. Salary: Rs.211,667/- (Basic Salary: Rs.95,250/-) per month

II. Perquisites, Benefits and Allowances

- i) Medical Reimbursement. Reimbursement of medical expenses as per rules of the Company
- ii) Housing accommodation: reasonable apartment for accommodation shall be provided by Company.
- iii) Annual leave: As per rules of the Company.
- iv) Leave travel concession: Twice a year, round trip air ticket to be provided by Company.
- v) Company maintained car with driver for official use.
- vi) Telecommunication facilities at residence for official use.
- vii) Company's contribution to Provident fund/superannuation fund: As per rules of the Company.
- viii) Gratuity: As per Rules of the Company.
- ix) Withholding Taxes shall be borne by Company.

The remuneration to be paid to Mr. Masakatsu Uchiyama, Managing Director will be subject to the limit of 5% of the net profits as laid down under sub-section (3) of section 309 of the Companies Act, 1956.

The remuneration specified above, subject to the applicable provisions of the Companies Act, 1956 should be continued to be paid to Mr. Masakatsu Uchiyama, Managing Director as and by way of minimum remuneration notwithstanding the loss or inadequacy of profit during the relevant period of his tenure.

Other material terms

- i) Subject to superintendence, control and directions of the Board of Directors, the Managing Director is responsible for the general conduct and management of the whole of business and affairs of the Company.
- ii) Mr. Masakatsu Uchiyama shall devote his full time, attention and ability to the business and affairs of the Company and shall faithfully serve the Company and take endeavors to promote the interest thereof.

Information as per the provisions of Schedule XIII is as follows:

I. General Information:

- a. Nature of Industry: Company is in Auto Parts & Equipment Industry, engaged in the manufacturing of all types of alloy wheels.
- b. Financial Performance:

(₹ in Millions)

Particulars	For the year ended 31 st March 2012
Total Income	2795.78
Total Expenses	2848.15
Profit/(loss) Before Tax	(52.37)
Provision for Taxation (Current , Deferred , MAT and others)	(0.93)
Profit After Tax and Extraordinary items	(53.30)
Profit After Tax carried to the Balance Sheet	(53.30)

- c. Export Performance and net Foreign Collaborations: Company has not made any exports during the financial year 2011-12. The Company has the foreign collaboration with the Enkei Corporation, Japan.
- d. Foreign Investment: As on 31st March 2012 the total foreign Investment in the Company is 64.72% out of which 63.22% Shares of the Company are held by Enkei Corporation, Japan.

II. Information about appointee:

1. Background:

Mr. Masakatsu Uchiyama has done Master's in Business Administration (MBA) from Chukyo University, Japan and he has experience of 27 years in Auto Industry. He has a special expertise in machining, production control, quality and management.

2. Past Remuneration:

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

Period	Salary (in ₹* Approx)	Commission (in ₹)	Total (in ₹* Approx)	Name of organisation and Designation
1 st April 2011 to 31 st March 2012	5,050,587	--	5,050,587 (8,090,000 JPY)	Enbishi Aluminium Wheels Co. Ltd., Japan, Director
1 st April 2010 to 31 st March 2011	5,050,587	--	5,050,587 (8,090,000 JPY)	Enbishi Aluminium Wheels Co. Ltd., Japan, Director
1 st April 2009 to 31 st March 2010	3,801,987	--	3,801,987 (6,090,000 JPY)	Enbishi Aluminium Wheels Co. Ltd., Japan, Director

* Calculated as per the exchange rate dated 30th March 2012 i.e. ₹ 100 = ¥62.43

3. Recognitions or awards:

Nil.

4. Job Profile and his suitability:

Mr. Masakatsu Uchiyama has experience of 27 years in the Auto Industry. 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 Rs. 385,067/- 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 XIII of the Companies Act, 1956, 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 and remuneration of CEOs/MDs/Key Managerial Personnels of Auto parts & Equipments Companies is not available; however the CEOs/MDs/Key Managerial personnels of Auto parts & Equipments Companies of comparable status generally receive remuneration in above scale only.

7. Pecuniary relationship directly or indirectly with the Company:

Mr. Masakatsu Uchiyama does not have any pecuniary relationship with the company or managerial persons.

III. Other Information:

- Reasons for the loss or inadequate profits: Industry slow down & high volatility in currency had an adverse impact on sales and profitability of the Company during Financial Year 2011-12.

2. Steps taken or proposed to be taken for improvement: Company is taking steps for natural hedging 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 and hence Company has planned to expand its four wheel base in forthcoming years which will increase the productivity & profits.

This is to be treated as the abstract of the terms of appointment of Mr. Masakatsu Uchiyama under the provisions of Section 302 of the Companies Act, 1956.

The resolution mentioned in Item no.7 of the notice is recommended for your approval as a special resolution.

None of the Directors except the appointee himself is concerned or interested in this resolution.

Item no.8

Mr. Garimella Satya Vara Prasad is a Chartered Accountant having wide experience in overseas as well as domestic companies.

The Board of Directors had appointed Mr. Garimella Satya Vara Prasad as an Additional Director on the Board of the Company pursuant to Article 152 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 in its meeting held on 24th July 2012.

The Company has received a notice from the member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Garimella Satya Vara Prasad as the Director of Company.

The resolution mentioned in Item no. 8 of the notice is recommended for your approval as an ordinary resolution.

None of the Directors, except Mr. Garimella Satya Vara Prasad, being the appointee himself is concerned or interested in the above resolution.

Item no. 9

M/s. GSV Prasad & Co. is a firm based in Hyderabad and was established in 1998. M/s. GSV Prasad & Co provides the corporate advisory services to several Japanese companies relating to businesses in India . The Board of Directors of the Company had decided to avail the advisory services from M/s. GSV Prasad & Co. at remuneration of Rs. 90,000/- per month to be paid from the date of availing services.

The above-mentioned payment requires approval of the members pursuant to the provisions of section 314 (1) of the Companies Act, 1956.

The Board hereby seeks your consent for ratification of above payment of monthly remuneration with effect from 1st August 2012 pursuant to the provisions of Section 314 of the Companies Act, 1956.

The resolution mentioned in Item no.9 of the notice is recommended for your approval as a special resolution.

None of the Directors except Mr. Garimella Satya Vara Prasad is interested in the proposed resolution.

Item No. 10:

M/s. HU Consultancy Pvt Ltd is a Management Consultancy Company based in Pune which provides management consultancy services to various Companies. The Board of Directors of the Company had decided to avail the management consultancy services from this Company at remuneration of Rs. 130,000/- per month to be paid from the date of availing services.

The above-mentioned payment requires approval of the members pursuant to the provisions of Section 314 of the Companies Act, 1956.

The Board hereby seeks your consent for ratification of above payment of monthly remuneration with effect from 1st July, 2012 pursuant to the provisions of Section 314 of the Companies Act, 1956.

The resolution mentioned in Item No.10 of the notice is recommended for your approval as a special resolution.

None of the Directors except Dr. Haresh Shah is interested in the proposed resolution.

Item No. 11:

Mr. Junji Othaka was appointed as an Alternate Director to Mr. Tetsuro Masui, Director with effect from 15th February 2012. He is working in the capacity of an advisor at a remuneration of Rs. 121,000/- w.e.f. 15th February, 2012. It is proposed to ratify remuneration of Rs. 121,000/- per month from 15th February 2012 for the services rendered by him as an advisor after his appointment as an alternate director.

The above-mentioned payment of remuneration to the director requires approval of the members pursuant to the provisions of Section 314 (1) of the Companies Act, 1956.

The Board hereby seeks your consent for ratification of payment of monthly remuneration with effect from 15th February 2012 till the date he is director on the board pursuant to the provisions of Section 314 of the of the Companies Act, 1956.

The resolution mentioned in Item no.9 of the notice is recommended for your approval as a special resolution.

None of the Directors except the appointee himself is interested in the proposed resolution.

Item No. 12:

Mr. Kajuhiko Shimamura was appointed as an Alternate director to Mr. Junichi Suzuki, Director with effect from 15th February, 2012. He is working in the capacity of an advisor at a remuneration of Rs. 111,000/- w.e.f. 15th February 2012. It is proposed to ratify remuneration of Rs. 111,000/- per month from 15th February 2012 for the services rendered by him as an advisor after his appointment as an alternate director.

The above-mentioned payment of remuneration to the director requires approval of the members pursuant to the provisions of section 314 (1) of the Companies Act, 1956.

The Board hereby seeks your consent for ratification of payment of monthly remuneration with effect from 15th February 2012 till the date he is a director on the board pursuant to the provisions of Section 314 of the of the Companies Act, 1956.

The resolution mentioned in Item no. 10 of the notice is recommended for your approval as a special resolution.

None of the Directors except the appointee himself is interested in the proposed resolution.

For & On Behalf of the Board of Directors



MASAKATSU UCHIYAMA
(Managing Director)

Place : Pune

Date : 24th July 2012

DIRECTORS REPORT

To,
The Members,
Your Directors are pleased to present their Third Annual Report together with the audited statements of accounts for the year ended 31st March, 2012.

Financial Highlights

The Company's financial performance during the year 2011-12, as compared to the previous year 2010-11 is summarized below:
(₹ in Million)

Particulars	For the Year ended 31 st March 2012	For the Year ended 31 st March 2011
Gross Sales	3,060.66	2,627.22
Net Sales	2,792.11	2,389.28
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortization (EBITDA)	140.54	191.97
Less: Depreciation	146.51	137.25
Less: Financial Expenses	50.06	76.32
Add: Other Income	3.67	8.94
Profit / (Loss) before exceptional and extraordinary items and tax	(52.37)	(12.65)
Less: Extraordinary items	-	15.36
Profit / (Loss) before Tax	(52.37)	2.71
Provisions for Taxes	(5.33)	(2.40)
Profit / (Loss) after Tax	(53.30)	2.70

Management Discussion and Analysis Report
(A) Review of Operations:

The Company operates into the business segment of manufacturing of aluminum alloy castings wheels mainly used in auto industry. This year was the year of growth.

Turnover

During the year under review, the Company has recorded Sales of Rs. 2,792 million (net of excise duty) in current fiscal year as compared to Sales of Rs. 2,389 million (net of excise duty) last fiscal year. A growth of 16.9% over the last year, this growth could be achieved due to improved overall production.

Dividend

Company is in the initial years of growth path and in the process of achieving breakeven level, your Directors have not recommended any dividend for the current fiscal year.

Capital

During the year under review, on 30th November, 2011 authorized share capital of the Company was increased from Rs. 200,000,000 (Rupees Two Hundred Millions Only) to Rs.400,000,000 (Rupees Four Hundred Millions Only) by further creation of 40,000,000 (Forty Millions) Equity shares of Rs. 5/- (Rupees Five only). The new equity shares shall rank pari passu with the existing equity shares of the Company.

On 13th February, 2012 company has issued 1,233,500 Equity shares of face value of ₹ 5/- upon the conversion of 9,251,250 Compulsory Convertible Preference Shares (CCPS) of face value of ₹ 10/- which has been allotted to M/s. Enkei Corporation pursuant to the scheme of the arrangement between Alicon Castalloy Limited (Formerly known as Enkei Castalloy Limited) and Company.

As per the scheme of arrangement, after the according approval of the Reserve Bank of India, the promoters Enkei Corporation & Rai group have successfully made the share exchange between themselves and after the share swap the share holding pattern stand as under:

- Enkei Corporation 63.22%
- Rai Group 11.77%
- Public 25.01%

Loans

During the year under review Term Loan Facility of Rs. 480,000,000/- (₹ Four hundred eighty millions) was sanctioned by Mizuho Corporate Bank Ltd. and working capital facility of Rs. 100,000,000/- (₹ One hundred millions) was sanctioned by Axis bank Ltd..

(B) Industry Structure and Development:

The year started with an adverse effect of Japan Tsunami on the automobile industry, especially to passenger car manufacturers. The motor cycle and scooter manufacturers remained more or less unaffected. Though the demand for passenger cars from the end user was there, manufacturing slowed down due to lack of imported parts supply. This incident was then followed by Thailand water flood. Many parts manufacturing companies got submerged by the flood and the global supply chain was affected badly for couple of months. These incidents also affected our order and subsequent production throughout the year. However, the second half was the recovery time for the Japanese automobile industries and a high demand was maintained through the balance half of the year.

Overall, during current fiscal year, the passenger vehicle segment grew @ 4.16% whereas; the two wheeler segment saw a better growth @ 14.16%.

Domestic Sales

The growth rate recorded for Domestic Sales for 2011-12 was 12.24 percent amounting to 17,376,624 vehicles. Though, the passenger Vehicles segment grew at 4.16 percent during current fiscal year, and Passenger Cars grew at 2.19 percent, but Utility Vehicles showed a steady growth at a rate of 16.47 percent. In the same fashion the Multi-Purpose Vehicles grew by 13.85 percent in this period. Two Wheelers registered a growth of 14.16 percent during current fiscal year. Mopeds, Motorcycles and Scooters grew by 11.39 percent, 12.01 percent and 24.55 percent respectively.

Exports

During the year, overall automobile exports registered a growth rate of 25.44 percent, passenger vehicles registered growth by 14.18 percent and two wheelers segments recorded growth of 27.13 percent.

(C) Opportunities/Outlook for the Company:

The opening up of the Indian economy has resulted in the entry of global automobile giants. They are looking at India as a big market and as a production base. Automobile giants like Hyundai, Fiat, Ford Motors, BMW, Mercedes Benz, Nissan to name a few, already have their production plants in the country.

In fact, the automobile industry is the barometer of the economic and social transformation taking place in the country. It is one of the major sources of employment and is likely to generate employment for thousands of new hands directly and indirectly, in near future.

In India, automotive is one of the largest industries showing impressive growth over the years and has been significantly making increasing contribution to overall industrial development in the country. Presently, India is the world's second largest manufacturer of two wheelers, it is the fourth largest passenger car market in Asia as well as a home to the largest motor cycle manufacturer. The installed capacity of the automobile sector has been 9,540,000 vehicles, comprising 1,590,000 four wheelers (including passenger cars) and 7,950,000 two and three wheelers. The sector has shown great advances in terms of development, spread, absorption of newer technologies and flexibility in the wake of changing business scenario.

Considering the above situation the management of the company expects a very good volume growth in passenger cars & two wheelers in coming years.

(D) Threats, Risks and Concern of the Management:

Rising prices in the global economy with rise in prices in steel & aluminum putting a pressure on the cost of production. The rise in fuel prices in India and Rupee depreciation against US dollar may affect the Indian automobile industry badly. More over the Competition from other low cost countries like China, Taiwan, Thailand etc. are also a threat to the Indian automobile industry.

The management is hopeful to overcome the above situations by improving productivity with product specialization and their ability to integrate operations across several related areas of specialization.

(E) Expansion and Capital Expenditure:

During the year under review as a part of the expansion plan, company has started construction of another four wheel Map line which will increase the capacity by another 20% at the end of next financial year. Further due to slow down of the industry, our Company has temporarily put on hold new Paint shop facility to be constructed on newly acquired Land.

(F) Internal Control System:

The 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.

The Company remains committed in maintaining internal controls designed to safeguard the efficiency of operations and security of our assets. Accounting records are adequate for preparation of financial statements and other financial information. Your Company has implemented ERP system for a better internal control. The adequacy and effectiveness of internal controls across the various functional levels, as well as compliance with laid down systems and policies are monitored both by Company's internal control systems and also by the Company's internal Auditors on a regular basis. The Report of the internal Auditors is placed before the Audit Committee, and its recommendations are implemented to further improve the efficiency. Your Company's Statutory Auditors have, in their report, confirmed the adequacy of the internal control procedures.

(G) Human Resource Development:

The Company is giving utmost importance to human resource development. 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 labours. Achieving the high morale and motivation is the ultimate goal of each training programme. The management also launched the "3E" – Enkei Evolving Education system and thereby ensuring a framed training to all employees

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 wish to place on record its highest appreciation of the contribution being made by all the employees.

(H) Cautionary Statement:

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

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.

Director's Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act 1956, with respect to Directors' responsibility Statement, it is hereby confirmed as under:

- 1) That in the preparation of the annual accounts for year ending on 31st March 2012; the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 2) 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.
- 3) 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, 1956 for safeguarding assets of the company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors had prepared the annual accounts for the year ended on 31st March 2012 on a going concern basis.

Directors

To comply with the requirement of the Companies Act, 1956 Mr. Tetsuro Masui, Mr. Dhananjay Jhaveri and Mr. Sandeep Shah Directors shall retire by rotation and, being eligible, seek reappointment.

During the year the Board of Directors of the Company had appointed Mr. Kazuhiko Shimamura as the Director alternate to Mr. Junichi Suzuki and Mr. Junji Othaka as the Director alternate to Mr. Tetsuro Masui pursuant to Article No. 150 of the Articles of Association of the Company and Section 313 of the Companies Act, 1956 in its meeting held on 13th February 2012.

During the year Mr. Kazunodu Kuroda and Mr. Seiji Toda resigned from the post of Alternate Director of the Company with effect from 2nd August 2011, 15th February 2012 respectively. Also Mr. Vinay Punjabi resigned from the post of Director with effect from 24th July 2012. Board expresses its sincere appreciation for services rendered during their tenure.

Mr. Osamu Ohashi, Managing Director of the Company had resigned from the post of Managing Director of the Company w.e.f. 10th April 2012, Board expresses its sincere appreciation for the services rendered by Mr. Osamu Ohashi during his tenure.

The Board of Directors in its meeting held on 10th April, 2012 had appointed Mr. Masakatsu Uchiyama as an additional director and designated him as a Managing Director of the Company w.e.f. 10th April, 2012 for a period of five years.

Requisite approval for their appointment is being sought at the ensuing Annual General Meeting. Details of Directors seeking appointment/re-appointment are included in the Corporate Governance Report.

The Board of Directors in its meeting held on 24th July, 2012 had appointed Mr. Garimella Satya Vara Prasad as an additional director of the Company.

Corporate Governance

The Company has complied with the corporate governance requirements, as stipulated under clause 49 of the listing agreement and the stipulated certificate of compliance is contained in this annual report.

Conservation of energy, technology absorption and foreign exchange earnings / outgo

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

Employees

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not given, as there is no employee covered by the provision.

Auditors

M/s Asit Mehta & Associates, statutory auditors of the Company shall retire at the forthcoming annual general meeting. The Company has received a letter from Asit Mehta & Associates, Chartered Accountants, confirming that their appointment as statutory auditors if made shall be within the provisions of section 224 of the Companies Act 1956.

Comments of the directors on the qualifications in the auditors report:

Qualification in para 4(d) of the auditor's report

Foreign currency monetary liabilities including loans, payable to group companies have not been restated by the Company at the year-end closing rate. The accounting treatment is not in compliance of the provisions of the Accounting Standard (AS-11) –'The Effects of changes in Foreign Exchange Rates'. The effect of non-compliance of the provisions on the profit and loss account of the year has not been quantified by the Company as explained in note no.2.9 of the accounts.

Management Comments

The management of the Company has given its comment on Auditors Qualification in note no.2.9 of the accounts which is self explanatory.

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



MASAKATSU UCHIYAMA
(Managing Director)



HARESH SHAH
(Director)

Place: Pune

Date : 24th July 2012

ANNEXURE TO DIRECTORS' REPORT

Annexure 'A'

Particulars required under the companies (disclosure of particulars in the report of the board of directors) rules, 1988

A. Conservation of energy

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

- Installation of automatic voltage regulators
- Utilization of natural light for factory lighting during daytime.

Details of energy consumption: FORM 'A'

Particulars		For the Year ended March 31, 2012	For the Year ended March 31, 2011
A. Power & Fuel Consumption			
1. Electricity			
a) Purchased Quantity (Net)	Units	16,772,239	15,426,342
Total amount	₹	109,139,886	81,653,468
Average rate per unit	₹	6.51	5.29
b) Generated Quantity (Net)	Units	1,064,597	1,890,500
Total amount	₹	25,066,130	31,886,747
Average rate per unit	₹	23.55	16.87
2. LDO/Furnance Oil			
Quantity	Litre	2,289,375	1,889,495
Total amount	₹	87,225,262	51,739,981
Average rate per unit	₹	38.10	27.38
B. Consumption per Unit of Production			
1. Electricity	Units	10.54	11.51
2. LDO/Furnance Oil	Litre	1.35	1.26

B. Technology absorption

FORM 'B'

Form for disclosure of particulars with respect to-

Research and Development**Specific area in which Research & Development (R & D) carried out by the company**

The company is continuously working for enhancing research and development capabilities. The innovation team is continuously working for improvement in manufacture of Alloy Wheels.

Benefit derived as a result of above Research & Development (R & D)

This has resulted in improved quality of Alloy Wheels and winning new and increased orders from customers.

Future plan of action

The company proposes to further strengthen its innovation team and develop the best technology across the globe for manufacture of Alloy Wheels.

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

The details are not given since the expenditure on Research & Development is negligible to the total revenue of the Company,

Technology absorption, adoption and innovation

The Company has successfully absorbed technology obtained from the ENKEI group companies for manufacture of Alloy Wheels.

C. Foreign exchange earnings and outgo:

Total foreign exchange earned : ₹ 0.05 Million

Total foreign exchange used : ₹ 1386.04 Million

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

For & On Behalf of the Board of Directors



MASAKATSU UCHIYAMA
(Managing Director)



HARESH SHAH
(Director)

Place : Pune

Date : 24th July 2012

CORPORATE GOVERNANCE REPORT

The company's philosophy on corporate governance

The Company aspires to achieve long-term corporate goals by adopting the 'best practices' that are followed in the area of Corporate Governance. The Company emphasises the need of good corporate governance in order to protect the interests of its stakeholders. The Board acknowledges its responsibilities towards shareholders for creation and safeguarding their wealth. In this pursuit, the Company is committed to conduct the business in accordance with the highest legal and ethical standards, superior product quality and services to its customers. The Company has adhered to such superior product policies to fulfill its corporate responsibilities and achieve its financial objectives.

1. Board of Directors:

i. Board Membership Criteria

The members of the Board of Directors of your Company are expected to possess the required expertise, skill and experience to effectively manage and direct your Company so that it can attain its organizational goals. They are expected to be the persons with vision, leadership qualities, integrity, proven competence and a strategic bent of mind.

Each member of the Board of Directors of your Company is expected to ensure that his/her personal interest does not run in conflict with your Company's interests. Moreover, each member is expected to use his/her professional judgment to maintain both the substance and appearance of independence and objectivity

ii. Composition & Number of Companies or Committees in which the Director is a Director/Chairman

Name of Director	Category	Relation with other directors	No. of other Directorship held ¹		No. of Committees of other Companies in which Member/Chairman ²	No. of Shares held in the Company as at 31 st March 2012
			Public	Private		
Mr. Osamu Ohashi ³	Executive Managing Director	None	1	0	0	NIL
Mr. Masakatsu Uchiyama ⁴	Executive Managing Director	None	1	0	0	NIL
Mr. Junichi Suzuki	Promoter & Non Executive	None	1	0	0	NIL
Mr. Tetsuro Masui	Promoter & Non Executive	None	1	0	0	NIL
Mr. Shailendrajit Rai	Promoter & Non Executive	None	5	6	1	280000
Dr. Haresh Shah	Independent & Non-Executive	None	0	5	0	NIL
Mr. Vinay Punjabi ⁵	Independent & Non-Executive	None	1	12	1	NIL
Mr. Seiji Toda ⁶	Non Executive (Alternate Director to Mr. Junichi Suzuki)	None	0	0	0	NIL
Mr. Kazunobu Kuroda ⁷	Executive (Alternate Director to Mr. Tetsuro Masui)	None	0	0	0	NIL
Mr. Sandeep Shah	Independent & Non-Executive	None	2	7	0	NIL
Mr. Dhananjay Jhaveri	Independent & Non-Executive	None	0	4	0	NIL
Mr. Kajuhiko Shimamura ⁸	Executive (Alternate Director to Mr. Junichi Suzuki)	None	0	0	0	NIL
Mr. Junji Ohtaka ⁹	Executive (Alternate Director to Mr. Tetsuro Masui)	None	0	0	0	NIL
Mr. Satyavara P. Garimella ¹⁰	Independent & Non-Executive	None	0	0	0	NIL

1. Excluding directorship in Foreign Companies & Companies under Section 25 of Companies Act, 1956.
2. None of the Directors on the Board of your Company is a member of more than 10 committees or Chairman of more than five committees (in compliance with Clause 49 of the Listing Agreement), considering all the companies in which they are Directors.
3. Resigned w.e.f. 10th April 2012.
4. Appointed w.e.f. 10th April 2012.
5. Resigned w.e.f. 24th July 2012.
6. Resigned w.e.f. 15th February 2012.
7. Resigned w.e.f. 2nd August 2011.
8. Appointed w.e.f. 15th February 2012.
9. Appointed w.e.f. 15th February 2012.
10. Appointed w.e.f. 24th July 2012.

iii. Board Meetings and Annual General Meetings

During the year 2011-12; 5 (five) meetings of the Board of Directors of the Company were held on following dates:

18th May 2011; 29th July 2011; 28th September 2011; 19th October 2011; 13th February 2012.

The previous Annual General Meeting was held on 28th September 2011.

Particulars of the attendance at the Board Meetings and the Annual General Meeting held during the year 2011-12:

Name of Director	No. of Board Meetings Attended (Total meetings held:5)	Attendance at the last AGM
Mr. Osamu Ohashi	5	Yes
Mr. Junichi Suzuki	0	No
Mr. Tetsuro Masui	1	Yes
Mr. Shailendrajit Rai	5	Yes
Dr. Hareesh Shah	3	Yes
Mr. Vinay Punjabi	0	No
Mr. Seiji Toda	5	Yes
Mr. Kazunobu Kuroda (Resigned w.e.f. 2 nd August 2012)	1	Not Applicable
Mr. Dhananjay Jhaveri	0	No
Mr. Sandeep Shah	1	No
Mr. Junji Ohtaka (Appointed w.e.f. 15 th February 2012)	0	Not Applicable
Mr. Kajuhiko Shimamura (Appointed w.e.f. 15 th February 2012)	0	Not Applicable

iv. Code of Conduct

The Board of Directors has prescribed a Code of Conduct for all members of the Board and the Senior Management of your Company. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct. A declaration signed by the Managing Director of the Company to this effect is enclosed at the end of this report.

v. Board Procedure

All the Directors on the Board are informed the date and venue of the each Board Meeting at least seven days in advance along with agenda. Detailed agenda is sent to each Director in advance of the Board and Committee Meetings. To enable the Board to discharge its

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

2. Board Committees:

In compliance with both the mandatory and non-mandatory requirements under the listing agreement and the applicable laws, the Board has constituted the following committees:

- i. Audit Committee
- ii. Remuneration Committee
- iii. Investors' Grievance Committee
- iv. Share Transfer Committee

The Chairman of the Board, in consultation with the Company Secretary and the respective Chairman of these committees, determines the frequency of the meetings of these committees. The recommendations of the committees are submitted to the Board for noting/approval.

i. Audit Committee

The Audit Committee comprises of Dr. Haresh Shah, Chairman of the Committee and Mr. Dhananjay Jhaveri, both being Independent Directors and Mr. Masakatsu Uchiyama, Managing Director. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreement and under Section 292A of the Companies Act, 1956.

During the Financial Year 2011-12, 4 (Four) Audit Committee Meetings were held on following dates:

30th April 2011; 29th July 2011; 19th October 2011 and 1st February 2012.

Particulars of attendance of Audit committee Members at the Audit committee Meetings held during the Financial Year 2011-12:

Name of Audit committee Member	Meetings Attended (Total Meetings held 4)
Dr. Haresh Shah	4
Mr. Osamu Ohashi (Ceased to be a member w.e.f. 10 th April 2012)	4
Mr. Dhananjay Jhaveri	4
Mr. Masakatsu Uchiyama (Appointed as a member w.e.f. 10 th April 2012)	Not Applicable

ii. Remuneration Committee

The Remuneration Committee comprises of Dr. Haresh Shah, Chairman of the Committee and Mr. Dhananjay Jhaveri and Mr. Sandeep Shah, all being Independent Directors. The terms of reference of this Committee are:

- 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 2011-12 no meeting of Remuneration Committee was held.

a. Details of remuneration paid to Managing Director

During the year 2011-12, the remuneration paid to the Managing Director is Rs.1.95 Million Per Annum.

b. Particulars of sitting fees to the Non-Executive Directors for attending the Board and Committee Meetings during the financial year 2011-2012.

Name of the Non - Executive Director	Sitting Fees (In ₹)
Mr. Junichi Suzuki	Nil
Mr. Tetsuro Masui	5,000
Mr. Shailendrajit Rai	25,000
Dr. Haresh Shah	15,000
Mr. Vinay Punjabi	Nil
Mr. Dhananjay Jhaveri	Nil
Mr. Sandeep Shah	5000
Mr. Seiji Toda	25,000
Mr. Kazunobu Kuroda	5,000

iii. Investors Grievance Committee

The Investors Grievance Committee comprises of Mr. Dhananjay Jhaveri, Chairman of the Committee, Dr. Haresh Shah and Mr. Masakatsu Uchiyama as members to look into investors' complaints on various issues. Mr. Osamu Ohashi ceased to be a member of the committee w.e.f. 10th April 2012. Mr. Masakatsu Uchiyama was appointed as a member of the committee w.e.f. 10th April 2012.

The Compliance Officer is Ms. Vishakha Brahmankar, Company Secretary.

During the year 2011-12, Company had not received any complaints from the shareholders.

iv. Share Transfer Committee

The Share Transfer Committee comprises of Mr. Sandeep Shah, Chairman of the Committee, Dr. Haresh Shah and Mr. Masakatsu Uchiyama as members. Mr. Osamu Ohashi ceased to be a member of the committee w.e.f. 10th April 2012. Mr. Masakatsu Uchiyama was appointed as a member of the committee w.e.f. 10th April 2012. The Compliance Officer is Ms. Vishakha Brahmankar, Company Secretary.

The terms of reference of this Committee are to approve the share transfers.

During the Financial Year 2011-12, 2 (Two) Share Transfer Committee Meetings were held on following dates:

28th September 2011 and 15th February 2012.

3. General Body Meetings

The Second Annual General Meeting of the Company was held on 28th September'2011. One Extra Ordinary General Meeting was held on 30th November'2011.

Details of the last two Annual General Meetings held:

Sl.No	Nature of Meeting	Date	Time	Venue	No. of Special Resolution Passed
1	AGM	29 th Sep. 2010	12.30 PM	Gat no. 1426, village Shikrapur, Taluka -Shirur, Pune - 412208.	NIL
2	AGM	28 th Sep. 2011	01.00 PM	Gat no. 1426, village Shikrapur, Taluka -Shirur, Pune - 412208.	1

4. Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

Name of the Director	Date of Birth	Date of Appointment	Qualification	Expertise	Directorships held*	Memberships/ Chairmanships of committees
Mr. Tetsuro Masui	25-Jan-1948	24-Mar-2010	Economics Graduate	Vast Experience in Sales and Management	NIL	NIL
Mr. Dhananjay Jhaveri	22-Jul-1958	24-Apr-2010	Chartered Accountant	Business of bullion and precious metals, NBFC, investment in shares and Securities.	NIL	NIL
Mr. Sandeep Shah	19-Oct-1972	24-Apr-2010	Commerce Graduate	Vast Experience in Financial Services and Capital Market Industry	1. SPS Capital Ltd. 2. N'lite Power (I) Ltd.	NIL
Mr. Masakatsu Uchiyama	28-Feb-1958	10-Apr-2012	Master in Business Administration	Vast experience in admin & management in machining, production, quality control.	NIL	NIL
Mr. Satyavara Prasad Garimella	27-Aug-1959	24-Jul-2012	Chartered Accountant	Account, audit, taxation, strategic planning & implementation	NIL	NIL

* In other Public Limited Companies (Excluding Foreign & Private Companies)

5. Disclosures:**i. Related Party Transactions**

None of the transactions with any of the related parties was in conflict with the interests of the Company. Details of transactions between the Company and its associates during 2011- 12 are given in note no. 28 to the annual accounts.

All related party transactions are negotiated on an arm's length basis and are in the interests of the Company.

ii. Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges/SEBI and concerned statutory authorities on all matters related to capital markets. No penalties or strictures have been imposed on the Company by these authorities for non compliance of the matters related to capital markets.

iii. CEO & CFO Certificate

The Managing Director and Chief Finance Officer have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement and the same was placed before the Board and forms part of this report.

6. Means of Communication :

i) Financial results :	Quarterly and annual financial results are published in Business Standard, Mumbai Edition(English), Loksatta Pune Edition(Marathi)
ii) Website :	www.enkei.in
iii) News releases:	All official news releases are sent to stock exchanges as well as displayed on the Company's website.
iv) Management Discussion and Analysis forms part of the Annual Report	Yes
v) Corporate Filing and Dissemination + System(Corpfilling)	All disclosures and communications to Bombay Stock Exchange Limited, Mumbai (BSE) are filed electronically through corpfiling. Hard copies of the said disclosures and correspondence are also filed with the exchange.
vi) SCORES (SEBI Complaints Redressal System)	SEBI has commenced processing of investor complaints in a centralised web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.

7. General Shareholder Information:
i. Forthcoming Annual General Meeting:

Date	Time	Venue
17 th September 2012	12.30 pm	Gat no. 1425, Village Shikrapur, Taluka-Shirur, Pune - 412208.

ii. Financial Year of the company : from 1st of April every year to 31st of March next year

iii. Date of Book closure : 10th September 2012 to 17th September 2012 (Both days inclusive)

iv. Dividend payment date : NIL

v. Listing on Stock Exchange : The Bombay Stock Exchange Ltd., Mumbai (w.e.f. 11th July 2011)
(Listing Fees has been paid to the stock exchange for the Financial Year 2012-13)

vi. Stock Code : The Bombay Stock Exchange Limited: 533477
Demat ISIN for NSDL and CDSL: INE130L01014

vii. Market Price Data for the Year 2011-12

Monthly Highs and Lows of market price of the Company's share traded on the Bombay Stock Exchange Limited (BSE), Mumbai during the period from 11th July 2011 to 31st March 2012 are presented in the following table.

Month	High Price (In ₹)	Low Price (In ₹)
Jul-11	82.80	41.10
Aug-11	66.00	45.25
Sep-11	85.35	56.50
Oct-11	71.00	58.25
Nov-11	68.80	45.10
Dec-11	54.25	41.10
Jan-12	59.45	42.05
Feb-12	61.00	39.15
Mar-12	58.00	40.00

viii. Registrars and share transfer agents:

M/s. Universal Capital Securities Private Limited.

21, Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093.

ix. Share Transfer System :

Equity shares of the Company in electronic form are transferred through the depositories with no involvement of the Company. Transfer of shares in physical form is processed within time prescribed in this regard from the date of receipt, if the documents are complete in all respects. Transfers of shares are processed by the Share Transfer Agent and approved by the Share Transfer Committee which meets at frequent intervals.

x. Distribution and Shareholding Pattern as on 31st March 2012:

Category	No. of Shares	Percentage
Shareholding of Promoter and Promoter Group (Indian)	1,440,880	11.78
Shareholding of Promoter and Promoter Group (Foreign)	7,733,500	63.22
Public shareholding(Institutions)	70,870	0.58
Public shareholding (Non Institutions)	2,988,250	24.42
Total	12,233,500	100.00

xi. Distribution of Shareholding as at 31st March 2012:

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF ₹	SHARE/DEBENTURE HOLDERS		SHARE/DEBENTURE HOLDING	
	Number (2)	% (3)	Holdings (4)	% (5)
Up to - 500 (1)	1,737	75.13	298,777	2.44
501 - 1000	247	10.68	199,485	1.63
1001 - 2000	138	5.97	216,834	1.77
2001 - 3000	57	2.47	144,991	1.19
3001 - 4000	26	1.13	93,465	0.76
4001 - 5000	20	0.86	91,822	0.75
5001 - 10,000	35	1.51	272,845	2.23
10,001 and above	52	2.25	10,915,281	89.23
TOTAL	2,312	100.00	12,233,500	100.00

xii. Dematerialization of shares and liquidity as at 31st March 2012:

Particulars	No. of records (allottees)	No. of shares (Quantity)
a. Electronic form - NSDL	1,338	95,56,959
b. Electronic form - CDSL	625	12,89,469
c. Physical form	406	13,87,072
Total	2,369	1,22,33,500

xiii. Outstanding Convertible Instruments, conversion dates and likely impact on equity

In compliance with & to the extent permissible under clause 40A of the Listing Agreement, Company has issued 1,233,500 equity shares of Face value of Rs. 5/- each to Enkei Corporation, Japan on 13th February 2012 against 9,251,250 Compulsory Convertible Preference Shares (CCPS) of Face value of Rs. 10/- each. The Company has filed an application with Reserve Bank Of India for redemption of balance 3,913,950 Compulsory Convertible Preference Shares (CCPS) and will be dealt as per the direction of RBI.

xiv. Plant Location

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

xv. Address for correspondence

- For transfer/dematerialization of shares, change of address of members and other queries relating to the shares of the Company:
M/s. Universal Capital Securities Private Limited
21, Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093.
- Shareholders holding shares in Electronic Mode should address all their correspondence to their respective depository participant.

B) Non-mandatory Requirements
i. Shareholders Rights

As the Company shall publish quarterly/half yearly results in English and Marathi newspapers having wide circulation the same shall not be sent to shareholders household.

ii. Postal ballot: NIL
iii. Training Of Board Members

There is no formal policy at present for training of the Board members of the Company as the members of the Board are eminent and experienced professionals.

iv. Whistle Blower Policy

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

Place : Pune

Date : 24th July 2012

DECLARATION

In accordance with Clause 49(I)(D)(ii) of the Listing Agreement entered into with the Bombay Stock Exchange, I, Masakastu Uchiyama, Managing Director of Enkei Wheels (India) Limited, hereby confirm that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct.

Place: Pune

Date: 24th July 2012



MASAKASTU UCHIYAMA

(Managing Director)

AUDITORS CERTIFICATE

To
The Members of
Enkei Wheels (India) Limited,

We have examined the compliance of conditions of Corporate Governance by **Enkei Wheels (India) Limited** ("the Company") for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement (as amended from time to time) with the Bombay Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the management representations, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

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

Place: Pune

Date : 24th July 2012

Sanjay Rane
(Partner)
Membership No. 100374

CEO/CFO CERTIFICATION TO THE BOARD

In accordance with Clause 49 (V) of the Listing Agreement, we, Masakastu Uchiyama, Managing Director and Chaganti Srinivas Kameswar Rao, Chief Financial Officer of the company, to the best of our knowledge and belief, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March 2012 and that based on our knowledge, belief and information:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (d) (i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - (ii) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein, of the management or any employee having a significant role in the company's internal control system over financial reporting.



MASAKASTU UCHIYAMA
(Managing Director)



CSK RAO
(Chief Financial Officer)

Place : Pune

Date : 24th July 2012

AUDITORS' REPORT

To,
The Members,
Enkei Wheels (India) Limited.

1. We have audited the attached Balance Sheet of Enkei Wheels (India) Limited (the Company) as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended by DCA Notification G.S.R. 766(E), dated November 25, 2004) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except AS-11-'The Effects of changes in Foreign Exchange Rates'.

Foreign currency monetary liabilities including loans, payable to group companies have not been restated by the Company at the year-end closing rate. The accounting treatment is not in compliance of the provisions of the Accounting Standard (AS-11) –'The Effects of changes in Foreign Exchange Rates'.The effect of non-compliance of the provisions on the Statement of Profit and Loss of the year has not been quantified by the Company as explained in note no.2.9 of the accounts.

Further, group payables (including old balances) are stated to be in the process of reconciliation by the Company.

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

- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with significant accounting policies and notes thereon and subject to para (d) above give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- (ii) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Asit Mehta & Associates

Chartered Accountants
Firm Regn No. 100733W

Sanjay S. Rane

(Partner)
Membership No. 100374

Place : Pune

Date : 21st May 2012

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

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

- (I) (a) The Company is maintaining records showing quantitative details and situation of fixed assets. However, asset numbering exercise is stated to be under compilation. Further, legal formalities including payment of stamp duty, conveyances etc. in respect of immovable properties received on demerger from Alicon Castalloy Ltd. (erstwhile Enkei Castalloy Ltd.) on 1st April 2009 are yet to be completed by the Company.
- (b) As informed to us, some part of the fixed assets has been physically verified by the management during the year. However, in our opinion, the Company needs to undertake a comprehensive programme of physical verification thereby book values of all its fixed assets could be compared and reconciled with the results of physical verification. We are informed that the discrepancies noticed on physical verification of the fixed assets have been properly dealt with in the books of account.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) The inventories comprising semi-finished goods, raw materials, stores and spares etc. have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. However, in our opinion, the procedures need to be further strengthened so that slow and non-moving inventories can be identified and adjusted for losses.
- (c) The Company needs to improve its inventory records so as to cover all details of each transaction and for each item of the stock. The closing inventory is established only on the basis of year-end physical verification.
- (iii) (a) In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) (b), (c) and (d) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, during the year, the company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However, the Company had taken unsecured loans from its overseas promoter company in earlier years which have remained outstanding as at the end of the year where the year-end balance is Rs.547,111,754/-.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loans taken by the Company from its overseas promoter company in earlier years are prima facie not prejudicial to the interest of the Company.
- (d) The principal amount/s of unsecured loan/s taken by the Company from its overseas promoter Company is not yet due for repayment by the end of the financial year. The payment of interest is regular.
- (iv) In our opinion and according to the information and explanations given to us, there exists internal control system commensurate with the size of Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. However, in our opinion, the existing internal control system needs to be further strengthened particularly in respect of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, to the extent that such comparative prices are available and where items purchased/sold are of special nature for which suitable alternative sources do not exist.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. We are informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vii) The Company has internal audit system commensurate with its size and nature of its business which needs to be further strengthened as a part of its overall internal control system.
- (viii) In our opinion and according to the information and explanations given to us, the cost records required to be maintained under section 209(1)(d) of the Companies Act, 1956 have been made and maintained. We, however, have not made detailed examination of the records.
- (ix) (a) Based on verification of records and information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Workmen Compensation, Income-tax, Sales-tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues as applicable.
- According to the information and explanation given to us, there are no dues payable by the Company under Employees' State Insurance Scheme and Investor Education and Protection Fund.
- According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears and outstanding as at March 31, 2012 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, to the extent applicable, of Income-tax, Sales-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute.
- (x) Post-demergers, the year ended March 31, 2012 is third year of operations of the Company. The Company has accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to the banks and financial institutions. The Company has not borrowed money in the form of debentures.
- (xii) Based on our examination of records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or Nidhi Mutual benefit Fund/Society and therefore provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003, as amended are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us and on overall examination of the Balance Sheet read with notes thereon of the Company, the term loans have prima-facie been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet read with notes thereon of the Company with notes annexed to, no funds raised on short-term basis have prima facie been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act other than conversion of 9,251,250 compulsorily convertible preference shares into equity shares, earlier issued on preferential basis to its overseas promoter company. Accordingly 1,233,500 equity shares of Face value of Rs. 5/- each at a premium of Rs. 70/- each have been allotted to the overseas promoter company, viz. Enkei Corporation, Japan. The said allotment is in compliance with clause 40A of the Listing Agreement. In our opinion and according to the information and explanation given to us, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has not issued debentures during the year. The Company also did not have any debentures outstanding as at the end the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud of material amount on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Sanjay S. Rane
(Partner)
Membership No. 100374

Place : Pune
Date : 21st May 2012

Balance Sheet as at 31st March 2012

(₹)

Particulars	Note No.	As at 31 st March 2012	As at 31 st March 2011
A. EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital	3	100,307,000	186,652,000
(b) Reserves and Surplus	4	(22,359,034)	(55,406,220)
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-term borrowings	5	677,492,754	647,111,754
(b) Deferred tax liabilities (Net)	6	6,192,519	3,074,089
(c) Other Long term liabilities	7	1,258,086,689	1,023,739,152
(d) Long term provisions	8	6,844,914	5,444,488
4 Current Liabilities			
(a) Short-term borrowings	9	469,802,570	370,251,446
(b) Trade payables	10	348,798,456	303,557,632
(c) Other current liabilities	11	268,364,747	99,520,125
(d) Short-term provisions	12	279,764	-
Total		3,113,810,379	2,583,944,466
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13.1	1,587,192,634	1,423,118,208
(ii) Intangible assets	13.2	1,782,334	456,753
(iii) Capital work-in-progress	13.3	76,340,889	37,689,359
(iv) Intangible assets under development	13.4	-	-
(v) Fixed assets held for Sale	13.5	32,294,888	141,371,386
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	14	71,971,745	42,299,281
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories	15	175,629,977	149,035,460
(c) Trade receivables	16	461,864,049	417,062,981
(d) Cash and cash equivalents	17	605,787,188	289,343,676
(e) Short-term loans and advances	18	100,946,675	83,567,362
(f) Other current assets		-	-
Total		3,113,810,379	2,583,944,466
See accompanying notes forming part of the financial statements	1 & 2 26		

As per our report of even date attached.

For Asit Mehta & Associates

Chartered Accountants
Firm Reg. No. 100733W

Sanjay S. Rane

(Partner)
Membership No. : 100374

PLACE : Pune

DATE : 21st May 2012

For and on behalf of the Board of Directors

MASAKATSU UCHIYAMA

(Managing Director)

HARESH B. SHAH

(Director)

VISHAKHA BRAHMANKAR

(Company Secretary)

Statement of Profit and Loss for the year ended 31st March 2012

(₹)

	Particulars	Note No.	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Revenue from operations (Gross)	19	3,060,663,176	2,627,215,188
	Less: Excise duty		268,550,640	237,932,427
	Revenue from operations (net)		2,792,112,536	2,389,282,761
2	Expenses			
	(a) Cost of materials consumed	21.a	1,391,937,229	1,226,826,976
	(b) Purchases of stock-in-trade	21.c	228,506,370	139,865,925
	(c) Changes in inventories of semi-finished goods and stock-in-trade	21.e	(7,440,171)	(11,433,126)
	(d) Employee benefits expense	22	148,719,613	106,635,163
	(e) Other expenses	25	889,851,190	735,413,138
	Total		2,651,574,231	2,197,308,076
3	Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		140,538,305	191,974,685
4	Finance costs	23	50,063,719	76,321,937
5	Depreciation and amortization expense	24	146,507,127	137,246,284
6	Other income	20	3,665,418	8,944,089
7	Profit / (Loss) before exceptional and extraordinary items and tax (3- 4- 5 + 6)		(52,367,123)	(12,649,447)
8	Exceptional items		-	-
9	Profit / (Loss) before extraordinary items and tax (7 + 8)		(52,367,123)	(12,649,447)
10	Extraordinary items		-	15,363,056
11	Profit / (Loss) before tax (9 + 10)		(52,367,123)	2,713,609
12	Tax expense:			
	(a) Current tax expense for current year		-	-
	(b) (Less): MAT credit		(2,197,968)	(1,193,670)
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		(2,197,968)	(1,193,670)
	(e) Deferred tax		(3,128,660)	(1,208,482)
13	Profit / (Loss) after tax (11 + 12)		(53,297,815)	2,698,797
14.i	Earnings per share (Face Value of Rs.5/- each)			
	(a) Basic		(4.78)	(1.15)
	(b) Diluted		(2.80)	(0.36)
14.ii	Earnings per share (excluding extraordinary items) (Face of Rs.5/- each):			
	(a) Basic		(4.78)	0.25
	(b) Diluted		(2.80)	0.08
	Significant Accounting Policies	1 & 2		
	Other Notes on Financial Statements	26		

As per our report of even date attached.

For Asit Mehta & Associates

Chartered Accountants

Firm Reg. No. 100733W

Sanjay S Rane

(Partner)

Membership No. : 100374

For and on behalf of the Board of Directors

MASAKATSU UCHIYAMA

(Managing Director)

HARESH B. SHAH

(Director)

Place : Pune

Date : 21st May 2012

VISHAKHA BRAHMANKAR

(Company Secretary)

Cash Flow Statement for the year ended 31st March 2012

(₹)

Particulars	For the year ended 31 st March 2012		For the year ended 31 st March 2011	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(52,367,123)		(12,649,447)
Adjustments for:				
Depreciation and amortisation	146,507,127		137,246,284	
(Profit) / loss on sale / write off of assets	58,429,037		12,673,933	
Finance costs	50,063,719		76,321,937	
Interest income	(3,263,602)		(5,496,128)	
Foreign Currency Monetary Item Translation Difference account	-		(2,241,781)	
Business Reconstruction Reserves Writeoff	-		(10,311,890)	
		251,736,281		208,192,355
Operating profit / (loss) before working capital changes		199,369,158		195,542,908
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(26,594,517)		(45,941,386)	
Trade receivables	(44,801,068)		(120,191,982)	
Short-term loans and advances	(17,379,313)		(74,351,227)	
Long-term loans and advances	(5,525,927)		28,185,622	
Other current assets	-		-	
Other non-current assets	-	(94,300,825)	-	(212,298,973)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	45,240,824		51,973,540	
Other current liabilities	42,558,958		(6,025,678)	
Other long-term liabilities	234,347,537		293,253,307	
Short-term provisions	279,764		-	
Long-term provisions	1,400,426	323,827,509	1,078,914	340,280,083
Cash flow from extraordinary items		-		15,363,056
Cash generated from operations		428,895,842		338,887,074
Net income tax (paid) / refunds		(730,316)		(1,295,944)
Net cash flow from / (used in) operating activities (A)		428,165,526		337,591,130
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(278,455,603)		(429,376,310)	
Proceeds from sale of fixed assets	225,000		10,195,502	
Interest received from Banks & Financial Institutions	3,263,602	(274,967,001)	5,496,128	(413,684,680)
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		(274,967,001)		(413,684,680)

(₹)

Particulars	For the year ended 31 st March 2012		For the year ended 31 st March 2011	
C. Cash flow from financing activities				
Proceeds from long-term borrowings	240,000,000		303,890,000	
Repayment of long-term borrowings	(83,333,336)		(83,333,336)	
Proceeds from short-term borrowings	99,750,708		40,000,000	
Repayment of short-term borrowings	(199,584)		(33,988,433)	
Finance cost	(92,972,801)	163,244,987	(76,321,937)	150,246,294
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) financing activities (C)		163,244,987		150,246,294
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		316,443,512		74,152,744
Cash and cash equivalents at the beginning of the year		289,343,676		215,190,932
Cash and cash equivalents at the end of the year		605,787,188		289,343,676
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet at the end of the year		605,787,188		289,343,676
*(Refer Note 17)				
* Comprises:				
(a) Cash on hand		591,130		1,143,387
(b) Cheques, drafts on hand		-		-
(c) Balances with banks				
(i) In current accounts		235,070,305		278,143,577
(ii) In deposit accounts with original maturity of less than 3 months		370,125,753		10,056,712
		605,787,188		289,343,676

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Asit Mehta & Associates**

Chartered Accountants

Firm Reg. No. 100733W

Sanjay S Rane

(Partner)

Membership No. : 100374

Place: Pune

Date : 21st May 2012

For and on behalf of the Board of Directors

MASAKATSU UCHIYAMA

(Managing Director)

HARESH B. SHAH

(Director)

VISHAKHA BRAHMANKAR

(Company Secretary)

SIGNIFICANT ACCOUNTING POLICIES

Note	Particulars
1	<p>Corporate information</p> <p>Enkei Wheels (India) Limited (the Company) is listed on the Bombay Stock Exchange. It is engaged in the manufacturing and selling of aluminium alloy casting wheels (products) mainly used in automotive segment of the industry in India. At times, the Company has also traded in the products mainly to supplement its manufacturing capacities.</p>
2	<p>Significant accounting policies</p>
2.1	<p>Basis of accounting and preparation of financial statements</p> <p>The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), the provisions of the Companies Act, 1956 and the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) from time to time except as otherwise stated below. The financial statements have been prepared on an accrual basis and under the historical cost convention except as otherwise stated below.</p> <p>The accounting policies adopted in the preparation of financial statements are consistent with those of previous year(s).</p>
2.2	<p>Use of estimates</p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialised.</p>
2.3	<p>Inventories</p> <p><u>Raw Materials and Traded goods</u> Inventory of Raw materials is valued at cost. Cost represents purchase price, net of recoverable taxes and is determined on weighted average basis.</p> <p><u>Work-In-Progress/Semi-Finished goods</u> Inventory of Work-In-Progress/Semi-Finished goods is valued at lesser of cost of 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.</p> <p><u>Consumables, Stores and Spares</u> 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.</p>
2.4	<p>Depreciation and amortisation</p> <p>Depreciation of fixed assets is provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following class of assets.</p> <p>Individual asset costing less than Rs. 5,000/- each is fully depreciated in the year of its purchase.</p> <p>Intangible assets in the nature of computer & functional software are amortised over a period of 5 years.</p>

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

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

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.

Sale Returns

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

Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

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 deposits held and applicable rate.

2.7 Tangible Fixed Assets, Capital Work-In-Progress and Assets held for Disposal

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 the asset is ready 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.

The project cost including attributable borrowing cost incurred in respect of facilities not commenced/expanded has been accounted as 'Capital Work-In-Progress', unless the project takes substantial period to commence and where assets are separately identifiable.

Fixed assets/facilities retired from active use and held for re-work/disposal are stated at the lower of their net book value and net realisable value and have been classified as 'Assets held for Disposal' in the Balance Sheet.

2.8 Intangible assets

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 any directly attributable expenditure on making the asset ready for its intended use.

2.9 Foreign currency transactions and translations

Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate prevailing at the date of transaction.

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

However, foreign currency monetary liabilities including loans, payable to group companies have not been restated by the year-end closing rate. The Company does not expect these liabilities to be settled in the medium term and consequently considers it inappropriate to restate these liabilities at interim dates until settlement. This treatment is not strictly in compliance of the provisions of the Accounting Standard (AS-11) – 'The Effects of changes in Foreign Exchange Rates'. The effect of non-compliance with the provisions AS-11 on the statement of profit and loss of the Company has not been quantified.

2.10 Investments

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

2.11 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 in the form of 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 in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and 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 year when the employees render the service. These benefits include performance incentive, bonus, ex-gratia and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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 service are recognised as a liability 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.

2.12 Borrowing costs

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

2.13 Leases

- a) Operating Leases : In respect of assets acquired on leases, rentals are charged to the Statement of Profit and Loss on accrual basis and with reference to lease terms and other considerations.
- b) Finance Leases : In respect of the assets acquired under leases, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as a lease liability. 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.

2.14 Segment Reporting

The Company has single business segment viz. that of automotive castings of Alloy Wheels. Accordingly, disclosure requirements as per Accounting Standard 17 "Segment Reporting" specified in the Companies (Accounting Standard) Rules 2006 are not applicable to the Company

2.15 Taxes on income

Current tax for the current periods is the amount of tax due 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. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. In the context, MAT credit available is accounted for only to the extent of deferred tax charge for the year, as per policy followed from the earlier years."

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

Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses etc. are not recognised in the books.

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

2.16 Impairment of assets

An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which assets is identified as impaired

unless and until there is unamortised balance available under 'Business Construction Reserve' against which the asset can be written off either in full or part. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.17 Provisions, contingencies and commitments

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

Note : 3 Share capital

Sr. No.	Particulars	As at 31 st March 2012		As at 31 st March 2011	
		Number of shares	Amount (₹)	Number of shares	Amount (₹)
1	Authorised :				
	(I) Equity shares of Rs.5/- each with voting rights	52,000,000	260,000,000	12,000,000	60,000,000
	(ii) Preference shares of Rs.10/- each	14,000,000	140,000,000	14,000,000	140,000,000
		66,000,000	400,000,000	26,000,000	200,000,000
2	Issued , subscribed & paid up*				
	(I) Equity shares of Rs.5/- each with voting rights	12,233,500	61,167,500	11,000,000	55,000,000
	(ii) Compulsorily convertible preference shares of Rs.10/- each	3,913,950	39,139,500	13,165,200	131,652,000
	Total	16,147,450	100,307,000	24,165,200	186,652,000

*Of total number of equity shares issued, 11,000,000 (PY 11,000,000) equity shares were issued pursuant to the scheme of arrangement (de-merger) of wheel division of Enkei Castalloy Limited (Now, Alicon Castalloy Limited) into the Company without payment being received in cash.

Note 3.a Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Sr. No.	Particulars	Opening Balance as on 1 st April 2011	Conversion of Compulsorily convertible preference shares into Equity	Closing Balance as on 31 st March 2012
(i)	Equity shares of Rs.5/- each with voting rights			
	Year ended 31 March, 2012			
	- Number of shares	11,000,000	1,233,500	12,233,500
	- Amount (₹)	55,000,000	6,167,500	61,167,500
	Year ended 31 March, 2011			
	- Number of shares	11,000,000	-	11,000,000
	- Amount (₹)	55,000,000	-	55,000,000
(ii)	Compulsorily convertible preference shares of Rs.10/- each			
	Year ended 31 March, 2012			
	- Number of shares	13,165,200	9,251,250	3,913,950
	- Amount (₹)	131,652,000	92,512,500	39,139,500
	Year ended 31 March, 2011			
	- Number of shares	-	13,165,200	13,165,200
	- Amount (₹)	-	131,652,000	131,652,000

Note 3.b Detail of the rights, preferences and restrictions attaching to each class of shares

Sr. No.	Particulars	As at 31 st March 2012		As at 31 st March 2011	
		No. of Equity shares with voting rights	No. of compulsorily convertible preference shares	No. of Equity shares with voting rights	No. of compulsorily convertible preference shares
	Lock-in of shares held by Promoters Enkei Corporation, Japan	3,433,500	* 3,913,950	2,200,000	13,165,200

Rights of the Preference Share Holders:

- (i) The right to a Cumulative Preferential dividend at such rate as may be prescribed by the terms of issue of such shares, on the share capital for the time being paid-up thereon, free of Company's income-tax, but subject to deduction of taxes at source at the rate or rates prescribed from time to time.
- (ii) The right in the event of winding up to payment of such capital and arrears of dividend, whether earned, accrued, declared or not, down to the commencement of the winding up, in priority to the Equity Shares but shall not confer any further right to participate in profits or assets.
- (iii) The Preference Shares shall not confer on the holders thereof the right to either in person or by proxy at any General Meeting of the Company the extent and in the manner provided by Section 87 (2) of the Act.

*** Restriction of Preference Share Holders**

Convertible Preference Shares will be locked in for entire tenure of 18 months from date of allotment and will not be listed. Equity shares issued pursuant to conversion of preference shares will be locked in for a period of 3 years from the date of allotment of convertible preference shares and will be listed on the stock exchange wherever equity shares are listed.

Allotment of equity shares on conversion of preference shares

The Board of Directors in its meeting held on 13th February 2012 approved the conversion of 9,251,250 Compulsorily Convertible Preference Shares of Face value of Rs. 10/- each earlier issued on preferential basis. Accordingly, 1,233,500 equity shares of Face value of Rs. 5/- each at a premium of Rs. 70/- each have been allotted to the promoter company, viz. Enkei Corporation, Japan. The said allotment is in compliance with clause 40A of the Listing Agreement. Balance 3,913,950 Compulsorily Convertible Preference Shares will be dealt with as advised by the Reserve Bank of India, where necessary papers are being filed.

Rights of the Equity Share holders

Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

Sr. No.	Class of shares / Name of shareholder	As at 31 st March 2012		As at 31 st March 2011	
		No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
(i)	Equity shares with voting rights				
a	Enkei Corporation, Japan	7,733,500	63.22	3,800,000	34.55
b	Nastic Trading Pvt Ltd	-	-	3,270,000	29.73
c	Passionate Investment Management Pvt.Ltd.	792,000	6.47	317,414	2.89
(ii)	Compulsorily convertible preference shares				
	Enkei Corporation, Japan	3,913,950	100.00	13,165,200	100.00

Note : 4 Reserves & surplus

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Securities premium account		
	As per last Balance sheet	35,892,308	35,892,308
	Add: Addition during the year	86,345,000	-
		122,237,308	35,892,308
2	Business Reconstruction Reserve		
	As per last Balance sheet	-	12,553,671
	Add / (Less): Recovery of debts written-off earlier	-	28,007,131
	Add / (Less): Write-off of old assets - dies & moulds	-	40,560,802
		-	-
3	Surplus / (Deficit) in Statement of Profit and Loss		
	As per last Balance sheet	(91,298,527)	(93,997,325)
	Add: Profit / (Loss) for the year	(53,297,815)	2,698,797
		(144,596,342)	(91,298,528)
	Total	(22,359,034)	(55,406,220)

Note : 5 Long-term borrowings

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Secured		
	Term Loans		
	- From Banks	290,000,000	100,000,000
2	UnSecured		
	Foreign Currency Loans (ECBs)	387,492,754	547,111,754
	Total	677,492,754	647,111,754

Note : 5.a Long-term borrowings (contd.)

Details of terms of repayment of long-term borrowings, applicable rate of interest, security wherever provided etc.

(₹)

Sr. No.	Particulars							As at 31 st March 2012	As at 31 st March 2011
1	Secured Term Loans from Banks								
	Bank	Amount of Loan sanctioned (₹ Million)	Amount of Loan availed (₹ Million)	Installment Amount in (₹ Million)	Rate of interest	Total number of Installment	Number of Installment due		
	Bank of Tokyo Mitsubishi UFJ Ltd.	50	50	3.13	12.6%	16 Equal Quarterly Instalments	8 Equal Quarterly Instalments	25,000,000	37,500,000
	Bank of Tokyo Mitsubishi UFJ Ltd.	150	150	9.38	12.6%	16 Equal Quarterly Instalments	8 Equal Quarterly Instalments	75,000,000	112,500,000
	Mizuho Corporate Bank Ltd.	480	240	30.00	base rate+ 4.10% pa	16 Equal Quarterly Instalments	16 Equal Quarterly Instalments	240,000,000	-
	Security - First Parri-Passu Charge by way of Equitable Mortgage on the existing Fixed Assets in favour of Bank of Tokyo Mitsubishi UFJ Ltd. And Mizuho Corporate Bank Ltd.								
	Sub-Total							340,000,000	150,000,000
	Less: Current maturities of long-term debt (Refer Note No. 11)							50,000,000	50,000,000
	Total							290,000,000	100,000,000
2	UnSecured External Commercial Borrowings								
	Lender - Enkei Corporation, Japan								
	Currency	ECB amount in million	Rate of interest	Installment Amount in million	Due date				
	JPY	300	3%	100	11 th July 2015	146,341,754	146,341,754		
				100	11 th Jan 2016				
				100	11 th Jul 2016				
	JPY	200	3%	60	25 th Jul 2012	96,880,000	96,880,000		
				70	25 th Jan 2013				
				70	25 th Jul 2013				
	JPY	260	3%	78	23 rd Jan 2013	139,490,000	139,490,000		
				91	23 rd Jul 2013				
				91	23 rd Jan 2014				
	JPY	300	3%	100	13 th Sep 2013	164,400,000	164,400,000		
				100	13 th Mar 2014				
				100	13 th Sep 2014				
	Sub-Total							547,111,754	547,111,754
	Less: Current maturities of long-term debt (Refer Note No. 11)							159,619,000	-
	Total							387,492,754	547,111,754

Note : 6 Deferred tax liabilities (net)

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Deferred Tax Liability		
	Depreciation	6,192,519	3,074,089
	Others	-	-
		6,192,519	3,074,089
2	Deferred Tax Assets*		
	Depreciation	-	-
	Others	-	-
	Total	6,192,519	3,074,089

* Deferred tax assets in respect of unabsorbed depreciation and business losses are not recognised in the books.

Note : 7 Other long-term liabilities

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
	<u>Payables to Overseas Group companies</u>		
1	Purchase of Fixed Assets	785,759,326	650,181,058
2	Trade Payables	472,327,363	373,558,094
	Total	1,258,086,689	1,023,739,152

Note : 8 Long-term provisions

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
	<u>Provision for employee benefits:</u>		
1	Defined benefit obligation (gratuity)	4,852,744	3,951,127
2	defined benefit obligation (leave encashment)	1,992,170	1,493,361
	Total	6,844,914	5,444,488

Note : 9 Short-term borrowings

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Secured		
	- Cash Credit from Bank	50,109,971	-
		50,109,971	-
2	Unsecured		
	<u>Working Capital Demand Loans</u>		
	- from Banks	370,000,000	370,000,000
	- from others	49,640,737	-
	Vehicle Loan	51,862	251,446
		419,692,599	370,251,446
	Total	469,802,570	370,251,446

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

Details of applicable rate of interest, security wherever provided etc.

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Cash Credit from Bank		
(a)	Axis Bank Ltd. <u>Security</u> Exclusive Charge on current assets of the company, present and future	50,109,971	-
2	Working Capital Demand Loans from Banks		
(b)	Bank of Tokyo Mitsubishi UFJ Ltd. <u>Repayment</u> From time to time, nevertheless payable on demand. (rollover arrangements are entered with the bank with the same terms)	170,000,000	170,000,000
(c)	Mizuho Corporate Bank Ltd. <u>Repayment</u> From time to time, nevertheless payable on demand. (rollover arrangements are entered with the bank with the same terms)	200,000,000	200,000,000

Note : 10 Trades payables

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Micro, small & medium enterprises	606,542	174,113
2	<u>Others</u> Goods-raw materials Services & expenses	317,902,963 30,288,951	267,221,927 36,161,592
	Total	348,798,456	303,557,632

Note : 11 Other current liabilities

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Current maturities of long-term debt	209,619,000	83,333,336
2	Employee dues	14,031,458	2,218,275
3	Payables on purchase of fixed assets	26,259,668	1,014,041
4	Statutory remittances	13,167,248	3,130,903
5	Interest accrued but not due on borrowings	2,529,664	2,172,385
6	Others	2,757,709	7,651,185
7	Unpaid dividend/investor education and protection fund	-	-
	Total	268,364,747	99,520,125

Note : 12 Short-term provisions

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Defined benefit obligation (gratuity)	279,764	-
	Total	279,764	-

(₹)

Note : 13.1 Tangible Assets

Sr. No.	Particulars	Gross Block						Depreciation			Net Block		
		Deprn. Rate	As on 1 st April 2011	Additions during the year	Deductions during the year	Expenses capitalised during the year	As on 31 st March 2012	As on 1 st April 2011	Depreciation for the year	Deductions during the year	As on 31 st March 2012	WDV as on 31 st March 2011	WDV as on 31 st March 2012
1	Free hold Land	0.00%	202,066,640	75,449,144	-	-	-	277,515,784	-	-	-	277,515,784	202,066,640
2	Lease hold Land	0.00%	178,068,000	-	-	-	34,604,150	212,672,150	-	-	-	212,672,150	178,068,000
3	Building	3.34%	162,870,269	17,968,734	976,971	**	-	179,862,032	5,635,755	-	23,066,025	156,796,007	145,439,999
4	Plant and Equipment	10.34%	918,806,369	124,489,448	-	-	-	1,043,295,817	105,615,992	-	353,138,805	690,157,012	671,283,556
5	Factory Equipment	10.34%	85,216,579	3,910,914	-	-	-	89,127,493	9,140,126	-	33,264,303	55,863,190	61,092,402
6	Electrical Installation	10.34%	47,207,645	2,777,740	-	-	-	49,985,385	5,139,560	-	15,772,477	34,212,908	36,574,728
7	Furnitures & Fixtures	6.33%	14,421,559	67,494	-	-	-	14,489,053	907,634	-	3,841,353	10,647,700	11,487,840
8	Computers	16.21%	6,004,899	364,240	-	-	-	6,369,139	1,009,762	-	3,093,968	3,275,171	3,920,693
9	Office Equipment	6.33%	7,618,099	83,546	-	-	-	7,701,645	482,274	-	1,921,861	5,779,784	6,178,512
10	Quality Control Equipment	10.34%	2,914,756	-	-	-	-	2,914,756	298,611	-	1,314,126	1,600,630	1,899,241
11	Vehicles	9.50%	7,407,337	-	-	-	-	7,407,337	698,736	-	2,514,680	4,892,657	5,591,393
12	Dies & Moulds	11.31%	130,582,097	50,993,860	-	-	-	181,575,957	16,729,420	-	47,796,316	133,779,641	99,515,204
TOTAL (Current Year)			1,696,799,860	408,807,633	342,423,244	-	-	1,763,184,249	137,097,039	177,722,358	340,066,041	1,423,118,208	1,316,108,500
TOTAL (Previous Year)													

Notes

* Expenses capitalised during the year includes Rs.31,973,729/- towards interest cost in respect of term loan availed from the bank for purchase & development expenses of land at Paterdi, which is not ready for being put to use.

Land Development expenses of Rs. 1,653,449/- incurred during the year along with those incurred in earlier years referred below, have been part of expense capitalisation along with interest cost referred above.

** Deductions during the year includes Land Development expenses of Rs. 976,971/- earlier included under 'Buildings' now corrected.

*** Part of the assets held for sale/disposal as at 31st March 2011 have been reworked after incurring the necessary expenditure during the year ended 31st March 2012. The assets thus reworked of Rs. 50,422,460/- have accordingly been included under additions for Plant and Equipment during the year.

Note : 13.2 Intangible Assets (₹)

Sr. No.	Particulars	Gross Block						Depreciaton			Net Block		
		Deprn. Rate	As on 1 st April 2011	Additions during the year	Deductions during the year	Expenses capitalised during the year	As on 31 st March 2012	As on 1 st April 2011	Depreciation for the year	Deductions during the year	As on 31 st March 2012	WDV as on 31 st March 2011	WDV as on 31 st March 2012
1	Softwares	20.00%	766,065	2,174,839	766,065*	-	2,174,839	309,312	849,257	766,065	392,505	1,782,334	456,753
	TOTAL (Current Year)		766,065	2,174,839	766,065	-	2,174,839	309,312	849,257	766,065	392,505	1,782,334	456,753
	(Previous Year)		-	766,065	-	-	766,065	-	309,312	-	309,312	456,753	-

Notes

* Deductions of Rs.766,065/- in respect of Intangible Assets represent software written-off during the year, as there are no further benefits/utility which have remained to be consumed/exhausted.

Note : 13.3 Capital Work-in-progress (₹)

Sr. No.	Particulars	Gross Block						Depreciaton			Net Block		
		Deprn. Rate	As on 1 st April 2011	Additions during the year	Deductions during the year	Expenses capitalised during the year	As on 31 st March 2012	As on 1 st April 2011	Depreciation for the year	Deductions during the year	As on 31 st March 2012	WDV as on 31 st March 2011	WDV as on 31 st March 2012
1	Work-in-Progress		37,689,359	219,500,984	-	(180,849,454)	76,340,889	-	-	-	-	76,340,889	37,689,359
	TOTAL (Current Year)		37,689,359	219,500,984	-	(180,849,454)	76,340,889	-	-	-	-	76,340,889	37,689,359
	(Previous Year)		7,079,405	298,254,468	-	(267,644,514)	37,689,359	-	-	-	-	-	37,689,359

Note : 13.4 Intangible assets under development (₹)

Sr. No.	Particulars	Gross Block						Depreciaton			Net Block		
		Deprn. Rate	As on 1 st April 2011	Additions during the year	Deductions during the year	Expenses capitalised during the year	As on 31 st March 2012	As on 1 st April 2011	Depreciation for the year	Deductions during the year	As on 31 st March 2012	WDV as on 31 st March 2011	WDV as on 31 st March 2012
	TOTAL (Current Year)		-	-	-	-	-	-	-	-	-	-	-
	(Previous Year)		-	-	-	-	-	-	-	-	-	-	-

Note : 13.5 Fixed assets held for sale (₹)

Sr. No.	Particulars	Gross Block					Depreciation			Net Block			
		Depn. Rate	As on 1 st April 2011	Additions during the year	Deductions during the year	Expenses capitalised during the year	As on 31 st March 2012	As on 1 st April 2011	Depreciation for the year	Deductions during the year	As on 31 st March 2012	WDV as on 31 st March 2011	WDV as on 31 st March 2012
	Assets held for Disposal		269,612,997	-	211,896,304	-	57,716,693	128,241,611	-	102,819,806	25,421,805	32,294,888	141,371,386
	SUB TOTAL (v)(Current Year)		269,612,997	-	211,896,304	-	57,716,693	128,241,611	-	102,819,806	25,421,805	32,294,888	141,371,386
	(Previous Year)		-	269,612,996	-	-	269,612,996	-	128,241,610	-	128,241,610	141,371,386	-

Note : 13.6 Details of amounts written off on revaluation of assets during the preceding 3 years: (₹)

Sr. No	Particulars	Financial Year		
		31 st March 2012	31 st March 2011	31 st March 2010
1	Opening Balance (Gross Block)	-	-	133,868,838
2	Less: Accumulated Depreciation	-	-	33,467,205
3	Net Block	-	-	100,401,633
4	Written off on revaluation	-	-	100,401,633
5	Date	-	-	31-Mar-10
6	Amount	-	-	100,401,633
	Balance as at 31st March	-	-	-

Note : 14 Long-term loans and advances

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Secured, Considered Good :	Nil	Nil
2	Unsecured, Considered Good :		
	i) Capital advances	34,548,850	13,320,367
	ii) Security deposit	17,519,075	10,767,730
	iii) Advance income tax	2,035,386	1,315,300
	iv) MAT credit entitlement	3,391,638	1,193,670
	v) Balances with government authorities	10,771,822	15,702,214
	vi) Investment in LIC pension & group gratuity scheme	3,704,974	-
	Total	71,971,745	42,299,281

Note : 15 Inventories

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Raw Materials	92,626,750	74,960,621
2	Semi Finished Goods	40,755,030	39,398,806
3	Stock of Traded Goods	7,526,194	1,442,250
4	Stores, Spares & Consumables	34,722,003	33,233,783
	Total	175,629,977	149,035,460

Note : 15.a Details of inventories

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Raw Materials		
	Alluminium Ingots	92,626,750	74,960,621
2	Semi Finished Goods		
	i) Two Wheel	13,325,058	13,682,840
	ii) Four Wheel	27,429,972	25,715,966
		40,755,030	39,398,806
3	Stock of Traded Goods		
	i) Two Wheel	39,170	189,137
	ii) Four Wheel	4,121,418	132,044
	iii) Accessories	3,365,606	1,121,069
		7,526,194	1,442,250
4	Stores, Spares & Consumables	34,722,003	33,233,783
	Total	175,629,977	149,035,460

Note : 16 Trade Receivables

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Secured, Considered Good :	Nil	Nil
2	Unsecured, Considered Good :		
	Outstanding for a period exceeding six months	24,419,961	2,481,016
	Others	437,444,088	414,581,965
	Total	461,864,049	417,062,981

Note : 17 Cash & cash equivalents

(₹)

Sr. No..	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Cash On Hand (including cash held in foreign currency)	591,130	1,143,387
2	Bank Balances* In current accounts In deposit accounts	235,070,305 370,125,753	278,143,577 10,056,712
	Total	605,787,188	289,343,676

* Bank Balances do not include any margin monies nor there are any deposits which have an original maturity of more than 12 months.

Note : 18 Short-term loans and advances

(₹)

Sr. No.	Particulars	As at 31 st March 2012	As at 31 st March 2011
1	Secured, considered good:	Nil	Nil
2	Unsecured, considered good: i) Loans and advances to employees ii) Prepaid expenses iii) Balances with government authorities iv) Investment in LIC pension & group gratuity scheme	438,723 3,819,800 96,408,388 279,764	120,432 2,127,421 81,319,509 -
	Total	100,946,675	83,567,362

Note : 19 Revenue from operations

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Sale of Products	3,026,102,827	2,595,019,890
2	Income from Services	178,318	45,825
3	Other operating revenues	34,382,031	32,149,473
		3,060,663,176	2,627,215,188
	Less: Excise duty	268,550,640	237,932,427
	Total	2,792,112,536	2,389,282,761

Note: 19.1 Particulars of sale of products

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Manufactured goods i Two wheel ii Four wheel Total - Sale of manufactured goods	1,255,186,217 1,273,221,959 2,528,408,176	1,109,145,743 1,106,263,912 2,215,409,655
2	Traded goods i Two wheel ii Four wheel iii Accessories Total - Sale of traded goods Total - Sale of products	202,108,952 20,710,158 6,324,901 229,144,011 2,757,552,187	77,385,568 62,895,326 1,396,914 141,677,808 2,357,087,463

Note : 20 Other income

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Interest Income on term deposits with banks*	3,263,602	5,496,128
2	Net gain on foreign currency transactions	-	2,241,781
3	Other non operating income	401,816	1,206,180
	Total	3,665,418	8,944,089

* Net of capitalisation of Rs. 1,164,383/- (PY Rs. Nil)

Note : 21.a Cost of materials consumed

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Opening Stock	74,960,621	38,465,914
	Add: Purchases	1,409,644,399	1,263,321,683
		1,484,605,020	1,301,787,597
	Less: Closing Stock	92,667,791	74,960,621
	Cost of material consumed*	1,391,937,229	1,226,826,976

* The figures are in respect of main raw material, i.e. aluminium ingots.

The figures reported are derived figures, since the issue records of the Company are being stream-lined.

Note : 21.b Details of purchase of raw material imported and indigenous items

(₹)

Sr. No	Particulars	For the year ended 31 st March 2012		For the year ended 31 st March 2011	
		%	Value	%	Value
1	Raw Materials				
a	Imported	91.1	1,283,532,214	86.7	1,095,058,717
b	Indigenous	8.9	126,112,185	13.3	168,262,966
	Total	100.0	1,409,644,399	100.0	1,263,321,683

Note : 21.c Purchases of stock-in-trade

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Wheels	222,068,994	138,033,509
2	Accessories	6,437,376	1,832,416
	Total	228,506,370	139,865,925

Note : 21.d Details of purchase of stock-in-trade imported and indigenous items

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012		For the year ended 31 st March 2011	
		%	Value	%	Value
1	Traded Goods				
	i Imported	68.8	157,131,777	100.0	139,865,925
	ii Indigenous	31.2	71,374,593	0.0	-
	Total	100.0	228,506,370	100.0	139,865,925

Note :21.e Changes in inventories of work-in-progress and stock-in-trade

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Inventories (at close)		
	i Work-in-progress	40,755,030	39,398,805
	ii Stock-in-trade	7,526,196	1,442,250
		48,281,226	40,841,055
2	Inventories (at commencement)		
	i Work-in-progress	39,398,805	24,929,831
	ii Stock-in-trade	1,442,250	4,478,098
		40,841,055	29,407,929
	Total	(7,440,171)	(11,433,126)

Note : 22 Employment benefit expenses

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Salaries & wages	123,350,336	86,581,722
2	Contribution to provident, gratuity and other funds	6,994,457	5,750,961
3	Leave encashment	1,079,145	302,444
3	Welfare expenses	17,295,675	14,000,036
	Total	148,719,613	106,635,163

Note :23 Finance cost

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Interest on rupee loans	23,729,764	28,676,942
2	Interest on foreign currency loans (ECB)	19,167,704	6,963,752
		42,897,468	35,640,694
	<u>Less: capitalised during the year</u>		
	- Prior period	(23,517,274)	-
	- Current period	(19,391,808)	-
		(11,614)	35,640,694
3	Interest on working capital loans	47,728,099	39,435,844
4	Other borrowing costs	2,347,234	1,245,399
	Total	50,063,719	76,321,937

Note : 24 Depreciation & amortisation expense

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
1	Depreciation on tangible assets	145,657,870	137,122,105
2	Amortisation on intangible assets	849,257	124,179
	Total	146,507,127	137,246,284

Note : 25 Other expenses

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012		For the year ended 31 st March 2011	
		%	Value	%	Value
1	Manufacturing Expenses				
	i Consumption-stores and spares		268,038,859		256,780,028
	ii Power and fuel		228,460,504		179,694,900
	iii Processing charges-remelting		54,102,364		46,009,952
	iv Processing charges-others		36,320,484		45,301,555
	v Royalty		32,777,644		28,168,023
	vi Foreign exchange fluctuation Loss/(Gain)		58,064,193		(2,007,510)
	vii Other manufacturing expenses		40,761,859		53,102,836
		718,525,907		607,049,784	
2	Administrative expenses				
	i Legal and professional fees		11,197,472		11,428,171
	ii Other administrative expenses		35,384,598		55,192,430
	iii Impairment loss on assets		55,675,028		-
		102,257,098		66,620,602	
3	Selling & distribution expenses				
	i Freight outward		51,721,981		46,101,125
	ii Other selling & distribution expenses		17,346,204		15,641,627
		69,068,185		61,742,752	
	Total		889,851,190		735,413,138

Note : 25.a Details of purchase of imported and indigenous items

(₹)

Sr. No.	Particulars	For the year ended 31 st March 2012		For the year ended 31 st March 2011	
		%	Value	%	Value
1	Consumption - Stores and Spares				
	i Imported	17.2	46,189,021	14.8	38,062,121
	ii Indigenous	82.8	221,849,839	85.2	218,717,908
		100.0	268,038,859	100.0	256,780,028

Note 26 : Additional information to the financial statements

Note	Particulars		
26.1	Compulsorily Convertible Preference Shares The Board of Directors in its meeting held on 13 th February 2012 approved the conversion of 9,251,250 Compulsorily Convertible Preference Shares of Face value of Rs. 10/- each earlier issued on preferential basis. Accordingly, 1,233,500 equity shares of Face value of Rs. 5/- each at a premium of Rs. 70/- each have been allotted to the promoter company, viz. Enkei Corporation, Japan. The said allotment is in compliance with clause 40 A of the Listing Agreement. Balance 3,913,950 Compulsorily Convertible Preference Shares will be dealt with as advised by the Reserve Bank of India, where necessary papers are being filed.		
26.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		(₹)
		As at 31st March'2012	As at 31st March'2011
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	606,542	174,113
(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 Management. This has been relied upon by the auditors.

26.3 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

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

Name of the party	Relationship	As at 31 st March 2012	Maximum balance outstanding during the year
Enkei Corporation, Japan (equity shares of Rs. 38,667,500/- & preference shares of Rs. 39,139,500/- are held by the associate company in the equity capital of the Company.)	Associate Company	Nil (Nil)	Nil (Nil)

Note: Figures in bracket relate to the previous year.

		(₹)	
26.4 Details of fixed assets held for sale (Net Block)		As at 31st March 2012	As at 31st March 2011
(i)	Plant and equipments	30,266,679	129,072,003
(ii)	Factory equipments	1,915,756	4,575,554
(iii)	Electrical installation	112,453	7,367,274
(iv)	Quality control equipments	-	356,554
Total		32,294,888	141,371,385

		(₹)	
Details of the year-end foreign currency exposures that have not been hedged		As at 31st March 2012	As at 31st March 2011
Particulars with balances as per books of account			
*(payables to overseas group companies)			
	External commercial borrowings	547,111,754	547,111,754
	Purchase of fixed assets	785,759,326	650,181,058
	Trade payables	472,327,363	373,558,094
Total		1,805,198,443	1,570,850,906

*The Company is in the process of reconciliation of group payables reported above.

		(₹)	
26.6 Value of imports calculated on CIF basis @:		For the year ended 31st March 2012	For the year ended 31st March 2011
	Raw materials	1,283,532,214	1,095,058,717
	Traded Goods	157,131,777	139,865,925
	Spare parts	46,189,021	38,062,121
	Capital goods	114,268,811	121,101,080
Total		1,601,121,823	1,394,087,843

@ the total value of imports relates to the imports made excluding the relevant taxes:

		(₹)	
26.7 Expenditure in foreign currency #:		For the year ended 31st March 2012	For the year ended 31st March 2011
	Royalty	32,777,644	28,168,023
	Foreign travel	324,741	466,551
	Computer hire charges	877,400	724,271
	Legal, professional and consultation fees	3,000,000	2,880,000
	Interest on foreign currency loans	10,286,956	11,281,985
	Other matters	-	4,398,146
Total		47,266,741	47,918,976

on accrual basis on the gross amount of expenditure (i.e. the expenditure before withholding taxes)

		(₹)	
26.8 Earnings in foreign exchange:		For the year ended 31st March 2012	For the year ended 31st March 2011
	Export of goods calculated on FOB basis	48,470	-
Total		48,470	-

		(₹)	
26.9 Remittance in foreign currency during the year on account of dividends		For the year ended 31 st March 2012	For the year ended 31 st March 2011
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		Nil	Nil
Year to which the dividend relates			
TDS deducted			

		(₹)	
26.10 Auditors Remuneration		For the year ended 31 st March 2012	For the year ended 31 st March 2011
Audit fees		600,000	600,000
Limited reviews		75,000	75,000
Out of pocket expenses		99,274	89,276
		774,274	764,276

		(₹)	
26.11 Contingent liabilities and commitments (to the extent not provided for)		For the year ended 31 st March 2012	For the year ended 31 st March 2011
(i) Contingent liabilities			
a Claims against the company not acknowledged as debt		Nil	Nil
b Guarantees		Nil	Nil
c Letters of credits issued by the bank for imports		Nil	12,259,968
d Differential tax liability - C Forms not received		643,196,878	361,914,270
(ii) Commitments			
a Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets		54,052,738	7,529,033
b Other Commitments		Nil	Nil

		(₹)	
26.12 Earning per share as computed in accordance with accounting standard 20		For the year ended 31 st March 2012	For the year ended 31 st March 2011
Net profit / (loss) for the year		(53,297,815)	(12,664,259)
(Add) / Less: Extraordinary items (net of tax)		-	15,363,056
Less: Preference dividend and tax thereon		-	-
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items		(53,297,815)	2,698,797
Weighted average number of equity shares for calculation of Basic EPS		11,158,400	1 1,000,000
Weighted average number of equity shares for calculation of Diluted EPS		19,007,747	35,599,086
Face value per share		₹ 5/- per share	₹ 5/- per share
Earnings per share - Basic		(4.78)	(1.15)
Earnings per share excluding extraordinary items - Basic		(4.78)	0.25
Earnings per share - Diluted		(2.80)	(0.36)
Earnings per share, excluding extraordinary items - Diluted		(2.80)	0.08

Note 27 : Disclosures under accounting standards

Note

27 Employee benefit plans

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

27.1 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 Rs.5,035,767/- (Year ended 31st March 2011 Rs.3,929,324/-) 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.

27.2 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 v a l u e r. The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

(₹)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
	Gratuity	Leave Entitlements	Gratuity	Leave Entitlements
a Components of employer expense				
Current service cost	1,097,754	712,138	1,025,026	637,259
Interest on obligation	325,968	123,202	227,779	132,381
Expected return on plan assets	(176,390)	-	-	-
Net actuarial (gain) / loss recognized in the year	101,489	243,804	51,946	(510,132)
Past service cost	-	-	-	-
Actuarial losses/(gains) on curtailments & settlement	-	-	-	-
Expense recognised in the statement of Profit and Loss	1,348,821	1,079,144	1,304,751	259,508
b Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	5,132,507	1,992,168	3,951,126	1,493,363
Fair value of plan assets	3,984,738	-	-	-
Funded status [Surplus / (Deficit)]	(1,147,769)	(1,992,168)	(3,951,126)	(1,493,363)
Unrecognised past service costs	-	-	-	-
Unrecognised actuarial loss	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet	(1,147,769)	(1,992,168)	(3,951,126)	(1,493,363)
c Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	3,951,126	1,493,362	2,760,957	1,604,617
Current service cost	1,097,754	712,138	1,025,026	637,259
Interest cost	325,968	123,202	227,779	132,381
Actuarial (gains) / losses	(9,937)	243,804	51,946	(510,132)
Past service cost	-	-	-	-
Loss (gains) on Curtailments	-	-	-	-
Liability extinguished on settlements	-	-	-	-
Liability assumed in an amalgamation in the nature of purchase	-	-	-	-
Exchange difference on foreign plans	-	-	-	-
Benefits paid	(232,404)	(580,338)	(114,582)	(370,762)
Present value of DBO at the end of the year	5,132,507	1,992,168	3,951,126	1,493,363

(₹)

Particulars	Year ended 31 st March 2012		Year ended 31 st March 2011	
	Gratuity	Leave Entitlements	Gratuity	Leave Entitlements
d Change in fair value of assets during the year				
Fair value of plan assets at beginning of year	-	-	-	-
Expected return on plan assets	176,390	-	-	-
Actuarial gain / (loss)	(111,426)	-	-	-
Assets distributed on settlements	-	-	-	-
Contribution by the employer	3,919,774	-	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-	-	-
Exchange difference on foreign plans	-	-	-	-
Benefits paid	-	-	-	-
Plan assets at the end of the year	3,984,738	-	-	-
e Actual return on plan assets	111,426	-	-	-
f Composition of the plan assets is as follows:				
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%	0%	0%
Bank Balance	0%	0%	0%	0%
g Actuarial assumptions				
Discount rate	8.50%	8.50%	8.25%	8.25%
Expected return on plan assets	9.00%	0.00%	0.00%	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.

Note 28 : Disclosures under accounting standards

Note	Particulars	
28.1	Related party transactions	
28.2	Details of related parties:	
	Description of relationship	Names of related parties
1	Associates	Enkei Corporation, Japan
2	Associates	Enkei Thai Co. Ltd., Thailand
3	Associates	Enkei Thai Moulding Co. Ltd., Thailand
4	Associates	Asian Enkei Trading Co. Limited, Japan
5	Associates	Enkei Audit & Computer Ltd., Japan
6	Associates	PT. Enkei Indonesia, Indonesia
7	Associates	Enkei Alluminium Product (China) Co. Ltd., China
8	Associates	Enkei Moulding (Kushan) Co. Ltd., Japan
9	Associates	Enkei Malaysia SDN.BHD., Malaysia
10	Associates	Enkei Wheel Corporation, Japan
11	Associates	Enkei Vietnam Co.Ltd., Vietnam
12	Associates	Silicon Meadows Designs Ltd., India
13	Associates	Chemetall Rai India Ltd., India
14	Associates	Alicon Castalloy Ltd., India
15	Associates	HU Consultancy Pvt. Ltd
16	Key Management Personnel (KMP)	Masakatsu Uchiyama, Managing Director
17	Key Management Personnel (KMP)	Oshamu Ohashi, Managing Director (Up to 10th April 2012)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2012:

28.3	Particulars		Associates	Key Management Personnel (KMP)	Directors Sitting Fees	Total
	Purchase of Traded goods	CY	179,437,174	-	-	179,437,174
		PY	287,500,692	-	-	287,500,692
	Purchase of Stores & Spares	CY	15,459,258	-	-	15,459,258
		PY	10,862,907	-	-	10,862,907
	Receiving of services	CY	2,878,447	-	-	2,878,447
		PY	2,880,000	-	-	2,880,000
	Royalties Paid	CY	32,777,643	-	-	2,777,643
		PY	28,168,023	-	-	28,168,023
	Interest Paid	CY	10,286,956	-	-	10,286,956
		PY	11,543,560	-	-	11,543,560
	Salaries, perquisite & sitting fees paid	CY	-	1,941,868	80,000	2,021,868
		PY	-	1,848,976	90,000	1,938,976
	Other expenses charged to company	CY	115,433,983	-	-	115,433,983
		PY	146,691,371	-	-	146,691,371
	Purchase of fixed assets	CY	114,268,811	-	-	114,268,811
		PY	121,101,080	-	-	121,101,080
	Sale of fixed assets	CY	-	-	-	-
		PY	1,490,332	-	-	1,490,332
	Loans and equity contributions in cash or in kind	CY	-	-	-	-
		PY	303,890,000	-	-	303,890,000
	Net transaction during the year	CY	470,542,272	1,941,868	80,000	472,564,140
		PY	911,147,299	1,848,976	90,000	913,086,275

Note: Figures in CY relates to Current Year and PY relates to previous year

NOTES

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NOTES

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PRODUCT PROFILE

ALLOY WHEELS 4W



ALLOY WHEELS 2W



ENKEI WHEELS (INDIA) LIMITED

Registered Office : Gat No.1425, Village Shirkrapur, Taluka Shirur Dist. Pune - 412 208

3rd Annual General Meeting on 17th September 2012

Proxy Form

I/We, _____
of _____

In the district of _____

of Enkei Wheels (India) Limited here by appoint _____

of _____ in the

district of _____ or failing him /her

_____ of _____

in the district of _____

as my/our Proxy to vote for me /us on my / our behalf at the Annual General Meeting of the

Company to be held on Monday, the 17th September, 2012 at 12.30 p.m. at any adjournment thereof.

Signed this _____ day of _____ 2012.



Signature _____

Address _____

Notes :

- 1. A member entitled to attend and vote at the meeting, is entitled to appoint one or more proxy(ies) to attend and vote instead of himself / herself and the proxy need not be a member of the Company.**
- 2. The proxies form duly signed across revenue stamp should reached the Company's registered office at least forty eight hours before the time of the meeting.**

ENKEI WHEELS (INDIA) LIMITED

Registered Office : Gat No. 1425, Village Shirkrapur, Taluka Shirur Dist. Pune - 412 208

3rd Annual General Meeting on 17th September 2012

ATTENDANCE SLIP

Reg. Folio No. _____

I certify that I am registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the above Company at Gat No. 1425, Village Shikrapur, Taluka Shirur, Dist. Pune - 412 208.

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

BOOK - POST

TO,

If undelivered please return to :

ENKEI WHEELS (INDIA) LTD.

Registered Office :

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

Tel. : (02137) 618700