



## ENKEI WHEELS (INDIA) LIMITED

(CIN - L34300PN2009PLC133702)

Factory & Registered Office: Gat No. 1425 Village Shikrapur, Tal. Shirur, Pune  
Maharashtra, India 412 208. Tel. : +91-2137-618700, Fax : +91-2137-618720  
E-Mail : info@enkei.in, Website : www.enkei.in



**Date:** 17<sup>th</sup> June, 2019

To  
General Manager  
Corporate Filling Dept.  
BSE Limited, P. J. Towers,  
Dalal Street, Mumbai- 400001.

**Subject: Notice of 10<sup>th</sup> Annual General Meeting and Annual Report 2018-19.**

**Ref: Scrip Code: 533477**

Dear Sir,

This is to inform you that, 10<sup>th</sup> Annual General Meeting (AGM) of the Shareholders of Enkei Wheels (India) Limited will be held on **Tuesday, The 9<sup>th</sup> Day Of July 2019 at 12.30 P.M.** at Registered office of the Company situated at Gat No. 1425, Village Shikrapur, Tal Shirur, Pune – 412208.

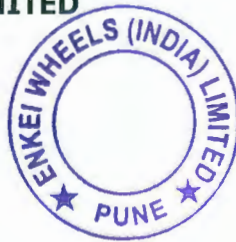
Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, copy of Annual Report for the financial year ended 31<sup>st</sup> March 2019 along with copy of Notice of the 10<sup>th</sup> AGM is enclosed herewith.

The Notice of the AGM and the Annual Report for financial year 2018-19 can also be downloaded from website of the company [www.enkei.in](http://www.enkei.in).

Kindly take the same on the record.

**FOR ENKEI WHEELS (INDIA) LIMITED**

**SHRIKANT JOSHI  
COMPANY SECRETARY**



*CHANGING. EVOLVING.  
GROWING.*



# CONTENTS

02-09



## COMPANY OVERVIEW

- 02** About Enkei Wheels (India) Limited
- 04** Financial Review
- 05** 5 Years at a Glance
- 06** Managing Director's Message
- 09** Corporate Information

10-48



## STATUTORY REPORTS

- 10** Notice
- 23** Director's Report
- 43** Management Discussion & Analysis
- 48** Corporate Governance Report

60-116



## FINANCIAL STATEMENTS

- 60** Auditors' Report
- 68** Balance Sheet
- 69** Statement of Profit & Loss
- 70** Cash Flow Statement
- 85** Notes to Accounts



View or download this report at  
[www.enkei.in](http://www.enkei.in)

### Forward looking statements

In this annual report, we have disclosed forward looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

**The automotive industry is going through a rapid transformation with stringent regulatory norms and thrilling new technologies altering the business landscape. There is a strong push towards the adoption of electric and fuel-efficient vehicles for greener and sustainable mobility, and vehicle wheels have an important role to play in it.**

At Enkei, we are excited about the opportunities these trends offer and are changing and evolving to accelerate our growth momentum. Our strength lies in our ability to innovate and develop new technologies for delivering premium alloy wheels that truly make a difference to our customers. Our determination to embrace change and solve challenges in the most effective way is what differentiates us in the marketplace.

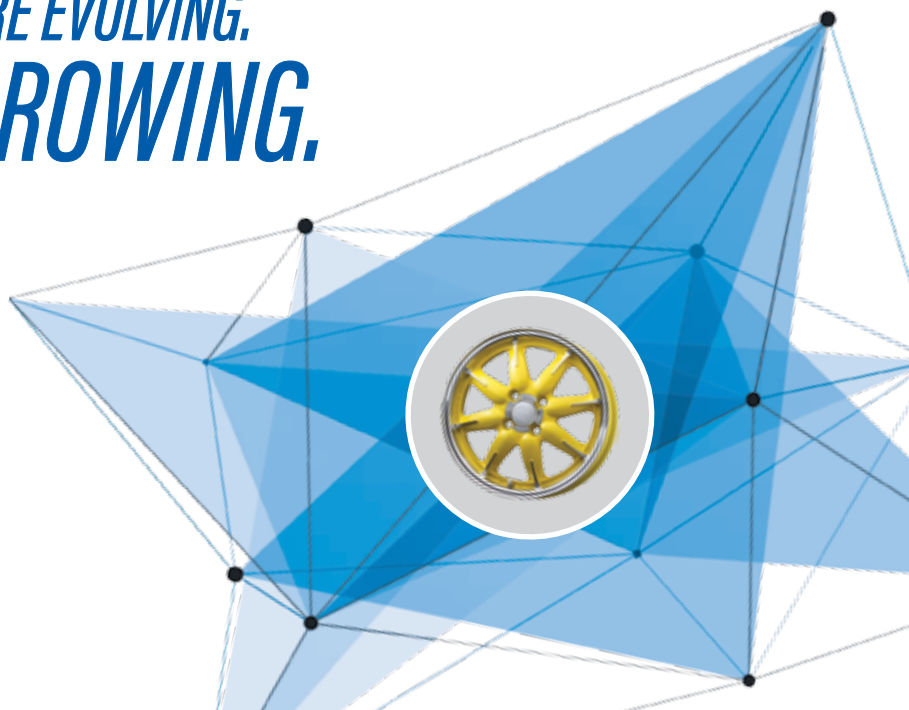
**To put it succinctly**

We are expanding our business by investing in capacity expansion to meet the growing customer demand.

We are evolving our offerings to produce lighter and bigger alloy wheels by leveraging innovative technologies to meet tomorrow's needs.

We are focused on automation and cost optimisation to enhance operational efficiencies and, at the same time, are bolstering our relationships with our customers to augment growth.

***WE ARE CHANGING. WE ARE EVOLVING.  
WE ARE GROWING.***





# ABOUT ENKEI WHEELS (INDIA) LIMITED

**Established in the year 2009 in Pune, India as a part of the prestigious Enkei Group, Enkei Wheels (India) Limited is a leading manufacturer and supplier of aluminium alloy wheels in India. Enkei Group is a globally renowned Japanese multinational conglomerate and has over six decades of industry-wide experience in manufacturing aluminium alloy wheels.**

The Company was incorporated following the demerger of Aicon Castalloy Ltd. (formerly known as Enkei Castalloy Ltd.). Within a decade, Enkei has emerged as one of the most preferred alloy wheel brands in India, offering the finest aluminium alloy wheels to leading two-wheeler and four-wheeler vehicle manufacturers. Constant innovation in designing, manufacturing and technology and a resolute focus on quality and customer satisfaction underpin the Company's strong growth.



### Manufacturing Prowess

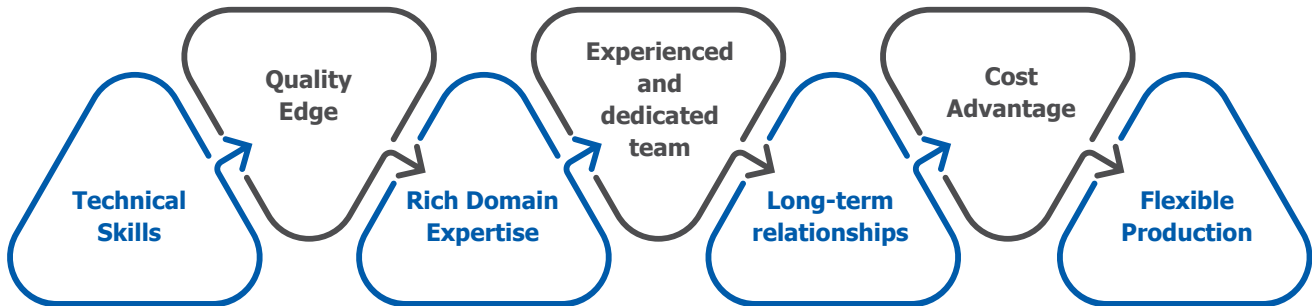
Backed by Japanese technology, the Company's state-of-the-art manufacturing plant in Pune is equipped with advanced tools and machinery facilitating the production of top-quality products. Its robust production 4 wheeler capacity of 25,000 pieces/month/line empowers the Company to meet the growing needs of its reputed client base.



### What Sets Enkei Apart

Enkei stands for perfect quality, innovative technologies, pioneering design and valuable work that has made it a sought-after partner for some of the eminent players in the Indian automotive industry. Over the years, the Company has established healthy relationships with leading vehicle manufacturers. Through the ingenuity of its people and cutting-edge advanced manufacturing techniques, the Company ensures timely delivery of highest quality products to its customers.

### Key Differentiators







### Esteemed Clientele

Four-Wheeler	Two-Wheeler

### Empowering Communities

Enkei strongly believes that it is responsible towards the communities and society in which it operates. During the year, the Company undertook numerous CSR initiatives to help foster holistic development in the regions concerned.

Pursuant to the applicable laws and regulations, the Company is required to spend Rs. 1.70 million on CSR activities. Promoting the role and quality of life in the villages and facilitating education in the identified areas of Pune district were the major CSR focus areas of the Company. During the year, the Company spent approximately Rs. 1.75 million on CSR projects and activities.





## FINANCIAL REVIEW

Enkei's focus remains on creating value for its shareholders by investing in and growing its business, maintaining a strong balance sheet and returning capital to shareholders. The Company's innovation-led approach and cost competitiveness give it an edge. The Company constantly seeks to deliver improved financial results, year-on-year, to sustain profitable growth.



## 5 YEARS AT A GLANCE

(Figures in Million)

Particulars	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Net Sales	3839.3	3854.9	4588.8	4785.2	<b>4744.8</b>
Other Income	1.8	3.6	2.0	57.0	<b>147.2</b>
Material Cost	2140.2	2057.2	2221.4	2574.1	<b>2633.3</b>
Other Expenses	1318.2	1521.9	2030.8	1794.3	<b>1853.3</b>
Interest	81.9	51.5	47.1	47.5	<b>55.4</b>
Depreciation	281.8	256.5	217.3	233.0	<b>213.4</b>
Profit Before Tax	18.9	(28.6)	74.2	193.3	<b>136.7</b>
Income Tax Provision	(3.9)	26.1	46.9	85.5	<b>9.4</b>
Net Profit After Tax	22.8	(54.7)	27.3	107.8	<b>127.3</b>
Share Capital	67.1	70.7	74.4	77.1	<b>81.1</b>
Reserves	116.0	190.6	358.7	729.1	<b>1209.8</b>
Net worth	183.1	261.2	433.1	806.2	<b>1290.8</b>
Basic Earnings per share (₹) (Face Value of ₹ 5/-) Excluding extraordinary Income/Expense	1.8	(4)	1.9	7.1	<b>7.9</b>
Book Value per Share (₹)*	13.6	18.5	29.1	52.3	<b>79.6</b>
Debt Equity Ratio	3.41	2.4	1.42	0.65	<b>0.42</b>

Note:

\* Figures of Book Value per share are calculated for all reported periods above after considering the subdivision of equity share ₹ 10/- Each to share of ₹ 5/- also calculated considering the compulsory convertible preference shares of ₹ 10/-







## MANAGING DIRECTOR'S MESSAGE



Looking ahead positively into the future amidst tough market situations has always been our key growth strategy.

This is backed by our practice of of BEP (Break Even Point) Management and STEB (steps to improve BEP) to secure higher profits.

Focus continues to be on future expansion of production capacity with continuous human resources development, process standardization, and introduction of latest equipment.

### Dear Shareholder,

At the outset, we thank you for your continuous support. I would like to share the results of the performance of Enkei Wheels (India) Ltd. (hereinafter referred to as EWIL) for the financial year 2018-19.

### Industry background -2018-19

According to the statistics of SIAM (The Society of Indian Automobile Manufacturers), the volume of vehicle sales (passenger cars + commercial vehicles) in India during FY 2018-19 stood at around 43,80,000 units, which is a growth of 5.8% over the previous year, but it was the lowest growth rate in the past four years. The volume of passenger car sales (including SUVs and vans), which has a major impact on our production (orders), increased marginally by 2.7% from the previous year. Similarly, the volume of motorcycle sales grew marginally by 4.9% compared to 14.8% growth in the previous year. This was due to;

- credit crunch faced by the auto loan financial institutions,
- increased car insurance expenses,
- increasing fuel prices, and
- weak consumer sentiment

Further, the evolving regulatory landscape such as the mandatory transition of BS-IV to BS-VI emission standards, along with installation of safety measures (ABS / CBS) in motorcycles, etc, has impacted the performance of our Company..

### Performance in FY 2018-19

In the first half of FY 2018-19, we operated with full capacity. However, the customer orders reduced sharply in the second half of the year starting from October due to the above-mentioned reasons. As a result, the total dispatch of wheels (including both two-wheeler and four-wheeler segment) declined to 2.165 million units during the financial year under review from 2.366 million units in the previous financial year (decrease of 8.5 %). On the other hand, sales value growth declined by 0.84% over previous financial year. Profit After Tax grew by 2.7% compared to 2.2% in the previous financial year. This was due to increase in the production ratio of wheels in the four-wheeler segment amidst reduced production activity. Overall, the achieved result fell short of the Business Plan target by 6%.

## Prospects of Automotive and Motorcycle Market

Sales of passenger vehicles and motorcycles declined sharply in the second half of the financial year 2018-19 and the volume of production remained below the previous year's level for several consecutive months. In addition, it was announced that India's Gross Domestic Product (GDP) grew by 6.8% in the current financial year, which is the lowest growth in the past five years.

However, we consider this a temporary blip because India is a country of young demographics with a population of 1.2 billion, and half of its population is under the age of 25. Both the population and economy are expected to grow at a rapid pace, which will take the country to greater heights in the coming years.

The volume of vehicles and motorcycles production will expand continuously and is estimated to reach 10 million and 35 million units, respectively, by 2030. This will present multiple business opportunities for our Company.

Demand for large diameter, high strength, light weight and low-cost products from customers has been on the rise. To build a win-win relationship with the customers, it is imperative to make high-value products. We believe that the success of our ongoing initiatives and current projects will definitely empower us to meet the future requirements.

## Build strong operations without Labor cost Impact

EWIL continues to be the 'torch bearer' of Enkei Group's (hereinafter referred to as EK Gr.) policy "Build strong operations without labor cost impact".

Specific activities to achieve this include:

- Further Improvement of Three basic Principles of manufacturing (reduce reject rate, increase value added ratio and reduce WIP)
- Increase 10% Productivity, and
- Reduce Fixed Cost

These activities helped make a significant contribution to secure profits despite lower sales. I am truly convinced that BEP Management (Improve value added ratio, reduce fixed costs, increase sales), which form the basis of EK Gr. management, will work out effectively in the face of challenging market situations.

## Proactive actions towards the future

During the financial year 2018-19, EWIL reiterated its operations in tune with the Company's slogan "Proactive actions towards the future".

- Introduction of an express Feeder and reduced labor cost with "HE" gas type leak tester helped overcome the production losses due to frequent Power cuts.
- Started MAT / MJT process / robotization construction for the second line of the existing four-wheeler wheel production from the end of the financial year.

These have had a positive impact on our performance in the form of reduced energy costs, reduced labor costs and improved productivity.

## Increase production capacity

The production capacity expansion plan, including Phase 1 construction of two (2) buildings for four-wheeler M3 line, one (1) building for four-wheeler Paint Shop, and other related infrastructure facilities which were initially supposed to be completed by December 2019, was delayed due to non-receipt of required construction permits from the government.

The updated plan is to operate one (1) building for M3 line by November 2019 and one (1) building for new painting facility by August 2020. The remaining one (1) building for four-wheeler M3 line is targeted to be operational as per the requirement in the year 2021.

It is our great pleasure to state that we are able to supply reputed high-quality products produced by EK Gr. Enkei Group latest lines to our customers. We are sure that this high-productivity production line will see EWIL changing, evolving and growing, and achieve huge profits in future. Additionally, it will enable us to deliver high-performance products to customers, which will meet their future needs in tune with the changing trends in the Indian automobile industry.

We have named this project "Vision 2020 Project", and currently are working on the construction at a rapid pace. Being a highly automated and high-productivity production line, it will require robust skills for comprehensive maintenance of equipment. Therefore, we are focusing on human resource development and preparing for the operation.



In addition, we are planning to remodel the existing line for MAT / MJT parallelly with the Vision 2020 project. Whilst remodeling of 2 out of 4 lines for the existing four-wheeler wheel production line has been completed, remodeling of the remaining 2 lines are planned to be completed in the current financial year 2019-20.

### **Current Challenges and our strategies**

Financial year 2018-19 witnessed reduced customer orders due to subdued sales of automobiles and motorcycles as mentioned above. Nevertheless, we expect situation to improve in the coming year with favourable government policies. We believe it is an opportune time to prepare for the future. On the other hand, it is difficult to generate profits in a challenging market with lower orders. Resultantly, we have set the Business Plan (BP) as AP 4.0 (Profit before tax 4.0%) for the financial year 2019-20.

Further, our primary raw material, aluminium, has been facing price volatility risk due to change in metal prices (LME) and currency fluctuations. In order to minimize this risk, we will further accelerate activities within "Build strong operations without labor cost impact" philosophy and focus on achieving the target profit.

The philosophy of "Efforts to decrease price through increased negotiations" is appropriate for our Company. In line with the motto of EK Gr- "Make changes using innovations", the manufacturing section as well as the indirect support sections

will actively adopt innovation leveraging "IT" and "IoT" for improved performance and production.

### **Future Outlook**

EKIN has set "Keep Changing, Evolving and Growing" as the slogan for fiscal 2019, In line with this vision, we will convert our existing production equipment as per EK Gr. standardization and introduce the EK Gr. latest production equipment. In addition to establishing a strong production base for the future, we have set up a conducive working environment and welfare programs for employees under our policies, "Safety First", "Health First" and "Green First", We have also been contributing to the local community through our CSR activities with a target to empower lives and support sustainable growth.

### **Gratitude**

On the concluding note, I would like to express my deep appreciation to each of the stakeholders, shareholders, customers, suppliers, bankers, employees, associations, employees and EK Gr. companies for their unstinted support and cooperation reposed in us till date. I look forward to your continued trust and support in our journey ahead.

Thank you very much.

### **Kazuo Suzuki**

*Managing Director*

# CORPORATE INFORMATION

## Board of Directors

### Mr. Kazuo Suzuki

Managing Director (w.e.f April 1<sup>st</sup>, 2019)

### Mr. Kazuhiko Shimamura

Managing Director (till March 31<sup>st</sup>, 2019)

### Mr. Junichi Suzuki

Non-Executive Director

### Dr. Haresh Shah

Independent & Non-Executive Director

### Mr. Shailendrajit Rai

Non-Executive Director

### Mr. Satyavara Prasad Garimella

Independent & Non-Executive Director

### Ms. Shilpa Dixit

Independent & Non-Executive Director

## Chief Financial Officer

Mr. Jitendra Parmar

## Company Secretary

Mr. Omkar Kaulgud (till June 30<sup>th</sup>, 2018)

Mr. Shrikant Joshi (w.e.f August 2<sup>nd</sup>, 2018)

## Bankers

MUFG Bank Ltd  
Mumbai

Mizuho Bank Ltd  
Mumbai

Sumitomo Mitsui Banking Corporation  
Delhi

Axis Bank Ltd  
Pune

Kotak Mahindra Bank Ltd  
Pune

State Bank of India  
Pune

## Auditors

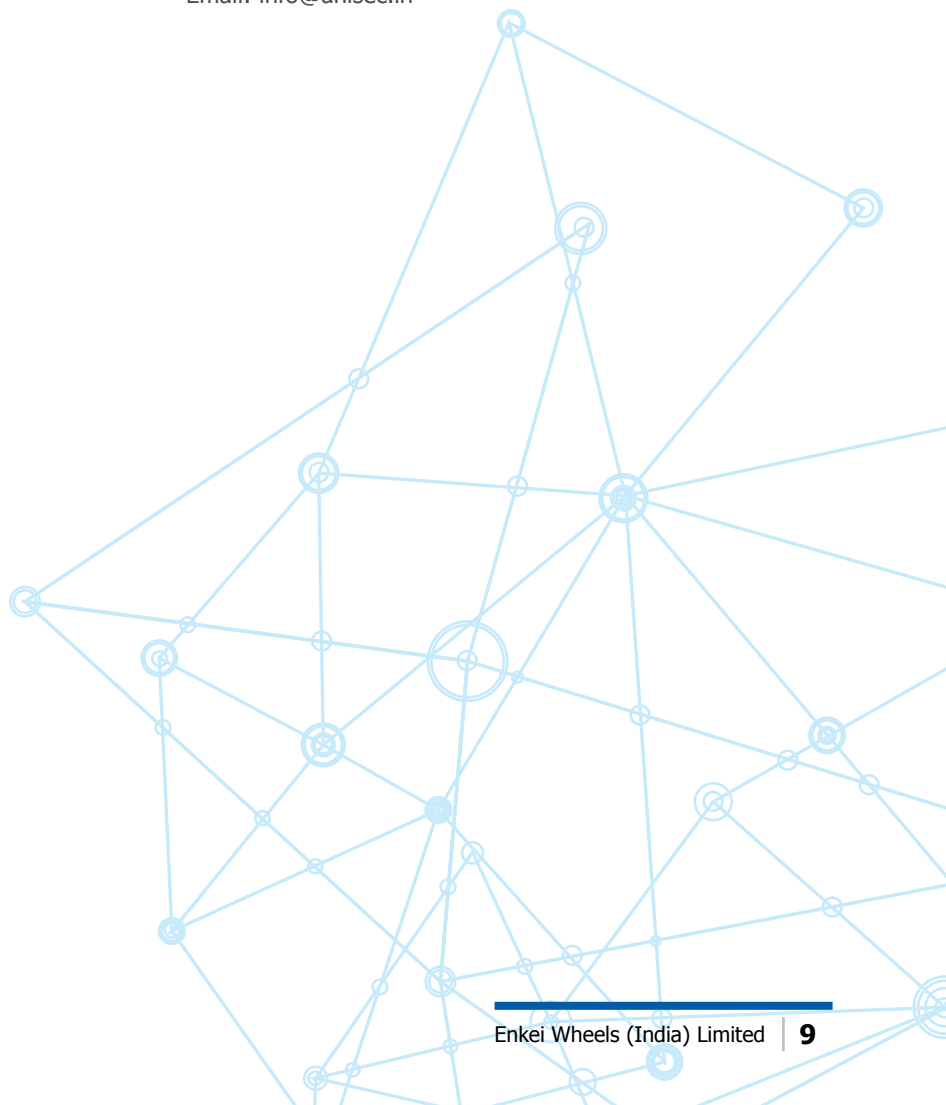
Asit Mehta & Associates  
Chartered Accountants, Mumbai

## Registered Office & Works

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

## Registrar & Share Transfer Agents

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







NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ENKEI WHEELS (INDIA) LIMITED WILL BE HELD ON TUESDAY THE 9th DAY OF JULY 2019 AT 12.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT GAT NO. 1425, VILLAGE SHIKRAPUR, TALUKA SHIRUR, PUNE-412208 TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

**ITEM NO. 1** - To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon.

**ITEM NO.2** - To appoint a director in place of Mr. Shailendrajit Charanjit Rai (DIN: 00050950), who retires by rotation, and being eligible, seeks reappointment.

**SPECIAL BUSINESS:**

**ITEM NO. 3 - TO APPOINT AUDITORS AND TO FIX THEIR REMUNERATION.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to recommendations of the Audit Committee and Board of Directors of the Company, M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W / W100057) who have given their consent for appointment as Auditors of the Company and have confirmed their appointment and eligibility to be appointed as Auditors of the Company in terms of provision of Section 141 of the Act, be and are hereby appointed as Statutory Auditors of the Company to the hold office for period of 5 (five) years from the conclusion of this Annual General Meeting until the conclusion of the 15th Annual General Meeting to be scheduled in the calendar year 2024, on such remuneration as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors.

**ITEM NO.4 : RE-APPOINTMENT OF MR. HARESH BABULAL SHAH (DIN: 00228471) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Hareesh Babulal Shah (DIN: 00228471), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of (5) five consecutive years form conclusion of 10th Annual General Meeting of the Company till the conclusion of the 15th Annual General Meeting of the Company to be held in the calendar year 2024, subject to Dr. Hareesh Shah satisfying the criteria of independence in terms of the Companies Act 2013, Rules made thereunder and the Listing regulations and whose office shall not be liable to retire by rotation".

Dr. Hareesh Shah, director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

**ITEM NO.5 : RE-APPOINTMENT OF MR. SATYAVARA PRASAD GARIMELLA (DIN: 05344245) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Satyavara Prasad Garimella (DIN: 05344245), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of (5) five consecutive years from conclusion of 10th Annual General Meeting of the Company till the conclusion of the 15th Annual General Meeting of the Company to be held in the calendar year 2024, subject to Mr. Satyavara Prasad Garimella satisfying the criteria of independence in terms of the Companies Act 2013, Rules made thereunder and the Listing Regulation and whose office shall not be liable to retire by rotation”.

Mr. Satyavara Prasad Garimella, director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director.

**“RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

#### **ITEM NO.6: APPROVAL FOR TRANSACTION WITH RELATED PARTY.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 177,188 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with rules made thereunder (‘the Rules’), including any statutory modification(s) or amendment(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force and pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the approval of the Audit Committee and the Board of Directors of the Company vide their Resolutions dated 28th May, 2019 and subject to such other approvals, consents, permissions and sanctions of any authorities, as may be necessary, the approval of the Members be and is hereby accorded to enter into/proposed to be entered into contracts/arrangements/agreements/ transactions i) to supply of Machineries and Equipment, ii) to supply of Consumables, iii) to supply of services from Enkei corporation and iv) Royalty payment, v) Sale of Goods and Equipments to Enkei Corporation, Japan, a ‘Related Party’ as defined under Section 2 (76) of the Companies Act, 2013 for aggregate amount up to INR 90 (Ninety) Crores, per financial year for 3 financial years starting from 1<sup>st</sup> April, 2019 till 31<sup>st</sup> March 2022, as per the terms and conditions mutually agreed from time to time and as set out in the Explanatory Statement annexed to the Notice convening this meeting, which are in the ordinary course of business of the Company and all the terms and conditions including pricing are at arm’s length basis, in which Mr. Junichi Suzuki, Director of the Company, is interested.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, any Director and/ or the Company Secretary of the Company be and is hereby authorized, jointly and/or severally, to agree, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as they may deem fit and execute all agreements, addendum agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as the Board in its absolute discretion may deem fit.”

#### **ITEM NO.7: RATIFICATION OF REMUNERATION PAID TO THE MANAGING DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof, the consent of the Shareholders be and is hereby accorded to ratify the remuneration of Mr. Kazuhiko Shimamura, Managing Director (DIN : 05129816 ), as set out in the explanatory statement forming part of this resolution.



**RESOLVED FURTHER THAT** the remuneration as set out in the explanatory statement forming part of this resolution being paid to the Managing Director for a period of 1 (One) year from 01<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

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

**Kazuo Suzuki**  
**(Managing Director)**  
(DIN: 08350372)

Place : Pune

Date : May 28<sup>th</sup>, 2019

**NOTES:**

- 1) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the company. Proxies in order to be effective must be deposited at the registered office of the company in not less than 48 hours before the time fixed for the meeting. The blank proxy form is enclosed.
- 2) Corporate Members intending to send their authorised representative to attend the Annual General Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
- 3) The Registrar of Members and Share Transfer Books of the Company will be closed from 03<sup>rd</sup> July 2019 to 09<sup>th</sup> July,2019 (both days inclusive).
- 4) 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.
- 5) Statement setting out material facts (Explanatory Statement) pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.
- 6) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the business hours on all days except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m. upto the date of ensuing Annual General Meeting and will also be available at the Meeting.
- 7) Brief resume of Directors proposed to be appointed/re-appointed along with such other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Secretarial Standards on General Meetings (SS-2), are provided as Annexure to this Notice.
- 8) Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Company’s Registrar and Share Transfer Agents for assistance in this regard.
- 9) Route Map of venue of Annual General Meeting is annexed to the Notice.

Enkei Wheels (India) Limited, Registered office: Gat No. 1425, Village Shikrapur, Taluka Shirur, Pune-412208



#### 10) The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, 6th July, 2019 at 9.00 a.m. (IST) and ends on Monday, 8th July, 2019 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 02nd July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>





- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

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

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

**ANNEXURE TO THE NOTICE**  
**Explanatory Statement**

[Pursuant to Section 102(1) of the Companies Act, 2013]

The following explanatory statement sets out all material facts relating to various Business including Special Business of the accompanying Notice of the Annual General Meeting to be held on 09<sup>th</sup> July, 2019.

**ITEM NO. 3 -TO APPOINT AUDITORS AND TO FIX THEIR REMUNERATION.**

The Members of your Company at fifth Annual General Meeting of Company held on 25<sup>th</sup> September 2014 appointed M/s. Asit Mehta & Associates, Chartered Accountants, Mumbai (Firm Registration No. 105215W / W100057) as the Statutory Auditors of the Company to hold such office till the conclusion of the 10<sup>th</sup> Annual General Meeting (AGM), which is an ensuing AGM.

Consequently pursuant to the provisions of Section 139(2) of The Companies Act 2013 for Rotation of Auditors, the company is required to appoint a new Auditor for a term of 5 (five) years. As per the evaluation by the Audit Committee and the Board of Directors after taking into consideration the qualifications and experience of the firm proposed to be considered for appointment as auditor, size and requirements of the company, the Board recommends appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W / W100057) as Statutory Auditors of the Company for a term of 5 (five) years at ensuing Annual General Meeting by passing Special Resolution set out at Item No. 3 of the Notice.

The Company has received the consent from the M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W / W100057) and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Company in terms of the provisions of the Companies Act, 2013 and rules made thereunder.

Proposed Professional Fees would be as follows:

Sr. No.	Particulars	Amount (Rs. In Lakhs)
1.	Statutory Audit	14.00
2.	Limited Review	2.25
3.	Certificate for Corporate Governance	1.00
	<b>Total</b>	<b>17.25</b>
	Other Certification Matters	On a case to case basis

There is no material difference in the remuneration offered and remuneration paid to the present Auditors.

No Directors, Key Managerial Personnel or their relatives, and their respective relatives, are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 3 of the accompanying Notice.

**ITEM NO. 4: RE-APPOINTMENT OF DR. HARESH BABULAL SHAH (DIN: 00228471) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR.**

Dr. Hareesh Babulal Shah was appointed as an Independent Non-Executive Director of the Company by the members at the 05<sup>th</sup> AGM of the Company held on 25<sup>th</sup> Day of September 2014 for a period of five consecutive years upto the conclusion of the 10<sup>th</sup> AGM of the Company to be held in the calendar year 2019, which is an ensuing AGM.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company. Based on recommendations of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Shah, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of 5 (five) consecutive years from the conclusion of ensuing 10<sup>th</sup> Annual General Meeting of the Company to the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024.



The performance evaluation of the Independent Directors was conducted by the entire Board of Directors (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration Nomination And Remuneration Policy, inputs received from the Directors covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

Based on recommendations of Nomination and Remuneration committee as well, in the opinion of the Board, Dr. Shah fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Dr. Shah is neither disqualified under Section 164 of the Companies Act 2013 nor debarred from holding office of Director/ Managing Director by virtue of any order of SEBI or any other authority. Copy of the draft letter for appointment of Dr. Shah as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (11:00 am to 1:00 pm) on any working day, except Saturdays, Sundays and public holidays upto and including the date of AGM of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Shah as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Dr. Shah as an Independent Director for another term of 5 (five) consecutive years with effect from the conclusion of ensuing 10<sup>th</sup> Annual General Meeting of the Company to the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024.

Except Dr. Shah, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Dr. Shah is not related to any Director of the Company.

#### **ITEM NO. 5: RE-APPOINTMENT OF MR. SATYAVARA PRASAD GARIMELLA (DIN: 05344245) AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR.**

Mr. Satyavara Prasad Garimella was appointed as an Independent Non-Executive Director of the Company by the members at the 05<sup>th</sup> AGM of the Company held on 25<sup>th</sup> Day of September 2014 for a period of five consecutive years upto the conclusion of the 10<sup>th</sup> AGM of the Company to be held in the calendar year 2019, which is ensuing AGM.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company. Based on recommendations of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. GSV Prasad, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of 5 (five) consecutive years from the conclusion of ensuing 10<sup>th</sup> Annual General Meeting of the Company to the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024.

The performance evaluation of the Independent Directors was conducted by the entire Board of Directors (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration Nomination And Remuneration Policy, inputs received from the Directors covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

Based on recommendations of Nomination and Remuneration committee as well, in the opinion of the Board, Mr. GSV Prasad fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Mr. GSV Prasad is neither disqualified under Section 164 of the Companies Act 2013 nor debarred from holding office of Director/ Managing Director by virtue of any order of SEBI or any other authority. Copy of the draft letter for appointment of Mr. GSV Prasad as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (11:00 am to 1:00 pm) on any working day, except Saturdays, Sundays and public holidays upto and including the date of AGM of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. GSV Prasad as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. GSV Prasad as an Independent Director for another term of 5 (five) consecutive years with effect from the conclusion of ensuing 10<sup>th</sup> Annual General Meeting of the Company to the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024.

Except Mr. GSV Prasad, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. GSV Prasad is not related to any Director of the Company.

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

<b>Sr. No.</b>	<b>Particulars</b>		<b>Description</b>	
1.	Name of Director	Mr. Shailendra Rai. (DIN:00050950)	Dr. Haresh Babulal Shah (DIN: 00228471)	Mr. Satyavara Prasad Garimella (DIN: 05344245)
2.	Nature of Appointment	Director retires by rotation, and being eligible, seeks reappointment.	Reappointment as a Non executive independent Director.	Reappointment as a Non executive independent Director.
3.	Reference of Resolution Number in notice	2	4	5
4.	Father's Name	Mr. Charanjit Rai	Mr. Babulal Shah	Mr. Venkata Narayana Garimella
5.	Relationship with other Directors	NIL	NIL	NIL
6.	Date of Birth	01/02/1956	06 / 05 / 1957	27 / 08 / 1959
7.	Brief Resume of the Directors	Industrialist, Managing Director of Aicon Castalloy Limited.	Practicing Chartered Accountant, Valuer in Pune.	Practicing Chartered Accountant in Hyderabad.
8.	Qualifications	Chartered Accountant.	Chartered Accountant, Ph. D. in Mergers and Acquisitions.	Chartered Accountant.
9.	Expertise	Management and Finance.	Finance and Corporate Restructuring.	Audit, Taxation, Strategic Planning and Implementation.
10.	Date of first appointment.	30/03/2009	15/07/2009	24/07/2012
11.	List of outside directorships Held (Public Limited Co.)	Please refer Report of Corporate Governance.	NIL	NIL
12.	Member of the Committees in other companies in India	Please refer Report of Corporate Governance.	Nil	Nil





Sr. No.	Particulars		Description	
13.	Shareholding in the Company	262674	Nil	Nil
14.	Number of Meetings of the Board attended	Please refer Report of Corporate Governance.	Please refer Report of Corporate Governance.	Please refer Report of Corporate Governance.
15.	Details of remuneration last drawn	Please refer Report of Corporate Governance.	Please refer Report of Corporate Governance.	Please refer Report of Corporate Governance.

#### ITEM NO. 6: APPROVAL FOR TRANSACTION WITH RELATED PARTY.

The Company has entered into/proposed to enter into contracts /arrangements /agreements/ transactions i) to supply of Machineries and Equipment, ii) to supply of Consumables, iii) to supply of services from Enkei corporation and iv) Royalty payment, v) Sale of Goods and Equipments to Enkei Corporation, Japan, a 'Related Party' as per the terms and conditions mutually agreed from time to time, which are in the ordinary course of business of the company and terms and conditions including pricing are at arm's length basis and the same were reviewed by the Audit Committee.

The transactions entered into/proposed to be entered i) to supply of Machineries and Equipment, ii) to supply of Consumables, iii) to supply of services from Enkei corporation and iv) Royalty payment, v) Sale of Goods and Equipments to Enkei Corporation, Japan, are constitutes 'material' as per Related Party Transactions Policy of the Company and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material Related Party Transactions require approval of the shareholders, in which the no related party shall vote to approve resolutions whether the entity is a related party to the particular transaction or not.

The particulars of the transactions pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Name of the Director or Key Managerial personnel who is related	Nature of relationship	Particulars of the contract or arrangement	Monetary value (Amt in Rs)	Any other information relevant or important for the members to make a decision on the proposed transaction
Enkei Corporation	Mr. Junichi Suzuki	Common Director, Promoter and holding company.	i) Supply of Machineries and Equipment from Enkei Corporation,	70 Crores	The transactions are in Ordinary course of business of the Company and on arm's length Price basis
			ii) Supply of Consumables from Enkei Corporation,	5 Crores	
			iii) Supply of services from Enkei Corporation	7 Crores	
			iv) Royalty payment to Enkei Corporation	7 Crores	
			v) Sale of Goods and Equipments to Enkei Corporation	1 Crores	
			<b>Total</b>	<b>90 Crores</b>	

The copy of respective documents entered/ to be entered containing broad terms and conditions are open for inspection during business during normal business hours (11:00 am to 1:00 pm) on any working day, except Saturdays Sundays and public holidays upto and including the date of AGM of the Company, at the Registered Office of the Company and same is also available for inspection by members at the Annual General Meeting.

Based on recommendations of Audit Committee as well, The Board of Directors recommends to the members the passing of the Ordinary Resolution for the contracts/ arrangements/transactions with Enkei Corporation entered/ to be entered as mentioned at Item No. 6 of the accompanying Notice.

No Directors, Key Managerial Personnel or their relatives, except Mr. Junichi Suzuki and their respective relatives, are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 6 of the accompanying Notice.

#### **ITEM NO.7: RATIFICATION OF REMUNERATION PAID TO THE MANAGING DIRECTOR:**

Mr. Kazuhiko Shimamura was appointed by board on 01st March 2016. Members of the company have approved said appointment by way of Special Resolution in the Annual General Meeting held on 29th July 2016 for the period of three years till 28th February 2019. As a matter of good governance practice company have taken approval from the Central Government. During the year under review remuneration paid to the Managing Director is in excess of minimum limit approved by members. Based on recommendations of nomination and remuneration committee, Board consider that member's approval is necessary for the excess remuneration paid.

Sub-section (1) of Section 197 of the Companies Act, 2013 read with Schedule V to the Act, as amended by the Companies (Amendment) Act, 2017, shall allow the Members of the Company to ratify the excess managerial remuneration by way of a Special resolution without requiring approval of the Central Government.

The remuneration and perquisites of Mr. Kazuhiko Shimamura are set out in this explanatory statement is forming part of the resolution no. 7 of the notice and are subject to approval of members and Central Government, if any, under the provisions of Sections 196, 197, 198, 203 and other applicable provisions read with Schedule V of the Companies Act, 2013

- i. Salary INR 1,65,000/- per month.
- ii. Perquisites and facilities As per the Annexure I:
- iii. Withholding Taxes at actual was borne by the Company.

#### **Annexure I: PERQUISITES:**

- I. Medical Reimbursement:  
Reimbursement of medical expenses as per Income Tax Act and Rules.
- II. Club Fees:  
Fees of maximum two clubs excluding admission and life membership fees.
- III. Housing Accommodation :  
Reasonable apartment accommodation were provided by the company.
- IV. Annual Leave:  
30 days annual leave paid for every completed service of eleven months.
- V. Leave Travel Concession:  
Twice in a year, round trip air ticket reimbursed by the company.
- VII. Provision of Car:  
One car facility was provided by the Company for MD exclusive use.
- VIII. Telephone:  
Cell phone charges were paid by the Company.
- IX. The company have reimbursed actual entertainment and traveling expenses incurred by the managing director in connection with the company's business.



An average Amount of above perquisite is INR. 5,78,024 /- per month.

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

**I. General Information:**

- a. Nature of Industry: Company is in Auto Parts and Equipment Industry, engaged in the manufacturing of Aluminium alloy wheels for 2W and 4W.
- b. Date of Commencement of Commercial Production: 30<sup>th</sup> March 2009
- c. Financial Performance:  
Performance of the company in detail discussed in Board's report annexed with this notice.
- d. Foreign Investment: As on 31.03.2019 the total foreign Investment in the Company is 72.26% which are held by Enkei Corporation, Japan.

**II. Information about Managing Director:**

**1. Background:**

Mr. Kazuhiko Shimamura, Age: 51 Years has done Master in Business Administration (MBA) from Chukyo University, Japan and he had 27 years of experience. He has a special expertise Business Management Analysis and Finance.

**2. Past Remuneration:**

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

Period	Salary (in Rs. Approx)	Commission (in Rs.)	Total (in Rs. Approx)	Name of organisation and Designation
01-04-2017 to 31-03-2018	25,58,759	--	25,58,759	Managing Director
01-04-2016 to 31-03-2017	27,99,027	--	27,99,027	Managing Director
01-03-2016 to 31-03-2016	2,55,114	--	2,55,114	Managing Director
01-04-2015 to 28-02-2016	18,59,397	--	18,59,397	Enkei Wheels (India) Limited Sr. Vice President

**3. Recognitions or awards:**

Nil.

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

Mr. Kazuhiko Shimamura had experience of 27 years in the Enkei Group. This has enabled him to garner wide experience in the Auto Industry. He was responsible for the overall Management of the Company under the supervision, control and direction of the Board of Directors during his tenure.

**5. Remuneration paid:**

Monthly remuneration paid during the year INR 7,43,524 /- inclusive of other perquisites.

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

The exact latest data of the comparative profile with remuneration of CEO/MD/Key Personnel of Auto parts and equipment

Companies is not available; however the CEO's/MDs/Key Managerial personnel of auto parts and equipment's Companies of comparable status are generally receiving remuneration in above scale only.

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

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

**8. Directorship with other entities:**

NIL

**III. OTHER INFORMATION:**

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

EWIL imports its majority of the raw material and hence heavily impacted by foreign currency fluctuations. During the year currency fluctuation up to 20% adversely affected financials of the Company. Further since last October slowdown in automobile industry which affected sale of the company. Government policies related with safety and environment was strictly implemented which temporarily created slowdown in the auto industry and thus affected profitability for the financial year 2018-19.

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

Company is taking steps for currency hedging for raw material payments 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 taken steps to expand its four wheel base which will doubled the productivity and profits.

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

Based on recommendations of Nomination and Remuneration committee as well, the Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.





# DIRECTORS' REPORT

To,

The Members,

We are delighted to present the Tenth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2019.

## Financial Highlights

The Company's financial performance during the year 2018-19, as compared to the previous year 2017-18 is summarized below:

Particulars	(Rs. In Million)	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Total Revenue	<b>4759.06</b>	4792.72
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)	<b>272.43</b>	424.53
Less: Depreciation	<b>213.38</b>	232.99
Less: Financial Expenses	<b>55.35</b>	47.92
Profit / (Loss) before exceptional and extraordinary items and tax	<b>3.69</b>	143.62
Less: Exceptional and Extraordinary items	<b>(133.04)</b>	(49.66)
Profit/(Loss) before Tax	<b>136.73</b>	193.29
Less: Provisions for Taxes	<b>9.41</b>	85.48
Profit/(Loss) after Tax	<b>127.33</b>	107.80

## REVIEW OF OPERATIONS

In the financial year, 2018-19 your Company has focused on productivity up due to change in Production facility, change in 4W manufacturing plant. Financial year was sluggish and major slowdown was noticed in the 2<sup>nd</sup> half of the year. During the year Metal price was at its peak in 1st half of the financial year which has adversely affected the margin of the Company. Overall your Company landed with the sales of total 2.16 million wheels during the year under review as against total sales 2.37 million wheels. Your Company had posted 9.3% overall de growth in terms of sales volume as well as 0.7% de growth in sales value in year under review as compared to last year.

## TURNOVER

During the year under review, the Company has recorded Gross Sales of Rs. 4,759.06 in current financial year as compared to Gross Sales of Rs. 4,792.72 million of last financial year. As compared to the last year sale of company was slightly reduced due to slow down condition in auto industry of India

## CAPITAL

During the year under review, Company has allotted 8,11,000 Equity Shares on Preferential basis on 25<sup>th</sup> May 2018 against share application money of Rs. 34,87,30,000 at Rs. 430 (including the premium of Rs. 425) each received from its Holding Company i.e. Enkei Corporation, Japan after obtaining requisites approvals from all competent authorities.

Company have raised fund through preferential issue for the purpose of expansion of plant at Shikrapur, Pune. Entire proceeds of the preferential issue was utilised for said purpose.

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

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

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

**Details in respect of frauds reported by auditors under sub-section (12) of Section 143 "other than those which are reportable to the Central Government"**

No matters of actual or alleged fraud has been reported by the auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

**LISTING FEES**

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

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

**EXTRACT OF ANNUAL RETURN**

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

**NUMBER OF MEETINGS OF THE BOARD**

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

<b>Name of Director</b>	<b>No. of Board Meetings Attended (Total Meetings held: 8)</b>
Mr. Kazuhiko Shimamura	8/8
Mr. Junichi Suzuki	2/8
Mr. Shailendrajit Rai	7/8
Dr. Haresh Shah	8/8
Mr. Satyavara P. Garimella	8/8
Ms. Shilpa Dixit	8/8

**SEPARATE MEETING OF INDEPENDENT DIRECTORS**

Pursuant to schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-independent

directors and members of the Management. Accordingly, independent directors of the Company met on Tuesday, 19<sup>th</sup> March 2019 to consider the following business as required under the Companies Act, 2013:

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

All the independent directors were present for the meeting.

**FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS**

The company as required under Schedule IV of the Companies Act, 2013 and Listing Regulations has made arrangement to facilitate the independent directors to familiarize with the operations of the company, their roles, rights, responsibilities as Directors of the company considering the nature of the industry in which the company operates, business model of the company, etc. The above aspect can be accessed on website www.enkei.in. During the F.Y. 2018-19 no new independent directors have been appointed by the company.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- a. That in the preparation of the annual accounts for year ending on 31<sup>st</sup> March 2019; the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. That the Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the company for that year.
- c. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the company and for preventing and detecting fraud and other irregularities.



- d. That the Directors had prepared the annual accounts for the year ended on 31st March 2019 on a going concern basis.
- e. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **DIVIDEND**

In the view of continuing expansion your Directors have decided to conserve the resources of the company, and hence your Directors have not recommended any dividend for the current financial year.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in last year. Further there is no unclaimed dividend or outstanding dividend, standing in the books of the Company.

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

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and in 16 (1) (b) of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and pursuant to Regulation 16(1)(b) of the Listing Regulations, each Independent Director confirmed that, he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/ her duties with an objective independent judgment and without any external influence and that he/she is independent of the management.

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

The Board had on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The Company policy on Directors & KMP remuneration is available on the Company's website at [http://www.enkei.in/download/others/Nomination\\_Remuneration\\_Policy.pdf](http://www.enkei.in/download/others/Nomination_Remuneration_Policy.pdf)

### **AUDITORS**

#### **A. Statutory Auditor**

The Members of your Company at fifth Annual General Meeting of your Company held on 25<sup>th</sup> September 2014

appointed M/s. Asit Mehta & Associates, Chartered Accountants, Mumbai (Firm Registration No. 100733W) as the Statutory Auditors of the Company to hold such office till the conclusion of the 10<sup>th</sup> Annual General Meeting(AGM), which is the ensuing AGM.

Consequently, pursuant to the provisions of Section 139(2) of The Companies Act 2013 for Rotation of Auditors, the company is required to appoint a new Auditor for a term of 5 (five) years. As per the evaluation by the Audit Committee and the Board of Directors, the Board recommends appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W) as Statutory Auditors of the Company for a term of 5 (five) years from the ensuing Annual General Meeting till the conclusion of 15<sup>th</sup> Annual General Meeting to be held in calendar year 2024, for the approval of the shareholders in forthcoming AGM.

Details of remuneration is provided in explanatory statement annexed to the notice. There is no material difference in the remuneration offered and remuneration paid to the present Auditors.

#### **B. Secretarial Auditor**

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

### **EXPLANATION ON COMMENTS ON STATUTORY AUDITORS', SECRETARIAL COMPLIANCE REPORT AND SECRETARIAL AUDITORS' REPORTS**

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

Observation made by the Statutory Auditors and Secretarial Auditors in their respective reports on Managerial Remuneration is self-explanatory in nature. Company is seeking approval of the Members in ensuring Annual General Meeting for the remuneration paid during the year under review.

### **COST AUDIT REPORT AND MAINTENANCE OF COST RECORDS**

The Cost audit of the Company has not been conducted for the financial year 2018-19 as provisions of Section 148 of the Companies Act, 2013 are not applicable to the Company.

Maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 (1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 for the business activities carried out by the Company. Accordingly, the reporting under clause (vi) of paragraph 3 of the Order are not applicable to the Company.

### **CHANGE IN FINANCIAL YEAR**

Enkei Corporation, Japan, parent company has requested to your company to change its current financial year April to March and adopt new financial year January to December to bring the uniformity among the group companies. Board of directors of your company has considered the said request at the meeting held on 31<sup>st</sup> January 2019 and passed resolution to change the financial year as January to December subject to the approval from Central Government of India. Your company has filed necessary application to the Central Government of India at the office of Regional Director, Mumbai and same is waiting for the approval.

### **RISK MANAGEMENT**

The management is accountable for the integration of risk management practice into the day to-day activities. The Company has framed its Risk Management Policy detailing the identification of elements of risks, monitoring and mitigation of the risks. 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. No major elements of the risk exist, which in the opinion of the Board may threaten the existence of the company.

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

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

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

All contract/arrangement/transactions entered by the Company during the Financial Year 2018-19 with the related parties were in the ordinary course of business and on arm's length basis. Hence, no particulars are being provided in Form AOC-2.

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

Further, we draw your attention to Note no 33(N) of the Financial Statements of the Company.

### **STATE OF COMPANY'S AFFAIRS**

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

### **AMOUNTS PROPOSED TO BE CARRIED TO RESERVES**

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

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

Your company being eligible had applied to the Directorate of Industries, Government of Maharashtra under Package Scheme of Incentives (PSI – 2007) and claimed industrial promotion subsidy under the said scheme. The Directorate of Industries, Government of Maharashtra vide their letter dated 09<sup>th</sup> May 2019 have approved disbursement industrial promotion subsidy of Rs. 273.73 Lakhs in aggregate. As per the letter, the actual disbursement by the Directorate of Industries could be considered only on receipt of funds from the Government.

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

### **EMPLOYEES' REMUNERATION**

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

Details of the Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure-II' to this Report.

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

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



We are following Group Policy "Save 10 " towards energy saving. Company's aim is to reduce energy Cost by 10%. During the year under review, Company has installed Express Feeder and could able to reduce use of DG in its operation. Company is having solar system over Canteen Building for energy saving. Company has also installed Nitrogen plant for Energy saving, Solar lights in its Garden area. Company also implements various Kaizan to conserve energy.

### **RESEARCH AND DEVELOPMENT**

During the year under review your company has upgraded few testing equipment in the new Testing Lab established in the previous financial year. This Testing Lab will enable Company to test the wheels produced by MAT Process (Most Advance Technology). Further during the year Company has started modern art of Helium Airleak testing facility which takes Enkei India on the horizon of Enkei global quality standards. Enkei India is continuously making efforts to match its standard with Enkei Global. The Company has incurred total Rs. 35.11 towards Research & Development during the year.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total foreign exchange earned : Rs. 22.39 Lakh

Total foreign exchange used : Rs. 25,898.36 Lakh

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

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

For the year under review the provisions of Section 135 of the Companies Act, 2013 are applicable to the company. Further, the Board of Directors has formed the CSR Committee & approved CSR Policy.

The detailed constitution of CSR Committee is provided in Corporate Governance Report & CSR Policy is available on the website of the Company.

Report on CSR Activities as required under Section 135 of The Companies Act 2013 and Rules framed there under is attached as an Annexure IV to this report.

### **Performance evaluation of board and its Committees**

Pursuant to provisions of the Companies Act and the Listing Regulations, the Board has carried out the annual performance evaluation of Board's own performance, the Committees and independent Directors without participation

of the relevant Director. The Nomination and Remuneration Committee of the Board also have evaluated the performance of the Board and provided feedback to the Board. The independent directors had a separate meeting without the presence of any non independent directors and management and considered and evaluated the Board's performance and other non independent directors and shared their views with the board.

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

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

During the year under review, period of appointment of Mr. Kazuhiko Shimamura as a Managing Director was lapsed on 28<sup>th</sup> February 2019. Board had reappointed Mr. Kazuhiko Shimamura as a Managing Director of the Company for the period of one month till 31<sup>st</sup> March 2019.

Thereafter Mr. Kazuhiko Shimamura resigned from board with effect from 31<sup>st</sup> March 2019.

Board of directors in the meeting held on 01<sup>st</sup> April 2019 appointed Mr. Kazuo Suzuki as Managing Director of the company for the period of 5 (five) years with effect from 01<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024, which was subsequently approved by the members of the company in the Extraordinary General Meeting held on 14<sup>th</sup> May 2019. As Mr. Kazuo Suzuki is Nonresident in India, company is in process of filling necessary application for approval of Central Government of India as per the schedule V of the Companies Act 2013.

Mr. Kazuhiko Shimamura was the member of Audit committee, Share transfer committee, Stakeholder Grievance Committee, Corporate Social Responsibility (CSR) Committee, consequently he resigned from membership of these committees also. Board of Director appointed Mr. Kazuo Suzuki in place of Mr. Shimamura on all above committees.

Board appointed Mr. Shrikant Joshi as Company Secretary and Compliance officer at meeting held on 02nd August 2018 in place of Mr. Omkar Kaulgud, the previous Company Secretary And Compliance Officer who left the company on 30th June 2018.

There is no other change in composition of board, key managerial persons during the period under review except mentioned above.



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

Mr. Shailendrajit Rai, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Dr. Haresh Shah and Mr. Satyavara Prasad Garimella was appointed as an Independent Non-Executive Director of the company by the members at the 05th AGM of the Company held on 25th Day of September 2014 for a period of five consecutive years upto the conclusion of the 10th Annual General Meeting of the Company to be held in the calendar year 2019, which is upcoming AGM.

Board recommends passing of the Special Resolution in ensuring Annual General Meeting in relation to re-appointment of Dr. Haresh Shah and Mr. GSV Prasad as an Independent Director for another term of 5 (five) consecutive years with effect from the conclusion of ensuing 10th Annual General Meeting of the Company to the conclusion of the 15th Annual General Meeting of the Company to be held in the calendar year 2024.

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

None.

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

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

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

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

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

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

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

The Company has developed a strong two tier internal control framework comprising entity level controls and process level controls. The entity level controls of the Company

include elements such as defined code of conduct, whistle blower policy, rigorous management review and MIS and strong internal audit mechanism. The process level controls have been ensured by implementing appropriate checks and balances to ensure adherence to Company policies and procedures, efficiency in operations and also reduce the risk of frauds. Regular management oversight and rigorous periodic testing of internal controls makes the internal controls environment strong at the Company. The Audit Committee along with Management overseas results of the internal audit and reviews implementation on a regular basis.

### **COMPOSITION OF COMMITTEES**

The composition of all committees formed by board is provided in Corporate Governance Report.

### **VIGIL MECHANISM**

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

### **CASH FLOW**

A Cash Flow Statement for the year ended 31st March 2019 is attached to the Balance Sheet.

### **CORPORATE GOVERNANCE**

Corporate Governance report for the year under review is annexed herewith.

### **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**

**Kazuo Suzuki**  
Managing Director  
(DIN: 08350372)

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

Place: Pune  
Date: May 28<sup>th</sup>, 2019



# Annexure I

## to Directors' Report

### Form No. MGT - 9

(as at Financial Year ended 31<sup>st</sup> March 2019)

### EXTRACT OF ANNUAL RETURN

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

#### I. REGISTRATION AND OTHER DETAILS

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and description of main products	NIC code of the product	% to total turnover of the Company
1.	Manufacturing of Aluminum Alloy road wheels for 2 Wheeler & 4 Wheeler	29301	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Enkei Corporation ACT Tower 26F 111-2 Itaya-machi, Naka-ku Hamamatsu City, Shizuoka Pref 430-7726, Japan	N.A.	Holding	72.26	2(46)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as %age of Total Equity)

##### (i) Category Wise Shareholding

Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FII	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(A)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
h) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Bodies Corporate	10911695	0	10911695	70.80	11722695	0	11722695	72.26	1.46
j) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
k) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(A)(2):</b>	<b>10911695</b>	<b>0</b>	<b>10911695</b>	<b>70.80</b>	<b>11722695</b>	<b>0</b>	<b>11722695</b>	<b>72.26</b>	<b>1.46</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Foreign Portfolio Investors	2000	0	2000	0.01	65171	0	65171	0.40	0.39
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify) (Alternate Investment Funds)	0	0	0	0.00	88000	0	88000	0.54	0.54
<b>Sub-total(B)(1)</b>	<b>2000</b>	<b>0</b>	<b>2000</b>	<b>0.01</b>	<b>153171</b>	<b>0</b>	<b>153171</b>	<b>0.94</b>	<b>0.93</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.	421394	1210	422604	2.74	392329	1010	393339	2.42	-0.32
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1766585	122042	1888627	12.25	1649249	96642	1745891	10.76	-1.49
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	802474	0	802474	5.21	848566	0	848566	5.23	0.02



Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>C. Others(Specify)</b>									
i) NBFC	20554	0	20554	0.13	1579	0	1579	0.01	-0.12
ii) Clearing Members	16602	0	16602	0.11	22997	0	22997	0.14	0.03
ii) NRI/OCB'S	114617	0	114617	0.74	114844	0	114844	0.71	-0.04
iii) Directors & Relatives	277734	0	277734	1.80	277734	0	277734	1.71	-0.09
iv) LLP/Partnership Firm	856893	0	856893	5.56	856143	0	856143	5.28	-0.28
v) HUF	97895	0	97895	0.64	85736	0	85736	0.53	-0.11
<b>Sub-total(B)(2)</b>	<b>4374748</b>	<b>123252</b>	<b>4498000</b>	<b>29.19</b>	<b>4249177</b>	<b>97652</b>	<b>4346829</b>	<b>26.79</b>	<b>-2.39</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>4376748</b>	<b>123252</b>	<b>4500000</b>	<b>29.20</b>	<b>4402348</b>	<b>97652</b>	<b>4500000</b>	<b>27.74</b>	<b>-1.46</b>
c. Shares held by Custodian for GDRs&ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total(A+B+C)</b>	<b>15288443</b>	<b>123252</b>	<b>15411695</b>	<b>100.00</b>	<b>16125043</b>	<b>97652</b>	<b>16222695</b>	<b>100.00</b>	

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Enkei Corporation	10911695	70.80	0.00	11722695	72.26	0.00	1.46
	<b>Total</b>	<b>10911695</b>	<b>70.80</b>	<b>0.00</b>	<b>11722695</b>	<b>72.26</b>	<b>0.00</b>	<b>1.46</b>

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	10911695	70.80		
	<b>Date wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / (e.g. allotment / transfer / bonus / sweat equity etc.)</b>				
	<b>Date</b>	<b>Name of Promoter</b>	<b>Reason</b>		
1.	25th May 2018	Enkei Corporation	Preferential Allotment	8,11,000	4.99
	<b>At the End of the Year</b>			<b>11722695</b>	<b>72.26</b>

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

Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding		Reason for Change	Cumulative Shareholding	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Nastic Trading LLP	<b>At the beginning of year</b>	<b>570000</b>	3.51			
		<b>At the end of Year</b>	<b>570000</b>	3.51			
2	Pamela Trading LLP	<b>At the beginning of year</b>	<b>286000</b>	1.76			
		<b>At the end of Year</b>	<b>286000</b>	1.76			
3	Skyblue Trading And Investment P Ltd	<b>At the beginning of year</b>	<b>254880</b>	1.57			
		<b>At the end of Year</b>	<b>254880</b>	1.57			
4	Omkar Singh Karla	<b>At the beginning of year</b>	<b>138476</b>	0.85			
		06-04-18	-37311	-0.23	Transfer	101165	0.62
		11-05-18	7005	0.04	Transfer	108170	0.67
		18-05-18	5200	0.03	Transfer	113370	0.70
		25-05-18	5001	0.03	Transfer	118371	0.73
		01-06-18	8001	0.05	Transfer	126372	0.78
		08-06-18	3190	0.02	Transfer	129562	0.80
		15-06-18	3333	0.02	Transfer	132895	0.82
		22-06-18	1100	0.01	Transfer	133995	0.83
		30-06-18	2848	0.02	Transfer	136843	0.84
		06-07-18	112	0.00	Transfer	136955	0.84
		20-07-18	500	0.00	Transfer	137455	0.85
		27-07-18	118	0.00	Transfer	137573	0.85
		17-08-18	435	0.00	Transfer	138008	0.85
		24-08-18	368	0.00	Transfer	138376	0.85
		31-08-18	100	0.00	Transfer	138476	0.85
		04-01-19	372	0.00	Transfer	138848	0.86
		18-01-19	22	0.00	Transfer	138870	0.86
		<b>At the end of Year</b>	<b>138870</b>	0.86			
5	NEERAV A PAREKH	<b>At the beginning of year</b>	<b>0</b>	0			
		01-03-19	125000	0.77	Transfer	125000	0.77
		<b>At the end of Year</b>	<b>125000</b>	0.77			





Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding		Reason for Change	Cumulative Shareholding	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
6	Chandraprakash Padiyar	<b>At the beginning of year</b>	<b>111000</b>	0.68			
		13-04-18	5000	0.03	Transfer	116000	0.72
		<b>At the end of Year</b>	<b>116000</b>	0.72			
7	ANKIT GOYAL	<b>At the beginning of year</b>	<b>70117</b>	0.43			
		06-04-18	14	0.00	Transfer	70131	0.43
		04-05-18	-72	0.00	Transfer	70059	0.43
		11-05-18	-10000	0.06	Transfer	60059	0.37
		18-05-18	-56	0.00	Transfer	60003	0.37
		30-06-18	684	0.00	Transfer	60687	0.37
		06-07-18	-684	0.00	Transfer	60003	0.37
		13-07-18	50	0.00	Transfer	60053	0.37
		20-07-18	64	0.00	Transfer	60117	0.37
		10-08-18	135	0.00	Transfer	60252	0.37
		24-08-18	642	0.00	Transfer	60894	0.38
		31-08-18	800	0.00	Transfer	61694	0.38
		29-09-18	15326	0.09	Transfer	77020	0.47
		05-10-18	10	0.00	Transfer	77030	0.47
		31-12-18	85	0.00	Transfer	77115	0.48
		04-01-19	7	0.00	Transfer	77122	0.48
		25-01-19	14346	0.09	Transfer	91468	0.56
01-02-19	-92	0.00	Transfer	91376	0.56		
		<b>At the end of Year</b>	<b>91376</b>	0.56			
8	Blue Lotus Capital Multi Bagger Fund I	<b>At the beginning of year</b>	<b>88000</b>	0.54			
		11-05-18	-3000	-0.02	Transfer	85000	0.52
		06-07-18	3000	-0.02	Transfer	88000	0.54
		<b>At the end of Year</b>	<b>88000</b>	0.54			
9	INDIA MULTI BAGGER FUND I	<b>At the beginning of year</b>	<b>63321</b>	0.39			
		11-05-18	-18321	-0.11		45000	0.28
		06-07-18	4965	0.03		49965	0.31
		13-07-18	1830	0.01		51795	0.32
		20-07-18	1526	0.01		53321	0.33

Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding		Reason for Change	Cumulative Shareholding	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
		03-08-18	10000	0.06		63321	0.39
		<b>At the end of Year</b>	<b>63321</b>	0.39			
10	RAMSWAROOP AGRAWAL	<b>At the beginning of year</b>	<b>110166</b>	0.68			
		11-05-18	-68068	-0.42	Transfer	42098	0.26
		18-05-18	-2555	-0.02	Transfer	39543	0.24
		26-10-18	800	0.00	Transfer	40343	0.25
		25-01-19	3271	0.02	Transfer	43614	0.27
		01-02-19	4177	0.03	Transfer	47791	0.29
		08-02-19	37762	0.23	Transfer	85553	0.53
		15-02-19	3252	0.02	Transfer	88805	0.55
		22-02-19	-28707	-0.18	Transfer	60098	0.37
		<b>At the end of Year</b>	<b>60098</b>	0.37			

#### (v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the year		No, of Shares		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>						
1.	Mr. Kazuhiko Shimamura Till 31 <sup>st</sup> March 2019.	Nil	Nil	Nil	Nil	Nil	Nil
2.	Mr. Kazuo Suzuki w.e. from 01 <sup>st</sup> April 2019	Nil	Nil	Nil	Nil	Nil	Nil
3.	Mr. Junichi Suzuki	Nil	Nil	Nil	Nil	Nil	Nil
4.	Mr. Shailendrajit Rai	2,62,674	1.70	Nil	Nil	2,62,674	1.62
5.	Dr. Haresh Shah	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Satyavara Prasad Garimella	Nil	Nil	Nil	Nil	Nil	Nil
7.	Ms. Shilpa Dixit	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr. Jitendra Parmar	Nil	Nil	Nil	Nil	Nil	Nil
9.	Mr. Omkar Kaulgud. Till 30 <sup>th</sup> June 2018	Nil	Nil	Nil	Nil	Nil	Nil
10	Mr. Shrikant Joshi w.e. from 02 <sup>nd</sup> August 2018	Nil	Nil	Nil	Nil	Nil	Nil



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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				-
a. Principal Amount	-	74,23,24,000	-	74,23,24,000
b. Interest due but not paid	-			-
c. Interest accrued but not due		3,26,643	-	3,26,643
<b>Total (a+b+c)</b>	<b>-</b>	<b>74,26,50,643</b>	<b>-</b>	<b>74,26,50,643</b>
<b>Change in indebtedness during the financial year</b>				
• Addition	24,00,00,000	3,78,91,76,660		4,02,91,76,660
• Reduction	24,00,00,000	3,67,62,91,060		3,91,62,91,060
Net Change	-	11,28,85,600	-	
Indebtedness at the end of the financial year				-
d. Principal Amount	-	85,52,09,600		85,52,09,600
e. Interest due but not paid			-	-
f. Interest accrued but not due				-
<b>Total (a+b+c)</b>	<b>-</b>	<b>85,52,09,600</b>	<b>-</b>	<b>85,52,09,600</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration of Managing Director, Whole-time Directors and / or Manager**

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager <b>Mr. Kazuhiko Shimamura Managing Director</b>
1.	Gross Salary	89,22,284
	Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	19,86,000
	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	69,36,284
	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as % of profit	
	- others, specify .....	Nil
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	Nil
	<b>Total (A)</b>	<b>89,22,284</b>
	<b>Ceiling as per the Companies Act, 2013</b>	<b>1,68,00,000</b>

## B. Remuneration to other Directors

Particulars of Remuneration	Name of the Director			Total Amount
	Dr. Haresh Shah	Mr. Satyavara Prasad Garimella	Ms. Shilpa Dixit	
<b>Independent Directors</b>				
Fee for attending board / committee meetings	1,15,000	1,20,000	50,000	2,85,000
Commission	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>1,15,000</b>	<b>1,20,000</b>	<b>50,000</b>	<b>2,85,000</b>
<b>Other Non-Executive Directors</b>				
	<b>Mr. Junichi Suzuki</b>	<b>Mr. Shailendra Rai</b>		
Fee for attending board / committee meetings	10,000	45,000		55,000
Commission	Nil	Nil		Nil
Others, please specify	Nil	Nil		Nil
<b>Total (2)</b>	<b>10,000</b>	<b>45,000</b>		
		55,000		
<b>Total (B) = (1 + 2)</b>	<b>1,25,000</b>	<b>1,65,000</b>	<b>50,000</b>	<b>3,40,000</b>
<b>Total Managerial Remuneration</b>	<b>Rs. 89,22,284</b>			
Overall Ceiling as per the Companies Act, 2013	In compliance with Schedule V of the Companies Act, 2013			

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

Sr. No.	Particulars of Remuneration	Mr. Jitendra Parmar Chief Financial Officer	Mr. Omkar Kaulgud Company Secretary (Till the date 30 <sup>th</sup> June 2018)	Mr. Shrikant Joshi (W.e.from 02 <sup>nd</sup> August 2018)	Total Amount
1.	Gross Salary	27,54,990	1,72,720	5,10,374	34,38,084
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	26,17,841	1,65,470	4,95,231	32,78,542
b.	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	Nil	Nil		Nil
c.	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil		Nil
2.	Stock Option	Nil	Nil		Nil
3.	Sweat Equity	Nil	Nil		Nil
4.	Commission				
	- as % of profit				
	- others, specify .....	Nil	Nil		Nil
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	1,37,149	7,250	15,143	1,59,542
	<b>Total</b>	<b>27,54,990</b>	<b>1,72,720</b>	<b>5,10,374</b>	<b>34,38,084</b>

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

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



# Annexure II

## DETAILS OF THE REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows:

Sr. No.	Name of Director/KMP & Designation	Remuneration of Director/KMP for Financial Year 2018-19	% increase in Remuneration in the financial year	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1.	Mr. Kazuhiko Shimamura (Managing Director)	89,22,284	248.70%	17.73	The degrowth in revenue was 0.7% and increase in Profit after tax was 18% during FY 2018-19
2.	Mr. Jitendra Parmar (Chief Financial Officer)	27,54,990	6.34%	5	The degrowth in revenue was 0.7% and increase in Profit after tax was 18% during FY 2018-19
3.	Mr. Omkar Kaulgud (Company Secretary) Till the date 30 <sup>th</sup> June 2018	1,72,720	-	-	*Please see the note.
4	Mr. Shrikant Joshi (Company Secretary) W.E.From 02 <sup>nd</sup> August 2018	5,10,374	-	-	*Please see the note.

\*Figures are not for the complete financial year hence not comparable.

- The median remuneration of employees of the Company during the financial year 2018-19 was Rs. 5,03,339.
- In the financial year 2018-19, there was an increase of 1.20% in the median remuneration of employees.
- As on March 31, 2019, there were 447 permanent employees who were on the roll of the Company.
- Relationship between average increase in remuneration and Company performance:

The Profit After Tax for the financial year ended 31<sup>st</sup> March, 2019 increased by 18% whereas the median remuneration increased by 1.20% which was in line with Company performance.

- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of the Key Managerial Personnel(s) increased by 113% from Rs.57.88 Lacs to 1.23 Crores in 2018-19 whereas Profit After Tax increased by 18% from Rs. 1,077.99 Lacs in 2017-18 to 1,273.26 Lacs in 2018-19.



# Annexure III

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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

To,

The Members,

**ENKEI WHEELS (INDIA) LIMITED**

Gat No. 1425, Village Shikrapur

Tal - Shirur, Pune - 412208

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2019, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, ~~Overseas Direct Investment~~ and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 & The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the company during the audit period) ;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not Applicable to the company during the audit period) ; and
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not Applicable to the company during the audit period) ; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not Applicable to the company during the audit period) ;
- vi) As informed to us none of the other laws are applicable specifically to the company.
- We have also examined compliance with the applicable clauses of the following:
- i) Secretarial Standards with respect to board & general meetings issued by The Institute of Company Secretaries of India.
  - ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i) During the year under review Company has paid Managerial Remuneration to the Managing Director which is in excess of minimum limits as approved by the shareholders in the Annual General Meeting held on 29<sup>th</sup> July 2016 however it is within the limits of Schedule V and as informed to us Company is in process of obtaining requisite approval of Board of Directors and shareholders under section 197 read with Schedule V of the Companies Act, 2013 in the ensuing Annual General Meeting.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review there were no changes in the composition of the Board of Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

1. The Company has made allotment of 8,11,000 equity shares to the promoters i.e. Enkei Corporation Japan on preferential basis.

For Shailesh Indapurkar & Associates  
Company Secretaries

Sd/-  
**CS Shailesh Indapurkar**  
Proprietor  
ACS 17306  
C. P. No: 5701

Place: Pune  
Date: May 28<sup>th</sup>, 2019

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



**'Annexure A'**

To,

**ENKEI WHEELS (INDIA) LIMITED**

Gat No. 1425, Village Shikrapur

Tal - Shirur, Pune - 412208

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

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

For Shailesh Indapurkar & Associates  
Company Secretaries

Sd/-

**CS Shailesh Indapurkar**

Proprietor

ACS 17306

C. P. No: 5701

Place: Pune

Date: 28<sup>th</sup> May 2019

# Annexure IV

## Report on CSR Activities

Sr. No.	Particulars	Remarks
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web site to the CSR policy and project or programs.	Please refer Report of Corporate Governance. Website site : <a href="http://www.enkei.in">www.enkei.in</a>
2	The Composition of the CSR Committee.	Please refer Report of Corporate Governance.
3	Average net profit of the Company for last three financial years.	₹ 8,45,67,308
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	₹ 16,91,346
5	Details of CSR spent during the financial year: Total amount to be spent for the financial year Amount unspent, if any; Manner in which the amount spent during the financial year is detailed below	₹ 17,54,041 Nil Please refer table
6	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable
7	A Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.	The Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.





## STATUTORY REPORTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SR. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1	Implementation of Street Light, Yodha Rath (Ambulance used to facilitate last journey of human being)	Promoting the role and quality of life of villages, making their life sustainable and enjoyable.	Local area: in the area of Pune District of Maharashtra State.	16,00,000	16,69,111	16,69,111	Direct
2	Education: Donation of Computers, Projectors, Tables, Water Purifier and other equipment's	Promotion of Education	Local area: in the area of Pune District of Maharashtra State.	1,00,000	84,930	84,930	Direct
<b>TOTAL</b>				<b>17,00,000</b>	<b>17,54,041</b>	<b>17,54,041</b>	

\*Give details of implementing agency: Not applicable

**Kazuo Suzuki**  
Managing Director  
DIN: 08350372

**Satyavara Prasad Garimella**  
Chairman, CSR Committee  
DIN : 05344245

# Management Discussion and Analysis

## Global economy

According to the International Monetary Fund (IMF), global economic growth is expected to remain at 3.3% in 2019 and pick up to 3.6% in 2020. The steady pace of expansion in the global economy reflects an increase in downside risks that could potentially exacerbate development challenges in many parts of the world. In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions.

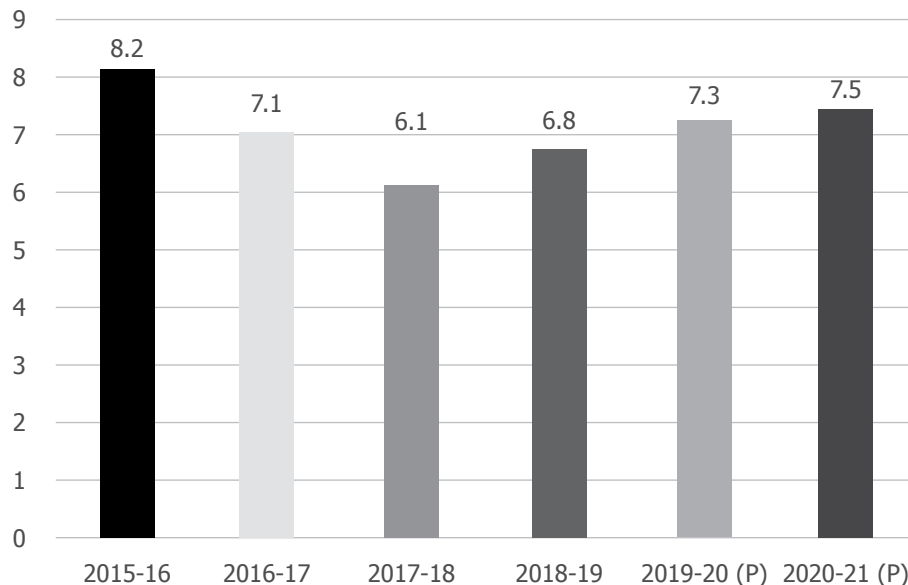
## Indian economy

India is the fastest growing large economy in the world, with an enormous population, favourable demographics and high growth potential. India's GDP grew by 6.8% in FY 2018-19, marginally

higher than 6.7% in FY 2017-18. Ambitious reforms such as Goods and Services Tax (GST), Insolvency and Bankruptcy framework, bank recapitalization, thrust on infrastructure and rural development have been strengthening the macro-economic fundamentals and investment climate of the country. Resultantly, India's ranking in the Ease of Doing Business report by the World Bank moved up by 23 points to 77 in 2018.

Going forward, momentous reform policies set forth by the Government, including the income support package and tax sops for the middle-class will accelerate rural spending and consumption. Private consumption and investment are set to rise with prediction of normal monsoon, credit growth recovery, moderate inflation and greater infrastructure spending. On the back of these positive developments, IMF has pegged the economic growth at 7.3% in FY 2019-20 and 7.5% in FY 2020-21.

**Indian GDP growth**



(Source: CSO; Growth projections for 2019-20 and 2020-21 are IMF's estimates)

## Indian automotive industry

The Indian automobile industry is the world's fourth largest, with the country currently being the world's 4<sup>th</sup> largest manufacturer of cars and 7<sup>th</sup> largest manufacturer of commercial vehicles. Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Two-

wheelers dominate the industry and made up 81% share in the domestic automobile sales in FY19. Overall, domestic automobiles sales increased by 6.71% CAGR between FY13-18 with 26.27 million vehicles being sold in FY19. Indian automobile industry received Foreign Direct Investment (FDI) worth US\$ 20.85 billion between April 2000 and December 2018.



## Production

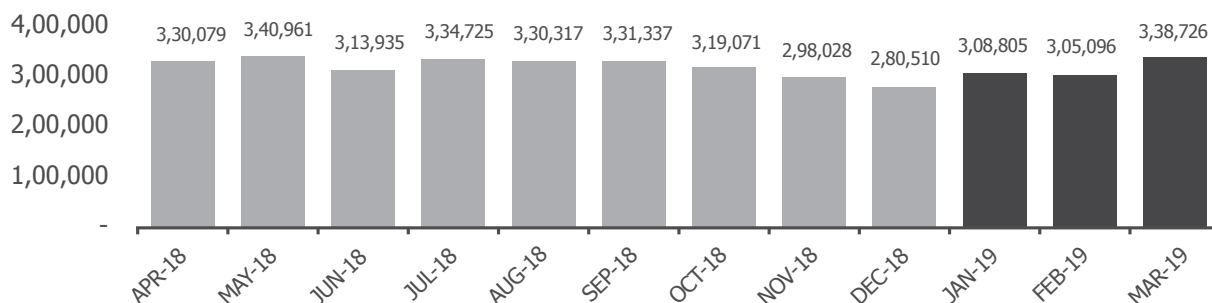
Category	Production		
	April-March		
Segment/Subsegment	2017-18	2018-19	% Change
<b>I Passenger Vehicles ( PVs )</b>			
Passenger Cars	27,46,658	<b>27,10,057</b>	(1.33)
Utility Vehicles(UVs)	10,93,346	<b>10,98,578</b>	0.48
Vans	1,80,263	<b>2,17,412</b>	20.61
<b>Total Passenger Vehicles ( PVs )</b>	<b>40,20,267</b>	<b>40,26,047</b>	<b>0.14</b>
<b>II Commercial Vehicles ( CVs )</b>			
<b>Total Three Wheelers</b>	<b>10,22,181</b>	<b>12,68,723</b>	<b>24.12</b>
<b>IV Two wheelers</b>			
Scooter/Scooterettee	71,17,795	<b>70,95,163</b>	(0.32)
Motorcycles/Step- Throughs	1,51,67,481	<b>1,65,02,734</b>	8.80
Mopeds	8,69,562	<b>9,05,189</b>	4.10
<b>Total Two wheelers</b>	<b>2,31,54,838</b>	<b>2,45,03,086</b>	<b>5.82</b>

## Domestic and export sales in Indian market

Category	Domestic Sales			Exports		
	April-March			April-March		
Segment/Subsegment	2017-18	2018-19	% Change	2017-18	2018-19	% Change
<b>I Passenger Vehicles ( PVs )</b>						
Passenger Cars	21,74,024	<b>22,18,549</b>	2.05	5,80,153	<b>5,13,912</b>	(11.42)
Utility Vehicles(UVs)	9,22,322	<b>9,41,461</b>	2.08	1,66,317	<b>1,58,252</b>	(4.85)
Vans	1,92,235	<b>2,17,426</b>	13.10	1,896	<b>4,029</b>	112.50
<b>Total Passenger Vehicles ( PVs )</b>	<b>32,88,581</b>	<b>33,77,436</b>	<b>2.70</b>	<b>7,48,366</b>	<b>6,76,193</b>	<b>(9.64)</b>
<b>II Commercial Vehicles ( CVs )</b>						
<b>Total Three Wheelers</b>	<b>6,35,698</b>	<b>7,01,011</b>	<b>10.27</b>	<b>3,81,002</b>	<b>5,67,689</b>	<b>49.00</b>
<b>IV Two wheelers</b>						
Scooter/Scooterettee	67,19,909	<b>67,01,469</b>	-0.27	3,14,284	<b>3,98,316</b>	26.74
Motorcycles/Step- Throughs	1,26,20,690	<b>1,35,99,678</b>	7.76	24,83,307	<b>28,65,851</b>	15.40
Mopeds	8,59,518	<b>8,80,243</b>	2.41	17,412	<b>16,674</b>	(4.24)
<b>Total Two wheelers</b>	<b>2,02,00,117</b>	<b>2,11,81,390</b>	<b>4.86</b>	<b>28,15,003</b>	<b>32,80,841</b>	<b>16.55</b>

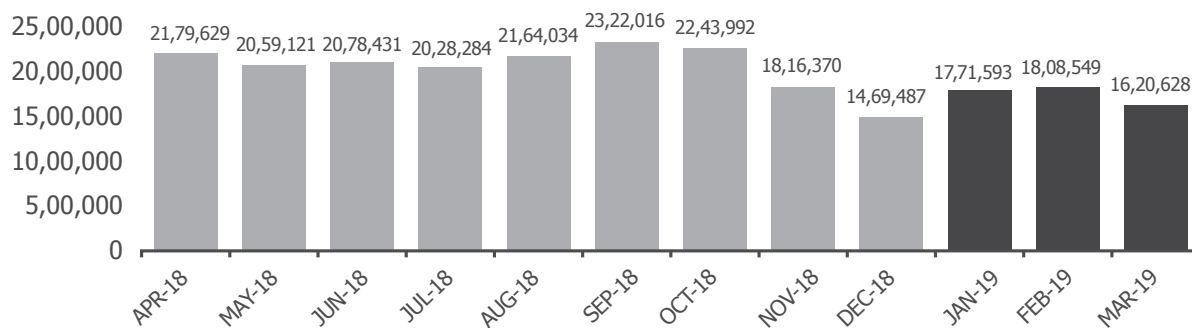
Month wise analysis of sale of 2 W and 4 W

### PC + UV car Sales in FY 2018-19



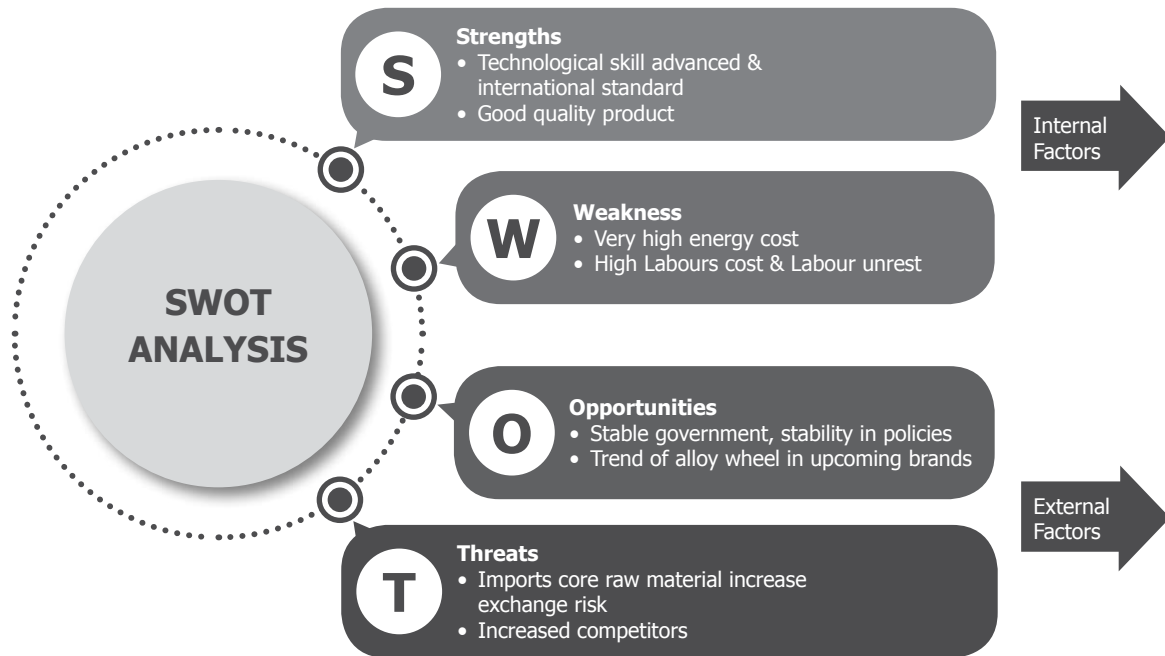
\*PC: Passenger Car, UV: Utility Vehicle

### Motor Cycles + Scooter Sales in FY 2018-19



#### Demand drivers for the industry

- Stable Government will be in a better position to implement policies which will allow market to grow faster.
- Rising per-capita income level, growing middle-class and a large young population are expected to be the major demand drivers for the industry.
- Greater availability of credit and quick financing options are expected to boost sales.
- Demand for commercial vehicles is likely to increase owing to increased level of activity in the infrastructure sector.
- Bigger and better roads are expected to drive sales.
- India's remarkable automotive growth has so far been majorly fuelled by urban consumers creating a substantial disparity between urban and rural sales. Presently, rural India accounts for nearly 70% of the country's population. The improvement in the rural economy will unlock rural demand for vehicles and help India realize its true potential in personal mobility.
- With an aim to capture a dominant share in Indian automobile industry, prominent auto companies are increasing their production capacity. This is further complemented by the low-cost of production in India. Thus, there is a strong export potential in ultra-low-cost cars segment (to developing & emerging markets).



**Outlook**

Indian vehicles will implement BS-VI Emission Standards by April 2020. In order to reduce vehicular pollution, the Government decided to leapfrog from BS-IV to BS-VI emission norms. Additionally, the Indian Government has made the installation of Anti-lock braking system (ABS) Mandatory on all cars, buses and trucks with effect from April 1, 2019. The evolving regulatory norms in the automotive industry will ensure increased safety and minimal pollution.

As per the data by Society of Indian Automobile Manufacturers (SIAM), the Indian automotive industry saw a marginal growth of 5% in FY 2018-19. Sales of total passenger vehicles grew by 2.7% during the year, while two-wheeler sales registered growth of 4.8% over the same period last year. Higher fuel prices, increase in insurance costs, lack of financing options and farm distress were the major reasons for demand slowdown.

SIAM has forecasted a single digit growth rate for overall vehicles sales in FY 2019-20. Passenger vehicle sales are projected to grow between 3-5% and commercial vehicle at 10-12%. The two-wheeler segment is expected to grow between 5-7%. However, stabilization in fuel prices, prediction of normal monsoon, moderate inflation and credit growth recovery are expected to improve consumer sentiment in the coming years.

**Company overview**

**Expansion plan**

With the accelerating growth of the automobile industry, the Company focused on enhancing its existing capacity

during the year along with a focus on achieving full capacity utilization. In line with this strategy, the Company embarked on enhancing its wheel manufacturing capacity by converting existing MAP facility to Most Advance Technology (MAT) manufacturing process for its four-wheeler segment during the year. This is expected to enhance Enkei’s existing capacity by around 10-12%. Considering the increasing demand in the market for bigger size wheels and reface design models, the Company initiated setting up of an additional manufacturing facility including an advanced painting facility adjacent to its present manufacturing to cater to the demand of this new segment. With the part of the facility becoming operational by the end of 2019 and remaining by the end of 2020, it is expected to double the production capacity of the four-wheeler segment of the Company.

**Financial Overview**

Key financial ratios applicable to the Company

Name of Ratio	FY 2018	FY 2019	% Change
Debtor Turnover	0.59	<b>0.69</b>	16.9%
Inventory Turnover	2.24	<b>1.12</b>	-49.9%
Interest Coverage Ratio	5.03	<b>3.47</b>	-31.1%
Current Ratio	1.46	<b>1.25</b>	-14.1%
Debt Equity Ratio	3.41	<b>2.58</b>	-24.5%
Operating Profit Margin Ratio	3.25%	<b>4.04%</b>	24.2%
Net Profit Margin Ratio	2.25%	<b>2.68%</b>	18.9%
Return on Net worth	14.66%	<b>10.62%</b>	-27.6%

## **Ratios where there has been a significant change from FY 2018 to FY 2019**

**Significant changes (i.e change of 25% or more as compared to the FY 2018) is observed in Inventory Turnover, Interest Coverage Ratio and Return on Net worth.**

**Inventory Turnover Ratio:** cause of decreasing inventory turnover is a decrease in sales during the financial year 2018. The sales for the 2<sup>nd</sup> half of the financial year reduce due to overall slowdown in the industry. The Inventory turnover ratio decreased to 1.1 times compared with the previous year 2.2 times

**Interest Coverage Ratio:** Interest coverage ratio is earning before interest and tax (EBIT) divided by total interest cost. During the Financial year 2018 total interests cost increased by 15% compared to previous year due to increase in working capital facility. The sales during the 2<sup>nd</sup> half of the financial year declined and thus earnings declined by 20% compared to previous year.

**Return on Net Worth:** Return on net worth is computed as net profit divided by average net worth. Net profit has declined from 14.66% to 10.23% for the reasons of sales declined as explained above. Additionally the net worth is increased due to addition in share capital on account of preferential equity allotment of 811,000 shares.

## **Risk and concerns**

Risk is the manifestation of business uncertainty that affects corporate performance and prospects. It is an integral part of all businesses but can be controlled through awareness, discipline and commitment.

As a proactive enterprise, Enkei has a systems-based approach to manage risk. The Company's risk mitigation framework comprises a study of emerging business trends, evaluating the probability of the risk affecting the Company, framing policies and strategies, and structured reporting and control.

This disciplined approach coupled with centrally-issued policies, divisionally-evolved procedures and timely execution of proactive counter-measures strengthened Enkei's viability across verticals, products, geographies and market cycles, thereby ensuring that business risks are being effectively addressed.

Further, the senior management periodically reviews the risk management framework to ensure readiness to deal with emerging challenges in a dynamic environment.

## **Internal control systems and their adequacy**

The Company has a robust internal control system in place, adequate for the size and complexity of the organization. A comprehensive review of all the internal control systems

have been carried out to monitor the Company's expanding size and resulting needs. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is fully active. The Audit Committee periodically reviews the sufficiency of the internal audit functions.

The internal audit function is buttressed in consultation with statutory auditors for monitoring statutory and operational issues. As internal auditors, the Company has appointed independent agencies. Testing the adequacy and effectiveness of all internal control systems and suggesting improvements are the prime objectives of this audit. Significant issues are brought to the attention of the audit committee for periodical review.

**Based on its evaluation, the Audit Committee has concluded that the internal financial controls were adequate and operating effectively as of March 31, 2019.**

## **Human resources**

The Company acknowledges that its committed and talented workforce is the key factor for driving sustainable performance and growth. The Company has a team of able and experienced professionals. As one of the most critical assets of the Company, its people are responsible for its competitive advantage.

The work culture and value system at Enkei is designed to provide each employee the adequate space, freedom and guidance to bring out their full potential and provide personal growth opportunities within the organization.

The Company continuously conducts various growth and development initiatives for entry level and mid-level managers. Reward and recognition philosophy and policies of Enkei have always been instrumental in retaining and motivating employees. The management also launched the "3E" - Enkei Evolving Education system, thereby ensuring a framed training to all the employees.

As on March 31, 2019, there were 447 permanent employees on the payroll of the Company.

## **Cautionary statement**

Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, among others, which are valid only at the time of making the statements. A variety of factors known or unknown, expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions. Readers may therefore appreciate the context in which these statements are made before making use of the same.





# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF 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.

## 2 BOARD OF DIRECTORS

### a) 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 persons with vision, leadership qualities, a strategic bent of mind, proven competence, and integrity.

The Company requires skills/expertise/competencies in the areas of Strategy, Finance, Accounting, Economics, legal and regulatory matters, Sustainability, Operations of the Company's businesses to efficiently carry on its core businesses of manufacturing of alloy wheels. All the above required skills/expertise/ competencies are available with the Board.

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.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence.

### b) 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*		Name of Listed / Public company in which person is director	Nature of directorship	No. of Committees of other Companies in which Member	No. of Committees of other Companies in which Chairman	No. of Shares held in the Company as at 31.03.2019
			Public/	Private					
Mr. Kazuhiko Shimamura Till 31.03.2019	Executive Managing Director	None	0	0	NA	NA	0	0	NIL
Mr. Junichi Suzuki	Promoter & Non Executive	None	1	0	ALICON CASTALLOY LIMITED	NED	1	0	NIL
Mr. Shailendrajit Rai	Non-Executive Director	None	3	4	<ul style="list-style-type: none"> <li>• ALICON CASTALLOY LIMITED</li> <li>• SILICON MEADOWS ENGINEERING SERVICES LIMITED</li> <li>• ATLAS CASTALLOY CMD LIMITED</li> </ul>	CMD	3	1	262674
Dr. Haresh Shah	Independent & Non Executive Director	None	0	4	NA	NA	0	0	NIL
Mr. Satyavara P. Garimella	Independent & Non-Executive Director	None	0	0	NA	NA	0	0	NIL

Ms. Shilpa Dixit	Woman & Independent Director	None	0	2	NA	NA	0	0	NIL
Mr. Kazuo Suzuki w.e. from 1 <sup>st</sup> April 2019	Executive Managing Director	None	0	0	NA	NA	0	0	NIL

\* Directorship held in Section 8 Companies & Enkei Wheels (India) Limited are excluded.

ED : Executive Director, NED : Executive Director, CMD : Chairman and Managing Director

### c) Board Meetings and Annual General Meetings :

During the year 2018-19, 8 (Eight) meetings of the Board of Directors of the Company held on following dates:

14th April 2018, 8th May 2018, 25th May 2018, 2nd August 2018, 31st October 2018, 27th November 2018, 31st January 2019, 28th February 2019.

The previous Annual General Meeting was held on 02nd August 2019.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2018 -19 are presented in the following table.

Name of Director	No. of Board Meetings Attended (Total Meetingsheld-8)	Whether last AGM attended
Mr. Kazuhiko Shimamura	8/8	Yes
Mr. Junichi Suzuki	2/8	No
Mr. Shailendrajit Rai	7/8	Yes
Dr. Haresh Shah	8/8	Yes
Mr. Satyavara P. Garimella	8/8	Yes
Ms. Shilpa Dixit	8/8	Yes

### d) 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.

### e) 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 folder is sent to each Director in advance of the Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director appraises to the Board the overall performance of the Company. The Board reviewed 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. The company is complying with the Secretarial Standards issued by Institute of Company Secretaries of India in this regard.

### f) Certificate from Practicing Company Secretaries

Shailesh Indapurkar & Associates, Practicing Company Secretaries has issued a certificate as require under Listing regulations, confirming that none of the director on the board have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. This certificate is enclosed to with this section as Annexure A.

## 3. 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. Nomination & Remuneration Committee
- III. Stakeholders Grievance Committee
- IV. Share Transfer Committee
- V. Corporate Social Responsibility (CSR) Committee



The members of the Board, in consultation with the Company Secretary and the respective chairmen 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. Satyavara P. Garimella, both being Independent Directors and Mr. Kazuhiko Shimamura, Managing Director. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the SEBI (Listing Obligation & Disclosure) Regulations, 2015 and Section 177 of the Companies Act, 2013.

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

During the Financial Year 2018-19, 4 (Four) Audit Committee Meetings were held on following dates:

25<sup>th</sup> May 2018, 2<sup>nd</sup> August 2018, 31<sup>st</sup> October 2018, 31<sup>st</sup> January 2019.

Particulars of attendance of Audit committee Members at the Audit committee Meetings held during the Financial Year 2018-19:

<b>Name of Audit committee Member</b>	<b>Meetings Attended during Financial Year 2018-19 (Total Meetings held 4)</b>
Dr. Haresh Shah	4/4
Mr. Kazuhiko Shimamura	4/4
Mr. Satyavara P. Garimella	4/4

**Powers of Audit Committee**

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

**ii) Nomination & Remuneration Committee**

The Nomination and Remuneration Committee comprises of Dr. Haresh Shah, Chairman of the Committee, Mr. Shailendra Rai and Mr. Satyavara P. Garimella. Being all Non-Executive Directors of the Company. The composition is in conformity with the Companies Act, 2013.

During the Financial Year 2018-19, 2 (Two) Nomination and Remuneration Committee Meetings were held on following dates:

2<sup>nd</sup> August 2018, 28<sup>th</sup> February 2019;

<b>Name of Nomination and Remuneration Committee Member</b>	<b>Meetings Attended during Financial Year 2018-19 (Total Meetings held 2)</b>
Dr. Haresh Shah	2/2
Mr. Satyavara P. Garimella	2/2
Mr. Shailendra Rai	2/2

The terms of reference of this committee are:

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

**Criteria for performance evaluation of Independent Directors**

As required under Regulation 19 (4) & Schedule II Part D of the Listing Regulations and in terms of Companies Act, 2013, the criteria for performance evaluation of the Independent Directors and Board of Directors has been laid down in the 'Board Evaluation Policy' formulated by the Company. This policy evaluates the performance of the Board, its committees and individual directors. In terms of the policy, performance evaluation of the directors has been done by each director individually scoring each other director on the basis of guidelines of professional conduct, role, functions and duties performed by him/her which in turn are based on numerous parameters. Criteria include director's level of ethical conduct, objectivity, value addition, participation level, attendance and various other qualitative as well as quantitative parameters which have had an impact on the Board process becoming more and more effective.

In the opinion of the board, the present Independent Directors fulfill the conditions specified in the listing regulations and are independent of the management.

**Details of remuneration paid to Managing Director**

During the year 2018-19, the remuneration paid to the Managing Director is INR.8,922,284 per annum.

- Details of sitting Fees paid to the Non-Executive Directors for attending the Board and Committee Meetings during the financial year 2018-2019.

<b>Name of the Independent &amp; Non – Executive Director</b>	<b>Sitting Fees (In Rs.)</b>
Dr. Haresh Shah	1,15,000
Mr. GSV Prasad	1,20,000
Ms. Shilpa Dixit	50,000
Mr. Junichi Suzuki	10,000
Mr. Shailendrajit Rai	45,000

### iii) Stakeholders Grievance Committee

The Stakeholder Grievance Committee comprises of, Mr. Satyavara P. Garimella, Chairman of the Committee, Dr. Haresh Shah and Mr. Kazuhiko Shimamura as members to look into redressal of Stakeholders' complaints on various issues.

Total 03 complaints received from the shareholders during the year 2018-19.

The Company Secretary is designated as a "Compliance Officer" who oversees the redressal of the investors' grievances.

Name and designation of Compliance Officer:

Mr. Shrikant Joshi, is Company Secretary and compliance officer of the company with effect from 02nd August 2018.

Mr. Omkar Kaulgud was Company Secretary and compliance officer of the company till 30th June 2018.

### vi) Share Transfer Committee

The Share Transfer Committee comprises of Mr. Satyavara P. Garimella, Chairman of the Committee, Dr. Haresh Shah, and Mr. Kazuhiko Shimamura as members.

The Committee:

- Looks into the redressal of investors' complaints relating to transfer /transmission of shares, non-receipt of Annual Reports;
- Approves transmission of shares held in physical mode subject to fulfillment of other conditions as may be deemed necessary;
- Considers the issue of duplicate share certificates under the Common Seal of the Company in terms of the requirements of the Companies (Share Capital and Debenture) Rules, 2014.

During the Financial Year 2018-19, 8 (Eight) Share Transfer Committee Meetings was held on following dates:

03<sup>rd</sup> May 2018, 5<sup>th</sup> July 2018, 13<sup>th</sup> July 2018, 09<sup>th</sup> August 2018, 3<sup>rd</sup> October 2018, 10<sup>th</sup> October 2018, 7<sup>th</sup> December 2018, 31<sup>st</sup> January 2019.

<b>Name of Share Transfer committee Member</b>	<b>Meetings Attended during Financial Year 2018-19 (Total Meetings held 8)</b>
Mr. Satyavara P. Garimella	8/8
Dr. Haresh Shah	8/8
Mr. Kazuhiko Shimamura	8/8

### v) Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises of Mr. Satyavara P. Garimella, Chairman of the Committee, Mr. Kazuhiko Shimamura, and Ms. Shilpa Dixit as members. For the year under review the provisions of Section 135 of the Companies Act, 2013 are applicable to the company. Board of Directors had formed the CSR Committee & approved CSR Policy. CSR Policy is available on the website of the Company.

#### A Brief outline of the Company's CSR policy

By performing the task of CSR activities in the following areas, the company would like to give it back something to the society.

- Taking care of Health and Safety of Human life
- Compensating negative impact on the environment
- Promoting the role and quality of life of villages, making their life sustainable and enjoyable.
- Promotion of education, promoting gender equality and empowering women.

#### CSR COMMITTEE, ROLES AND RESPONSIBILITY

The Board of Directors has constituted the CSR Committee to frame, monitor and execute the CSR activities of the Company, to review and assess the expenditure to be incurred on the activities referred and monitor in the CSR Policy. The Committee defines the parameters and observes them for effective discharge of the Social Responsibility of the Company.

Report on CSR Activities as required under Section 135 of The Companies Act 2013 and Rules framed there under is annexed to the Directors Report.



During the Financial Year 2018-19, 1 (One) CSR Committee Meeting was held on 19<sup>th</sup> March 2019 in which all the members were present.

independent directors and members of the Management. Accordingly, independent directors of the Company met on Tuesday, 19<sup>th</sup> March 2019 to consider the following business as required under the Companies Act, 2013.

**4. SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

Pursuant to schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-

**5. GENERAL BODY MEETINGS**

Details of the last three General Meetings of your Company are presented in the following table.

Sr. No.	Nature of Meeting	Date	Time	Venue	No. of Special Resolution Passed
1	AGM	02 <sup>nd</sup> August 2018	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	Nil
2	EGM	14 <sup>th</sup> May 2018	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	01
3	AGM	19 <sup>th</sup> July 2017	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	Nil
4	EGM	07 <sup>th</sup> January 2017	3.00 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	01
5	AGM	29 <sup>th</sup> July 2016	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	02

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

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are provided in the explanatory statement annexed to the Notice of meeting.

**7. MEANS OF COMMUNICATION:**

- i) Financial results : Quarterly and annual financial results are published in Business Standard (English), Loksatta (Marathi) also forwarded to the Stock Exchanges.
- ii) All important information relating to the Company, its performance, shareholding pattern, quarterly results, press releases and other information as per the SEBI Regulations are regularly posted on Company’s website and also forwarded to the Stock Exchanges. Website of company: [www.enkei.in](http://www.enkei.in)
- iii) News releases: All official news releases are sent to stock exchanges as well as displayed on the Company’s website.

**8. GENERAL SHAREHOLDER INFORMATION:**

**(i) Annual General Meeting**

- Date and Time : Tuesday, 09<sup>th</sup> July 2019 at 12.30 p.m.
- Venue : At the registered office of the Company at Gat No. 1425, Village Shikrapur, Taluka Shirur, District, Pune – 412208.

**(ii) Financial Year** : from 1<sup>st</sup> of April every year to 31<sup>st</sup> of March next year. (Please refer note on change in FY in Directors Report)

**(iii) Date of Book closure** : 3<sup>rd</sup> July 2019 to 09<sup>th</sup> July 2019 (Both days inclusive)

**(iv) Dividend payment date** : N.A.

**(v) Listing on Stock Exchange closure** : The shares of the are listed Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001. (w.e.f. 11<sup>th</sup> July 2011)

**(vi) Stock Code** : BSE Limited: 533477

**(vii) ISN** : INE130L01014.

**(viii) Name & Address of the Stock exchange where Company's shares are listed:**

**BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001

Tel. No. (022) 2272 1233/34

Fax No. (022) 2272 1919

The annual Listing fees have been paid to BSE Limited.

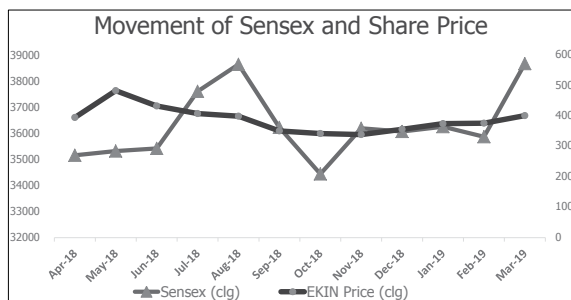
**(ix) Market Price Data for the Year 2018-19:**

The high and low market price and the volume of Enkei's shares traded on the BSE Limited during the period from April 01, 2018 to March 31, 2019 are presented in the following table.

Market Price Data:

Month	High Price	Low Price	Volume of trading
Apr-18	406	372	42903
May-18	505	395	316318
Jun-18	499	375	89666
Jul-18	455	391	71097
Aug-18	426	388	59016
Sep-18	415	335	82393
Oct-18	367	325	45181
Nov-18	356	330	22147
Dec-18	383	330	33868
Jan-19	381	347	41674
Feb-19	416	355	218673
Mar-19	410	369	28692

**Movement of Sensex & Share Price of Enkei Wheels (India) Limited**



**(x) Registrars and share transfer agents:**

The Company has appointed M/s. Universal Capital Securities Private Limited as its Registrar and Transfer Agent (R & T Agent). Share Transfers, dematerialisation of shares and all other investor related activities are

attended and processed at the office of the R & T Agent at the following address:-

M/s. Universal Capital Securities Private Limited  
21, Shakil Niwas, Opp. Sai Baba Temple,  
Mahakali Caves Road, Andheri (E), Mumbai - 400093.  
(Unit: Enkei Wheels (India) Limited)

**(xi) Share Transfer System**

Transfers of shares are processed by the Share Transfer Agent and approved by the Share Transfer Committee which meets at frequent intervals. Share transfers are registered and returned generally within 30 days from the date of receipt if the relevant 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.

SEBI, effective April 01, 2019 barred physical transfer of shares of the listed companies and mandated transfer through De-Mat only. However investors are allowed to hold the shares in physical form. Further there is no bar on transmission of shares in physical form. Necessary communications were sent to the shareholders as per the guidelines of SEBI.

**Distribution and Shareholding Pattern as on 31st March, 2019:**

SHARE OR DEBENTURE HOLDING NOMINAL VALUE OF	SHARES		SHARES HOLDINGS	
	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
	<b>1</b>	<b>2</b>	<b>3</b>	<b>5</b>
UPTO -500	3808	83.91	524780	3.23
501 - 1000	343	7.56	271174	1.67
1001 - 2000	186	4.10	278107	1.71
2001 - 3000	62	1.37	156077	0.96
3001 - 4000	34	0.75	120773	0.74
4001 - 5000	19	0.42	87206	0.54
5001 - 10,000	46	1.01	328088	2.02
10,001 AND ABOVE	40	0.88	14456490	89.11
TOTAL	4538	100	16222695	100





**(xii) Dematerialization of shares and liquidity**

As on 31st March, 2019 the equity shares of the Company were dematerialized with NSDL as follows:

Particulars	No. of records (allottees)	No. of shares (Quantity)
(a) Electronic form - NSDL	2038	14765485
(b) Electronic form - CDSL	2311	1359558
(b) Physical form	285	97652
Total (A)	4634	16222695

**(xiii) Outstanding GDRs/ADRs/warrants or any convertible instruments etc.:**

As of date, the Company has not issued these types of Securities.

**(xiv) Foreign Exchange risk**

During the year 2018-19, the Company had managed the foreign exchange risk by hedging activities to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 32(d) and Note No. 32(e) to the Financial Statements.

**(xv) Plant Location**

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

**(xvi) Address for correspondence**

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

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

(III) Company Address for correspondence:

Company Secretary  
Enkei Wheels (India) Limited  
Gat no. 1425, Village Shikrapur, Taluka Shirur,  
Pune – 412208, Maharashtra.  
Tel no.: (02137-618700)  
Mail id: secretarial@enkei.in

**9. OTHER DISCLOSURES:**

1. There are no materially significant transactions made by the Company with its promoters, directors or their relatives etc. any related parties which have potential conflict with the interests of the Company at large.
2. There are no non-compliance by the Company, no penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
3. **Vigil Mechanism:**  
The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct. The aforesaid policy has also been uploaded on the Company’s website.
4. **Related party policy:**  
Board of Directors of the Company has approved the Related Party Policy of the Company which is available on the website of the Company at <http://www.enkei.in/download/others/Related%20Party%20Policy.pdf>.

**NON-MANDATORY REQUIREMENTS:**

1. **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.
2. **REPORTING OF INTERNAL AUDITOR:**  
The Board of Directors of the Company has appointed M/s. Mrugendra Mandake & Associates, Chartered Accountants, Pune as the Internal Auditor of the Company. The quarterly reports provided by Internal Auditors are presented to the Audit Committee of the Company.
3. **MODIFIED OPINION(S) IN AUDIT REPORT:**  
The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company

Place: Pune  
Date: May 28<sup>th</sup> , 2019



## Declaration for the Compliance with code of conduct

Pursuant to Regulation 34(3) read with Schedule V Par D of SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015, I, Kazuo Suzuki, 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: May 28<sup>th</sup>, 2019

**KAZUO SUZUKI**  
(MANAGING DIRECTOR)  
(DIN: 08350372)



## Independent Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

To the Members,

### Enkei Wheels (India) Limited

1. We, Asit Mehta & Associates, Chartered Accountants, the Statutory Auditors of Enkei Wheels India Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2019 as stipulated in - Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C, D, E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as amended ( "SEBI Listing Regulations").

### Managements' Responsibility

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

### Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI.

### Opinion

6. Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the Listing Regulations referred in paragraph 1 above.
7. 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 of the Company has conducted the affairs of the Company.

This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations.

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

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

Place: Pune  
Date: May 28<sup>th</sup>, 2019

## CEO/CFO CERTIFICATION TO THE BOARD

We, Kazuo Suzuki, Managing Director and Jitendra Parmar, 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 2019 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 effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee of:
  - i. There has been no change in the accounting policies followed by the Company during the year.
  - 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.

**Place : Pune**  
**Date : May 28th, 2019**

**Kazuo Suzuki**  
Managing Director  
(DIN: 08350372)

**Jitendra Parmar**  
Chief Financial Officer



## Annexure A

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Enkei Wheels India Limited,  
Gat No. 1425, Village Shikrapur, Taluka-Shirur,  
Pune.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Enkei Wheels India Limited having CIN L34300PN2009PLC133702 and having registered office at Gat No. 1425, Village Shikrapur, Taluka-Shirur, Pune. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	SHILPA KEDAR DIXIT	00001761	14/08/2014
2	SHAIENDRAJIT CHARANJIT RAI	00050950	30/03/2009
3	HARESH BABULAL SHAH	00228471	15/07/2009
4	JUNICHI SUZUKI	02628162	24/03/2010
5	SATYAVARA PRASAD GARIMELLA	05344245	24/07/2012
6	*KAZUHIKO SHIMAMURA (Resigned on w.e. from March 31, 2019)	05129816	15/02/2012
7	*KAZUO SUZUKI (Appointed on 01/04/2019)	08350372	01/04/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shailesh Indapurkar & Associates**  
Company Secretaries

Sd/-  
**CS Shailesh Indapurkar**  
Proprietor  
Membership No: ACS17306  
CP No: 5701

Place: Pune  
Date: May 28<sup>th</sup>, 2019

## Financial Statements

Independent Auditor's Report.....	60
Balance Sheet .....	68
Statement of Profit and Loss .....	69
Statement of Cash Flows .....	70
Statement of Changes in Equity .....	72
Significant Accounting Policies.....	74
Notes to Accounts .....	85



# Independent Auditors' Report

To,  
**The Members**  
**Enkei Wheels (India) Limited.**  
**Report on the audit of Ind AS Financial Statements**

## Opinion

We have audited the accompanying Ind AS financial statements of **Enkei Wheels (India) Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow and for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the attached Ind AS financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of these Ind AS

financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

## a) Assessment of Impairment

During the year ended March 31, 2019, the Company, as a prudent measure, has carried out impairment testing, on an extensive basis, of its Property Plant & Equipment, though as per past assessments, there was no indication of impairment of any of its assets /Group of assets to which assets belong.

The Company has concluded that, the value in use calculated as per the impairment testing / procedures laid down under IND AS 36, " Impairment of Assets" is more than carrying value of assets listed in the Fixed Asset Register for impairment testing and therefore no impairment loss is to be recognised in respect of assets considered for impairment testing.

For calculation of value in use for assets or cash generating units, the management has made cash flow projections with incremental borrowing rate as discount rate, Assumptions are made for the proportion of variable cost in relation to the product revenue. Assumptions are also made for the amount of increase in fixed costs over the future period. Land has not been considered for impairment for obvious reasons. Impact of working capital changes and currency fluctuations on future cash flows have been ignored.

Fixed costs have been allocated to the cash generating unit in proportion to the estimated future revenue of the cash generating unit to the total estimated future revenue.

We, as the auditors, evaluated the appropriateness of management identification of the cash generating units. Our procedures included discussion with management personnel on the reasonableness of the assumptions and projections. We have also tested the mathematical accuracy of cash flow projections, which we understandingly found to be on a conservative basis.

## b) Inventory reconciliation and valuation

The Company is in the process of implementing the system of bar codes / tagging all kinds of inventories held at its plant and warehouses. At present, tagging / bar codes is prevalent at its plant, but for the selected items



of inventories. Further, currently movement of finished goods is tracked manually and thus the Company has planned for its system upgradation for tracking slow-moving and non-moving items of finished goods in the current financial year.

The inventory of finished goods maintained by the Company at its plant and warehouses is quite substantial, which has not always been the case in earlier years. The customers have not been prompt enough to place /confirm the delivery schedules because of slight recession in the automobile industry at that point of time. Post March 31, 2019, the significant part of the year-end inventories has been liquidated.

Establishing product costing requires many instances of management judgment with effect on the reported values. This includes considering normal production levels, foreign currency, prices of raw materials and allocation of other direct and indirect costs. Currently, the allocation of direct overheads and fixed costs to the inventory is on the basis of fair estimates and reasonable judgments. The Company is in the process of developing systems to allocate the overheads on actual and real time basis. The significant accounting policies (note 2.4 (i)) include principles for inventory valuation and cost composition and note 10 provides the break of total inventories

Our audit covered the following in respect of inventories and its valuation.

- Participation in physical stock takes by the Company at its plant and warehouses and tested the cut-off of deliveries in an out of inventories including the inventories which were in transit as at close of the financial year.
- Comparison of book stock with physical stock of finished goods, on a test-check basis. The shortage of 581 units (with value ₹ 7,47,968/- in aggregate) noticed at one of its warehouses, has been written off as a loss to the statement of profit and loss by the Company. Further, stores & spares of ₹ 8,79,314/- have also been written off as expenses, in the absence of corresponding units in the system.
- Checking of inventory reconciliation – (both in terms of quantity and value) manually in co-ordination with the Company and found satisfactory.
- Testing, on a sample basis, inventory of raw materials and consumables to the landed cost

workings which are prepared on monthly basis by the Company.

- NRV Testing, on a sample basis to ensure inventory is not overvalued. i.e. over and above the cost and we found it satisfactory.
- Relied on management representations that there are no inventories of slow /non-moving nature and estimates and assumptions used in allocation of indirect and fixed overheads.

### **Information Other than the Financial Statements and Auditors Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the [information included in the Management Discussion and Analysis, Board' Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements.**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;



making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal

financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work ; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Act, we report that:

- (a) Except for the matters otherwise described in the report, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid the Ind AS financial statements comply, in all material respects, with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the Directors, as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) With respect to other matters to be included in the Auditor's Report in accordance with the

requirements of section 197 (16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is within the limits laid down under section 197 of the Act. However, the remuneration paid by the Company to its Managing Director is excess of the amount as approved by the shareholders in the Annual General Meeting held on 29<sup>th</sup> July 2016. As explained to us, Company is in process of obtaining requisite approval of the board of directors and shareholders as required under section 197 read with Schedule V of the Companies Act, 2013 in the ensuing annual general meeting.

- (h) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has, disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 36 (i) to Ind AS the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting or accounting standards.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sanjay S. Rane  
**Partner**

Place: Pune  
Date: May 28<sup>th</sup>, 2019

Membership No.100374



## Annexure - A

### to the Independent Auditors' Report

(Referred to in paragraph 1(f) under Report on 'Other Legal and Regulatory Requirements' section of our report of even date on the Ind AS financial statements to the members of Enkei Wheels (India) Limited)

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Enkei Wheels (India) Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

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

There is scope of improvement in the system by Company by automation of few of its processes which, currently, are being done manually – for e.g. material planning, material scheduling, tracking of movement in finished goods, inventory valuation, etc. The Company needs to strengthen IT controls and document IT policies.

Further, the Company needs to strengthen and update its frequency of physical verification and related documentation in respect of its fixed assets which prima facie should cover, capex polices, technical certifications in respect of commissioning of plant, useful lives asset tagging, fixed asset register etc to safeguard the losses.

### **Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Pune  
Date: May 28<sup>th</sup>, 2019

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



## Annexure - B

### to the Independent Auditors' Report

(Referred to in Paragraph 2 under Report on Other Legal and Regulatory Requirements section of our report of even date on the Ind AS financial statements to the members of Enkei Wheels (India) Limited)

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

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

- (i) (a) The Company has generally maintained proper records showing particulars including quantitative details and situation of its fixed assets.
  - (b) According to the information and explanations given to us, some portion of the fixed assets of the Company have been physically verified by the Company's management during the year. We are informed that no material discrepancies were noticed on such verification. We have relied upon management representations for the same evidence.
  - (c) According to the information and explanations given to us and on the basis our examination of the records of the Company, the title deeds of immovable properties as appearing in "Note 3-Property, Plant and Equipment" of the financial statements are held in the name of the Company as at the balance sheet date.
- (ii) The inventories comprising semi-finished goods, raw materials, stores and spares etc. have been physically verified by the Company's management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account. We have relied on management representations for the same.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the reporting requirements under clause (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of section 185 of the Act apply. There are no loans, investments, guarantees and security by a company to any person or other body corporate contemplated by the provisions section 186 of the Act. Accordingly, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public during the year within the meaning of provisions of section 73 to 76 or any other relevant provision of the Act and rules framed there under and does not have unclaimed deposits as at March 31, 2019. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us and in our opinion, maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 (1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 for the business activities carried out by the Company. Accordingly, the reporting under clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing of the amounts deducted / accrued in its books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues as applicable to it with the appropriate authorities.
- According to the records of the Company made available to us, and according to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in para (vii) (a) above were in arrears as at March 31, 2019



for a period of more than six months from the date those became payable.

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

Name of the statute / nature of dues	Period to which the amount relates	Amount involved (₹)	Forum where dispute is pending
Income Tax	2015-16	3,85,59,302/-	The Commissioner of Income Tax (Appeals) –Pune
Value Added Tax	2013-14	12,54,879/-	Joint Commissioner of Sales Tax (Appeals) 2, Pune
Central Sales Tax	2013-14	10,82,231/-	Joint Commissioner of Sales Tax (Appeals) 2, Pune

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to banks. There are no loans or borrowings from financial institutions or government and has not issued any debentures. Accordingly, the reporting under the paragraph 3 (viii) of the Order is not applicable to the Company.

- (ix) In our opinion and according to the information and explanations given to us, moneys raised by way of term loans by the Company, have, prima-facie, been applied for the purposes for which those were raised. The Company has not raised moneys by way of initial public offer or further public offer.

- (x) According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations given to us and on the basis of our examination of the records, the Company has paid / provided the managerial remuneration in accordance with the requisite approvals

mandated by the provisions of section 197 read with schedule V of the Act. However, the remuneration paid by the Company to its Managing Director is excess of the amount as approved by the shareholders in the Annual General Meeting held on 29<sup>th</sup> July 2016. As explained to us, Company is in process of obtaining requisite approval of the board of directors and shareholders as required under section 197 read with Schedule V of the Companies Act, 2013 in the ensuing annual general meeting.

- (xii) The Company is not the Nidhi Company and therefore the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance of with section 177 and 188 of the Act where applicable and the details of which have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) The Company has made preferential allotment during the year under audit which is in compliance of the requirement of section 42 of Act and the amount raised have, prima- facie, been used for the purpose for which the funds were raised.

- (xv) In our opinion an according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and therefore the provisions of section 192 of the Companies Act, 2013 and reporting requirements under paragraph 3 (xv) of the Order are not applicable to the Company.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

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

Place: Pune  
Date: May 28<sup>th</sup>, 2019

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



# Balance Sheet

as at March 31, 2019

(CIN : L34300PN2009PLC133702)

Particulars	Note No.	(Amt. in ₹)	
		As at March 31, 2019	As at March 31, 2018
<b>Assets</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	1,26,22,78,793	1,26,55,67,399
(b) Capital work-in-progress		55,36,71,774	1,54,78,741
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible Assets			
(f) Intangible assets under development			
(g) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) Loans			
(iv) Others financial assets	4	2,18,52,620	2,17,64,620
(h) Deferred tax assets (net)	5	3,59,52,041	2,98,55,430
(i) Income Tax Assets (net)		2,84,58,924	57,66,798
(j) Other non-current assets	6	19,25,95,136	21,91,04,817
<b>Total - Non-current assets</b>		<b>2,09,48,09,288</b>	<b>1,55,75,37,805</b>
<b>2 Current assets</b>			
(a) Inventories	7	47,42,60,299	23,16,19,570
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	8	43,63,58,845	70,80,69,225
(iii) Cash and cash equivalents	9	20,16,71,392	9,65,37,658
(iv) Bank balances other than (iii) above	10	1,50,000	1,00,000
(v) Loans			
(vi) Others financial assets	11	2,16,161	3,97,104
(c) Current Tax Assets	12	3,34,08,131	10,57,60,422
(d) Other current assets	13	8,37,86,462	4,91,72,791
<b>Total - Current assets</b>		<b>1,22,98,51,289</b>	<b>1,19,16,56,770</b>
<b>Total Assets</b>		<b>3,32,46,60,578</b>	<b>2,74,91,94,575</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	8,11,13,475	7,70,58,475
(b) Other Equity	14.1	1,20,96,68,987	72,91,13,476
<b>Total - Equity</b>		<b>1,29,07,82,462</b>	<b>80,61,71,951</b>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	52,26,67,200	52,18,59,200
(ii) Trade payables	16	52,68,82,422	60,03,70,312
(iii) Other financial liabilities		-	-
(b) Provisions	17	35,56,238	43,73,871
(c) Deferred tax liabilities (net)		-	-
(d) Other non-current liabilities		-	-
<b>Total - Non-current liabilities</b>		<b>1,05,31,05,860</b>	<b>1,12,66,03,383</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	20,00,00,000	8,00,00,000
(ii) Trade payables	19		
a. Total outstanding dues of micro enterprises and small enterprises	19 (i)	28,910	22,722
b. Total outstanding dues of creditors other than small enterprises	19 (ii)	40,39,64,375	38,54,38,482
(iii) Other financial liabilities	20	28,72,67,596	15,18,57,434
(b) Other current liabilities	21	5,82,28,400	9,47,73,561
(c) Provisions	22	18,19,054	14,79,982
(d) Current Tax Liabilities (net)	23	2,94,63,920	10,28,47,060
<b>Total - Current Liabilities</b>		<b>98,07,72,255</b>	<b>81,64,19,241</b>
<b>Total Equity and Liabilities</b>		<b>3,32,46,60,578</b>	<b>2,74,91,94,575</b>

Corporate information and significant accounting policies  
Contingent liabilities and commitments

1&2  
36t

The accompanying notes form part of these financial statements

As per our report of even date attached  
For **Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

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

Place: Pune  
Date: May 28, 2019

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

**Kazuo Suzuki**                      **Haresh Shah**  
(Managing Director)                      (Director)  
(DIN : 08350372)                      (DIN : 00228471)

**Jitendra Parmar**                      **Shrikant Joshi**  
(Chief Financial Officer)                      (Company Secretary)

Place: Pune  
Date: May 28, 2019

# Statement of Profit and Loss

## for the period ended March 31, 2019

(CIN : L34300PN2009PLC133702)

Particulars	Note No.	(Amt. in ₹)	
		For the period ended March 31, 2019	For the period ended March 31, 2018
<b>I</b> Revenue from operations	24	<b>4,74,48,47,222</b>	4,78,48,16,933
<b>II</b> Other income	25	<b>1,42,08,911</b>	78,98,141
<b>III Total Income (I + II)</b>		<b>4,75,90,56,133</b>	<b>4,79,27,15,074</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	26	<b>2,85,21,49,091</b>	2,65,18,15,863
Purchases of stock-in-trade	27	<b>16,80,320</b>	30,58,022
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	<b>(22,04,90,235)</b>	(7,90,84,725)
Excise duty on sales		-	13,75,42,810
Employee benefits expense	29	<b>37,05,17,494</b>	32,98,57,396
Finance costs	30	<b>5,53,54,106</b>	4,79,21,399
Depreciation and amortisation expense	31	<b>21,33,84,720</b>	23,29,85,060
Other expenses	32	<b>1,48,27,69,722</b>	1,32,49,93,785
<b>Total expenses (IV)</b>		<b>4,75,53,65,217</b>	<b>4,64,90,89,610</b>
<b>V Profit/(Loss) before exceptional items and Tax (III-IV)</b>		<b>36,90,916</b>	<b>14,36,25,464</b>
<b>VI</b> Exceptional items- Expense/(Income)	33	<b>(13,30,40,226)</b>	(4,96,62,452)
<b>VII Profit/(Loss) before tax (V-VI)</b>		<b>13,67,31,142</b>	<b>19,32,87,916</b>
<b>VIII</b> Tax Expense:			
(1) Current tax	34	<b>1,60,48,914</b>	10,01,61,453
(2) Deferred tax/(Credit)	35	<b>(66,43,906)</b>	(1,46,72,509)
		<b>94,05,008</b>	8,54,88,944
<b>IX Profit (Loss) for the year (VII-VIII)</b>		<b>12,73,26,134</b>	<b>10,77,98,972</b>
<b>X Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to Profit or Loss</b>		<b>16,39,392</b>	<b>(13,60,417)</b>
<b>(ii) Income Tax relating to items that will not be reclassified to profit or loss</b>		<b>(5,47,295)</b>	<b>4,70,813</b>
<b>B (i) Items that will be reclassified to Profit or Loss</b>		-	-
<b>(ii) Income Tax relating to items that will be reclassified to profit or loss</b>		-	-
<b>Total (X)</b>		<b>10,92,097</b>	<b>(8,89,604)</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>12,84,18,231</b>	<b>10,69,09,368</b>
<b>XII Earning per Equity share</b>			
<b>(1) Basic (Face Value of ₹ 5/- each)</b>		<b>7.91</b>	7.11
<b>(2) Diluted (Face Value of ₹ 5/- each)</b>		<b>7.91</b>	7.11
Corporate information and significant accounting policies	1 & 2		

The accompanying notes form part of these financial statements

As per our report of even date attached  
For **Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

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

Place: Pune  
Date: May 28, 2019

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

**Kazuo Suzuki**  
(Managing Director)  
(DIN : 08350372)

**Jitendra Parmar**  
(Chief Financial Officer)

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

**Shrikant Joshi**  
(Company Secretary)

Place: Pune  
Date: May 28, 2019



# Cash Flow Statement

## for the year ended March 31, 2018

(CIN : L34300PN2009PLC133702)

Particulars	(Amt. in ₹)	
	For the year ended 31st March'2019	For the year ended 31st March'2018
<b>A Cash Flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	<b>13,67,31,142</b>	19,32,87,915
<b>Adjusted for :</b>		
Exceptional item - Old liabilities written back (net)	<b>13,30,40,226</b>	4,96,62,452
Net Profit / (Loss) before exceptional items and tax	<b>36,90,916</b>	14,36,25,463
<b>Adjusted for :</b>		
Fair valuation of long-term liabilities - realised	<b>(21,758,635)</b>	-
Interest cost - Fair valuation of long-term liabilities	<b>10,924,753</b>	17,602,908
Loss /(profit) on derivative transactions (net)	<b>1,578,773</b>	-
Fair valuation of defined benefit obligations	<b>(1,639,392)</b>	1,360,417
Depreciation and amortisation	<b>213,384,720</b>	232,985,060
Loss on sale of property, plant & equipment (net)	<b>245,007</b>	23,182,367
Interest expense	<b>34,294,504</b>	23,051,827
Interest Income	<b>(14,106,737)</b>	(6,495,099)
Unrealised Foreign Exchange Loss (net)	<b>74,380,944</b>	47,288,066
Inventory written off	<b>747,968</b>	-
Unclaimed Balances written off/(back)	<b>1,385,015</b>	2,455,864
	<b>29,94,36,920</b>	34,14,31,410
<b>Operating profit / (loss) before working capital changes</b>	<b>30,31,27,836</b>	<b>48,50,56,873</b>
<b>Adjusted for :</b>		
Inventories	<b>(243,388,697)</b>	(9,48,01,697)
Trade receivables	<b>271,710,380</b>	(4,19,28,220)
Advances, other financial assets and other current assets	<b>(32,612,935)</b>	73,07,936
Trade payables	<b>52,536,403</b>	(4,15,85,529)
Provisions	<b>(478,561)</b>	(59,16,714)
Other current liabilities	<b>95,306,417</b>	5,75,21,030
	<b>14,30,73,008</b>	(119,403,194)
Cash generated from operations	<b>44,62,00,844</b>	365,653,679
Income tax (paid) / refund	<b>(5,31,86,894)</b>	(111,610,800)
Net cash flow from / (used in) operating activities (A)	<b>39,30,13,950</b>	<b>254,042,879</b>
<b>B Cash flow from investing activities</b>		
Purchase of Fixed Assets, Capital Expenditure and Capital Advances	<b>(726,766,353)</b>	(44,63,94,774)
Sale of Fixed Assets	<b>548,305</b>	37,73,562
Investment in Term deposits (not considered as cash & cash equivalent)	<b>(50,000)</b>	4,22,807
Interest expense	<b>14,106,737</b>	64,95,099
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(71,21,61,311)</b>	<b>(435,703,306)</b>

# Cash Flow Statement (Contd.)

## for the year ended March 31, 2018

Particulars	(Amt. in ₹)	
	For the year ended 31st March'2019	For the year ended 31st March'2018
<b>C Cash flow from financing activities</b>		
Proceeds from issue of share capital	<b>348,730,000</b>	23,00,50,000
Proceeds from short term borrowings (net)	<b>120,000,000</b>	-
Proceeds from long term borrowings	<b>123,240,000</b>	-
Repayment of Long term borrowings	<b>(133,394,400)</b>	-
Interest paid	<b>(55,354,106)</b>	(30,327,294)
Net cash flow from / (used in) financing activities	<b>40,32,21,494</b>	19,97,22,706
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<b>84,074,132</b>	<b>1,80,62,279</b>
Cash and cash equivalents at the beginning of the year	<b>9,65,37,658</b>	<b>7,11,99,911</b>
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	<b>18,06,11,790</b>	8,92,62,190
Reconciliation of cash and cash equivalents with the balance sheet :		
Cash and cash equivalents as per Balance Sheet ( Refer Note 8 )	<b>20,16,71,392</b>	9,65,37,658
* Comprises		
(a) Cash on Hand	<b>1,58,523</b>	1,52,622
(b) Balances with banks		
- in current accounts - Rupee accounts	<b>7,82,72,869</b>	4,83,85,042
- In deposit account	<b>123,240,000</b>	4,79,99,994

The accompanying notes form part of these financial statements

As per our report of even date attached  
For **Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

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

Place: Pune  
Date: May 28, 2019

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

**Kazuo Suzuki**  
(Managing Director)  
(DIN : 08350372)

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

**Jitendra Parmar**  
(Chief Financial Officer)

**Shrikant Joshi**  
(Company Secretary)

Place: Pune  
Date: May 28, 2019



# Statement of Changes in Equity

for the year ended March 31, 2018

(CIN : L34300PN2009PLC133702)

## (a) Equity share Capital

Particulars	(Amt. in ₹)	
	Number of Shares	Amount
<b>Balance as on April 01, 2017</b>	<b>1,48,76,695</b>	<b>7,43,83,475</b>
Changes in equity share capital during financial year 2017-18	5,35,000	26,75,000
<b>Balance at March 31, 2018</b>	<b>1,54,11,695</b>	<b>7,70,58,475</b>
Changes in equity share capital during financial year 2018-19	8,11,000	40,55,000
<b>Balance at March 31, 2019</b>	<b>1,62,22,695</b>	<b>8,11,13,475</b>

## (b) Other equity

Sr. No	Particulars	Share application money pending allotment	Reserves and Surplus				Equity instrument through other comprehensive income	Total
			Securities premium reserve	General Reserve	Retained earnings	Foreign Currency Translation Reserve		
<b>b</b>	<b>Balance as on April 01, 2017</b>		45,58,61,483	13,47,74,993	(10,15,68,334)	(13,03,27,065)		35,87,41,077
	Profit /(loss) for the year				10,77,98,972			10,77,98,972
	Other comprehensive income (net of tax) - Defined Benefit Obligations				(8,89,604)			(8,89,604)
	<b>Total comprehensive income for the year</b>		-	-	10,69,09,368	-	-	10,69,09,368
	<b>Additions (net of amortisations) during the year</b>					<b>3,60,88,030</b>		<b>3,60,88,030</b>
	Transactions with owners recognised directly in equity							
	Premium on issue of shares on preferential basis		22,73,75,000					22,73,75,000
	payment of dividend							-
	<b>Tax on Dividend</b>							-
	Transfer from retained earnings							-
<b>c</b>	<b>Balance at March 31, 2018</b>		68,32,36,483	13,47,74,993	53,41,035	<b>(9,42,39,035)</b>	-	<b>72,91,13,476</b>
	<b>Profit /(loss) for the year</b>				12,73,26,134	-	-	12,73,26,134

# Statement of Changes in Equity (Contd.)

for the year ended March 31, 2018

Other comprehensive income (net of tax) - Defined Benefit Obligations				10,92,097			10,92,097
<b>Total comprehensive income for the year</b>	-	-	12,84,18,231	-	-	-	<b>12,84,18,231</b>
<b>Additions (net of amortisations) during the year</b>	-	-	-	<b>2,92,20,916</b>	-	-	<b>2,92,20,916</b>
<b>Realised on fair value measurement on long-term liabilities</b>							<b>(2,17,58,635)</b>
<b>Transfer from retained earnings</b>							
<b>Transactions with owners recognised directly in equity</b>							-
Premium on issue of shares on preferential basis	34,46,75,000						34,46,75,000
Dividend							-
Dividend Distribution Tax							-
<b>d Balance at March 31, 2019</b>	1,02,79,11,483	11,30,16,358	13,37,59,265	<b>(6,50,18,119)</b>	-	-	<b>1,20,96,68,987</b>

The accompanying notes form part of these financial statements

As per our report of even date attached  
For **Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

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

Place: Pune  
Date: May 28, 2019

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

**Kazuo Suzuki**  
(Managing Director)  
(DIN : 08350372)

**Jitendra Parmar**  
(Chief Financial Officer)

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

**Shrikant Joshi**  
(Company Secretary)

Place: Pune  
Date: May 28, 2019





# Significant Accounting Policies

forming part of the financial statements

(CIN : L34300PN2009PLC133702)

## 1 Corporate information

Enkei Wheels (India) Limited ("the Company") is public limited company incorporated and domiciled in India and has its works and registered office in Pune. It also has warehouses in the states of Haryana and Gujarat. The Company is listed on the Bombay Stock Exchange Limited.

The Company manufactures aluminium alloy casting wheels ("products"), which are being used in automotive segment of the industry in India.

## 2 Basis of Preparation, Measurement And Significant Accounting Policies

### 2.1 Basis of preparation of financial statements and measurement

- a) These financial statements have been prepared on accrual and going concern basis and are presented in Indian Rupees (INR), the functional currency of the Company.
- b) These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.
- c) These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.
- d) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.
- e) The accounting policies adopted by the Company in the preparation of financial statements are consistent with those of the earlier years presented, except otherwise stated.

- f) These financial statements are approved for issue by the Company's Board of Directors as per its resolution dated May 28, 2019.

### 2.2 Key Accounting Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires the Company's management to make judgments, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures relating to contingent liabilities and assets as at the date of the financial statements and the reported amounts of revenues and expenses during the period. Examples of such estimates inter alia, include determination of the useful lives of property, plant and equipment, employee benefits, allowance for doubtful receivables, provision for income taxes and deferred taxes. Accounting estimates could change from period to period. Actual results may differ as a result of changes in the estimates. Revisions to /Changes in accounting estimates are recognised prospectively.

#### Critical Accounting Estimates used in measurement of the following

- (a) Employee benefits -Defined benefit obligations - Note 2.4 (ix) (b)
- (b) Provisions and contingent liabilities - Note 2.4 (xv)
- (c) Deferred tax assets - Note 2.4 (xiii) (d)
- (d) Impairment of Property, Plant & Equipment - Note 2.4 (xiv)

### 2.3 Recent Accounting Developments

#### 1) Ind AS 116, Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently,

# Significant Accounting Policies

## forming part of the financial statements

operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

“The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application”

“Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee’s incremental borrowing rate at the date of initial application, or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.”

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the ‘Modified Retrospective Approach’ for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of

initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

“The effect of adoption as on transition date would majorly result in an increase in right of use asset approximately by ₹ 1,300 crore, net investment in sub-lease approximately by ₹ 550 Crore and an increase in lease liability approximately by ₹ 2,000 crore.”

## 2) Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

“The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives”



# Significant Accounting Policies

## forming part of the financial statements

"The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements."

### 3) Amendment to Ind AS 12, Income taxes

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

### 4) Amendment to Ind AS 19, plan amendment, curtailment or settlement

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

"The amendments require an entity :

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling."

"Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment."

## 2.4 Significant Accounting Policies

### i) Inventories

- a) Inventories are valued at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.
- b) Cost of finished goods and work-in-progress comprises of all costs of direct material, conversion costs and other costs (net of recoverable taxes/eligible credits) incurred in bringing the inventories to their respective present location and condition.
- c) Cost of raw materials includes cost of purchase and other costs (net of recoverable taxes/eligible credits) incurred in bringing the inventories to their respective present location and condition. Costs are determined on weighted average basis.
- d) Cost of consumables, stores and spares, packing materials are determined on First In First Out basis.

### ii) Depreciation and amortisation

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

# Significant Accounting Policies

## forming part of the financial statements

- c) Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year. The estimated useful lives of property, plant and equipment are as follows.

Description of Asset	Useful Life - Years
Building	30
Computers	03
Dies and Moulds	05
Electrical Installation	08
Factory Equipment	08
Furniture and Fixture	05
Motor Vehicles	08
Office Equipment	05
Plant and Machinery	08
Quality Control Equipments	08

### iii) Revenue recognition

- a) Revenue from sale of goods is recognised on dispatch of goods and when the significant risks and rewards of ownership and substantial control over the goods have been transferred to the buyer/customer, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably and it is reasonable to expect ultimate collection based upon price/(s) specified in contracts with the customers and agreed with them.
- b) Revenue is measured at fair value of the consideration received or receivable, after deducting/excluding any trade discounts and taxes or duties collected on behalf of the government such as goods and services tax. A receivable is recognised when the goods are despatched to the buyer/customer. The consideration receivable is not conditional as the buyer /customer is going to pay in all eventualities once the payment is due, as agreed and which in any case does not exceed a period of twelve months from the date the goods are delivered. Accordingly, adjustment of the transaction prices for the time value of money is unwarranted.

The Company has applied new Indian Accounting Standard, i.e. Ind AS 115 - "Revenue from contracts with customers" effective April 01 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced earlier Ind AS 18 - "Revenue", Ind AS 11 - "Construction Contracts" and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of applying this standard recognised at the date of application i.e. from April 01 2018. Accordingly, the information presented for the year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not been applied to comparative information.

After evaluation of the contracts with the customers in force as on April, 01 2018 there is no material impact on application of Ind AS 115 on the financial statements of the Company.

- c) Other operating revenue represents income earned from the Company's principal activities and is recognised when the income is accrued as per the terms agreed with the parties.

### iv) Other income Interest income

Other income primarily comprises of Interest income. Interest income is in respect of short-term deposits (with less than 3 months of maturity) placed with the bank, which is recognised as per the rate notified by the bank which is none, but the Effective rate of interest, as there is not time value of money considering the short term maturity of term deposits.

### v) Expenditure

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



# Significant Accounting Policies

## forming part of the financial statements

### vi) Financial instruments

As per Ind AS -109, a financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### i) Financial Assets

##### A. Initial recognition and measurement

All financial assets are initially recognized at fair value except for trade receivables which are initially measured at transaction price. Its transaction costs are recognised in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not classified at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### B. Subsequent measurement

###### a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### b) Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### C. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

# Significant Accounting Policies

## forming part of the financial statements

### ii) Financial Liabilities

#### A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### B. Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are recognised in the statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### iii) Derecognition of Financial Instruments:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

### iv) The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables, short-term borrowings at carrying value because their carrying amounts are a

reasonable approximation of the fair values due to their short-term nature. Loans have fair values that approximate to their carrying amounts, as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk, remaining maturities and other terms.

### vii) Property, plant and equipment

a) Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at cost, less accumulated depreciation and impairment, if any. The cost represents purchase price (net of recoverable of taxes) and all other direct attributable expenses (including borrowing cost in respect of acquisition or construction of qualifying asset) for the period up to the date of bringing the asset to its location and working condition / (the asset is ready for its intended use) necessary for it to be capable of operating in the manner intended by the Company's management.

b) Subsequent expenditure relating to property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss in the period in which those are incurred.

c) Advances paid for the acquisition of property, plant and equipment, that remained outstanding at each balance sheet date is classified as 'capital advances' under "non-current assets". The cost of property, plant and equipment, net of income earned during the project development stage, which are not ready for intended use are shown under 'Capital work-in-progress'.





# Significant Accounting Policies

## forming part of the financial statements

- d) Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

### viii) Foreign currency transactions and translations

- a) Transactions denominated in foreign currencies are recorded at functional currency using exchange rate prevailing on the date transactions or that approximates the actual rate at the date of transaction.
- b) Monetary items denominated in foreign currencies and which are outstanding as at end of the reporting period are translated at exchange rates prevailing as at end of the reporting period.
- c) Exchange gains or losses on foreign currency liabilities prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets. In case of foreign currency borrowings/trade liabilities which are long-term in nature, exchange differences are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' amortisable equally over the period of 8 years starting with the year in which the option was first exercised.

Balance in 'Foreign Currency Monetary Item Translation Difference Account' is shown as a separate line item under the head "Reserves and Surplus" as per ICAI Announcement on "Presentation of Foreign Currency Monetary Item Translation Difference Account"

- d) The gains or losses on account of exchange differences either on settlement or on translations are recognised in the Statement of Profit and Loss.

### ixi) Employee benefits

Employee benefits include provident fund, pension fund, gratuity fund, labour welfare

fund, employees state insurance scheme, compensated absences and medical benefits.

- a) Defined contribution plans  
Both, the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company's contribution to provident fund, pension fund, employees state insurance scheme etc., are considered as defined contribution plans. The contributions are recognised as employee benefit expenses as and when those are due in the period in which employees render their services.

- b) Defined benefit plans  
For defined benefit plans, such as gratuity fund (which is administered by the LIC of India), the cost of providing benefits is determined with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognised immediately to the extent that the benefits are already vested or otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations. 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.

The costs of accruing employee benefits promised to employees over the period and the costs of individual events such as past/future service benefit changes and settlements are recognised under "Employee benefit expenses" in the



# Significant Accounting Policies

## forming part of the financial statements

statement of Profit and Loss. The actuarial gains and losses (excluding interest), any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the period to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.etc. The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

- c) Short-term employee benefits :
- A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- d) Other Long-term employee benefits
- Compensated absences which are not expected to occur /settle within twelve months after the end of the period in which the employee renders the related services are recognised as a liability determined by the projected unit credit method under actuarial valuation, at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to

be settled. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### x) Borrowing costs

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

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are expensed in the period in which those are incurred. Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use. A longer period than period of twelve months has been considered as a substantial period of time in exceptional and unforeseen circumstances.

### xi) Leases

- a) Finance Leases : Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets, when acquired, are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease whichever is lower. The principal component in the lease rental is adjusted against the lease liability and



# Significant Accounting Policies

## forming part of the financial statements

the interest component is charged to the Statement of Profit and Loss.

- b) Operating Leases : Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease payments under operating leases are recognised as an expense and are charged to the Statement of Profit and Loss on a straight line basis over the lease term in line with the contractual terms. The operating lease arrangements are renewable on a periodic basis.

### xii) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting within the entity using Management Approach. The Company has single operating segment viz. that of Automotive Wheels. Accordingly, disclosure requirements as per Indian Accounting Standard (Ind AS 108)- "Operating Segment " are not applicable to the Company.

### xiii) Taxes on income

- a) Income Tax expense comprises of current tax and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in—other comprehensive income or in equity.
- b) Current tax is the amount expected to be paid (or recovered) to/(from) the tax authorities using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. It also includes adjustment to taxes in respect of previous periods.
- c) Deferred tax expense (or credit) are recognised subject to the consideration of prudence, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes. Deferred tax assets and liabilities are measured using the

tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

- d) Deferred tax liabilities are recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax liabilities and assets are measured using tax rates enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- e) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### xiv) Impairment of Non-Financial Assets -Property Plant and Equipment

- a) The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, or impairment testing of asset or CGU is required, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.
- b) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds

# Significant Accounting Policies

## forming part of the financial statements

its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

- c) The impairment loss recognised in prior accounting period is reversed in the Statement of Profit and Loss, if there has been a change in the estimates used to determine the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount. Not it does exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

### xv) Provisions, contingencies and commitments

- a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- b) If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- c) Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent liabilities are disclosed when there is a possible

obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

- d) Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### xvi) Statement of cash flows and cash and cash equivalents

Cash flows are reported using the indirect method, whereby profit /(loss) for the year is adjusted for the effects of transactions of non-cash nature, deferrals or accruals of past or future operating receipts/(payments) and items of income/ (expenses) associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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

### xvii) Fair value measurement

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

- In the principal market for the asset or liability, or



# Significant Accounting Policies

forming part of the financial statements

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

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

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

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

# Notes

forming part of the financial statements

(CIN : L34300PN2009PLC133702)

## Note : 3 Property, Plant and Equipment

The changes in the carrying amount of property, plant and equipment for the year ended March 31, 2019

Particulars	(Amt. in ₹)												
	FreeHold Land	Buildings	Plant and Machinery	Factory Equipments	Electrical Installation	Furniture and Fixture	Computers	Office Equipments	Quality Control Equipments	Vehicles - Owned	Vehicles - Leased	Dies & Moulds	Total
Gross carrying value as at April 01, 2018	34,09,85,703	26,89,60,575	1,51,56,42,607	15,34,21,614	10,78,18,948	1,43,08,056	2,10,13,727	1,26,66,586	32,74,337	1,58,67,293	21,04,193	47,88,63,195	2,93,49,26,833
Additions	-	56,48,795	9,38,58,290	28,83,900	3,91,20,100	2,05,241	19,52,619	15,20,268	2,15,855	33,10,315	-	6,21,74,041	21,08,89,424
Deletions	-	-	51,41,612	-	-	-	-	-	-	4,83,518	21,04,193	-	77,29,323
Gross carrying value as at March 31, 2019	34,09,85,703	27,46,09,370	1,60,43,59,285	15,63,05,514	14,69,39,048	1,45,13,297	2,29,66,346	1,41,86,854	34,90,191	1,86,94,090	-	54,10,37,236	3,13,80,86,935
Accumulated depreciation as at April 01, 2018	-	8,68,07,797	1,11,77,78,295	8,82,34,803	5,24,10,337	1,20,82,795	1,67,37,959	1,00,84,956	26,00,753	50,40,643	14,34,643	27,61,46,453	1,66,93,59,494
Depreciation	-	1,10,53,845	9,95,69,806	95,06,039	1,02,80,592	7,11,844	22,17,315	8,31,005	1,09,848	19,31,210	2,60,744	7,69,12,471	21,33,84,720
Accumulated depreciation on deletions	-	-	48,84,531	-	-	-	-	-	-	3,56,094	16,95,387	-	69,36,012
Accumulated depreciation as at March 31, 2019	-	9,78,61,642	1,21,24,63,570	9,77,40,842	6,26,90,929	1,27,94,639	1,89,55,274	1,09,15,961	27,10,601	66,15,759	-	35,30,58,924	1,87,58,08,142
Carrying value as at March 31, 2019	340,985,703	176,747,728	391,895,715	58,564,672	84,248,119	1,718,657	4,011,072	3,270,893	779,590	12,078,330	-	187,978,313	1,262,278,793
Carrying value as at April 01, 2018	340,985,703	182,152,778	397,864,312	65,186,811	55,408,611	2,225,260	4,275,768	2,581,631	673,584	10,826,650	669,550	202,716,742	1,265,567,399

The changes in the carrying amount of property, plant and equipment for the year ended March 31, 2018

Particulars	(Amt. in ₹)												
	FreeHold Land	Buildings	Plant and Machinery	Factory Equipments	Electrical Installation	Furniture and Fixture	Computers	Office Equipments	Quality Control Equipments	Vehicles - Owned	Vehicles - Leased	Dies & Moulds	Total
Gross carrying value as at April 01, 2017	340,985,703	256,979,219	1,460,159,900	108,838,040	83,729,978	14,030,142	20,268,459	12,034,304	3,231,272	14,374,707	2,104,193	491,877,669	2,808,613,587
Additions	-	11,981,357	81,700,865	44,583,574	24,179,769	277,914	2,052,321	728,051	43,064	3,441,684	-	66,732,159	235,720,758
Deletions	-	-	26,218,159	-	90,800	-	1,307,053	95,768	-	1,949,098	-	79,746,634	109,407,512
Gross carrying value as at March 31, 2018	340,985,703	268,960,575	1,515,642,607	153,421,614	107,818,948	14,308,056	21,013,727	12,666,586	3,274,337	15,867,293	2,104,193	478,863,195	2,934,926,833
Accumulated depreciation as at April 01, 2017	-	75,672,664	1,043,953,082	80,732,109	44,925,857	11,225,904	14,445,175	9,177,676	2,503,124	4,967,712	1,169,541	230,052,002	1,518,824,846
Depreciation	-	11,135,133	97,800,835	7,502,694	7,572,529	856,891	3,536,976	998,260	97,629	1,805,292	265,102	101,413,719	232,985,060
Accumulated depreciation on deletions	-	-	23,975,622	-	88,050	-	1,244,192	90,980	-	1,732,361	-	55,319,268	82,450,472
Accumulated depreciation as at March 31, 2018	-	86,807,797	1,117,778,295	88,234,803	52,410,337	12,082,795	16,737,959	10,084,956	2,600,753	5,040,643	1,434,643	276,146,453	1,669,359,434
Carrying value as at March 31, 2018	340,985,703	182,152,778	397,864,312	65,186,811	55,408,611	2,225,260	4,275,768	2,581,631	673,584	10,826,650	669,550	202,716,742	1,265,567,399
Carrying value as at April 01, 2017	340,985,703	181,306,554	416,206,818	28,105,931	38,804,121	2,804,238	5,823,284	2,856,628	728,148	9,406,996	934,652	261,825,667	1,289,788,741



# Notes

## forming part of the financial statements (CIN : L34300PN2009PLC133702)

### Note :4 Other Financial Assets (Non Current Assets)

(Unsecured and considered good, unless otherwise stated)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
a Security Deposits *	2,18,52,620	2,17,64,620
<b>Total</b>	<b>2,18,52,620</b>	<b>2,17,64,620</b>

\*measured at amortised cost

### Note :5 Deferred tax Asset (net)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>Deferred tax assets</b>		
a Property, plant and equipment/depreciation	3,53,37,782	2,80,28,220
b Expenses Disallowable under the Income Tax Act	51,793	7,17,449
c Other Comprehensive Income	5,62,466	11,09,761
<b>Total</b>	<b>3,59,52,041</b>	<b>2,98,55,430</b>

### Note : 6 Other Non-Current Assets

(Unsecured and considered good, unless otherwise stated)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
a Capital Advances*	19,07,67,097	21,53,68,985
b Balances with government authorities	18,28,039	37,35,832
<b>Total</b>	<b>19,25,95,136</b>	<b>21,91,04,817</b>

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

### Note : 7 Inventories

(Valued at the lower of cost and net realizable value)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
1 Raw materials	11,35,13,708	9,88,47,768
2 Finished goods (Including goods-in-transit ₹ 33,384,135/-, PY : ₹ Nil )	32,08,56,520	9,56,17,293
3 Work-In-Progress	59,27,082	1,05,03,141
4 Traded goods - Accessories	1,21,847	2,94,778
5 Stores, spares & consumables	3,16,48,237	2,30,28,822
6 Fuel & gas	21,92,905	33,27,768
<b>Total</b>	<b>47,42,60,299</b>	<b>23,16,19,570</b>

# Notes

## forming part of the financial statements

### Note : 7 Inventories (contd.)

Details of inventories

		(Amt. in ₹)	
Sr. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Raw materials		
	Aluminium ingots	<b>11,35,13,708</b>	9,88,47,768
2	Finished Goods		
a	Wheels - Two wheelers	<b>15,63,01,741</b>	5,53,81,751
b	Wheels - Four wheelers	<b>16,45,54,779</b>	4,02,35,542
		<b>32,08,56,520</b>	<b>9,56,17,293</b>
3	Work-in-progress		
a	Wheels - Two wheelers	<b>20,558</b>	40,48,769
b	Wheels - Four wheelers	<b>59,06,524</b>	64,54,372
		<b>59,27,082</b>	<b>1,05,03,141</b>
4	Traded goods		
a	Accessories	<b>1,21,847</b>	2,94,778
		<b>1,21,847</b>	<b>2,94,778</b>
5	Stores, spares & consumables	<b>3,16,48,237</b>	2,30,28,822
6	Fuel & gases	<b>21,92,905</b>	33,27,768
	<b>Total</b>	<b>47,42,60,299</b>	<b>23,16,19,570</b>

### Note : 8 Trade Receivables\*

		(Amt. in ₹)	
Sr. No	Particulars	As at March 31, 2019	As at March 31, 2018
a)	Debts Outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, considered good	<b>15,65,064</b>	1,11,35,869
	Unsecured, credit impaired	-	-
		<b>15,65,064</b>	<b>1,11,35,869</b>
	Less: Allowance for credit impairment	-	-
		<b>15,65,064</b>	<b>1,11,35,869</b>
b)	Other Debts		
	Unsecured, considered good	<b>1,76,75,863</b>	65,17,71,845
	Unsecured, credit impaired	-	-
		<b>1,76,75,863</b>	<b>65,17,71,845</b>
	<b>Total Debts Due (a+b)</b>	<b>1,92,40,927</b>	<b>66,29,07,713</b>
c)	Debts Not Due	<b>41,71,17,917</b>	2,00,50,377
	<b>Total</b>	<b>43,63,58,845</b>	<b>70,80,69,225</b>

\*measured at amortised cost

\*subject to party confirmations.

\* includes ₹ 4,78,268/ (PY...34,14,618/-) as receivables from the related parties.





# Notes

## forming part of the financial statements

### Note : 9 Cash & Cash Equivalents

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
1 In current accounts	7,82,72,869	4,83,85,042
2 In Term Deposit *	12,32,40,000	4,79,99,994
3 Cash On Hand	1,58,523	1,52,622
<b>Total</b>	<b>20,16,71,392</b>	<b>9,65,37,658</b>

Note : \* with maturity of less 3 months , original and from the balance sheet date.

### Note : 10 Bank Balances - (Other than (9) above)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
1 Deposit with bank - Margin money*	1,50,000	1,00,000
<b>Total</b>	<b>1,50,000</b>	<b>1,00,000</b>

\*with remaining maturity of more than 12 months

### Note : 11 Other Financial Assets (Current Assets)

(Unsecured and considered good, unless otherwise stated)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
1 Interest accrued on term deposits	2,16,161	2,17,815
2 Derivative Asset in respect of forward currency contracts	-	1,79,289
<b>Total</b>	<b>2,16,161</b>	<b>3,97,104</b>

### Note : 12 Current Tax Assets (net)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
1 Advance Income Tax and TDS	3,34,08,131	10,57,60,422
<b>Total</b>	<b>3,34,08,131</b>	<b>10,57,60,422</b>

### Note :13 Other Current Assets

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
1 Secured, Considered Good:	-	-
2 Unsecured, Considered Good:		
Others		
i) Advances against expenses	1,61,344	65,840
ii) Prepaid expenses	60,50,190	42,57,859
iii) Balances with government authorities	7,39,44,017	4,46,31,277
iv) Advance to suppliers	36,30,911	2,17,815
<b>Total</b>	<b>8,37,86,462</b>	<b>4,91,72,791</b>

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

# Notes

## forming part of the financial statements

### Note : 14 Equity Share capital

(Amt. in ₹)

Sr. Particulars No	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
<b>1 AUTHORISED:</b>				
(i) Equity shares of ₹ 5/- each	<b>5,20,00,000</b>	<b>26,00,00,000</b>	5,20,00,000	26,00,00,000
(ii) Compulsorily Convertible Preference shares of ₹ 10/- each	<b>1,40,00,000</b>	<b>14,00,00,000</b>	1,40,00,000	14,00,00,000
	<b>6,60,00,000</b>	<b>40,00,00,000</b>	<b>6,60,00,000</b>	<b>40,00,00,000</b>
<b>2 ISSUED, SUBSCRIBED &amp; PAID UP</b>				
Equity shares of ₹ 5/- each fully paid up	<b>1,62,22,695</b>	<b>8,11,13,475</b>	1,54,11,695	7,70,58,475
<b>Total</b>	<b>1,62,22,695</b>	<b>8,11,13,475</b>	<b>1,54,11,695</b>	<b>7,70,58,475</b>

#### a) Reconciliation of the number of equity shares outstanding and the amount of equity share capital at the beginning and at the end of the year

(Amt. in ₹)

Sr. Particulars No	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
(i) Shares outstanding at the beginning of the year	<b>1,54,11,695</b>	<b>7,70,58,475</b>	1,48,76,695	7,43,83,475
(ii) Add: Shares issued during the year	<b>8,11,000</b>	<b>40,55,000</b>	5,35,000	26,75,000
	<b>1,62,22,695</b>	<b>8,11,13,475</b>	1,54,11,695	7,70,58,475

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

(Amt. in ₹)

Sr. Particulars No	As at March 31, 2019	As at March 31, 2018
	No. of Equity shares with voting rights	No. of Equity shares with voting rights
Lock-in of shares held by Promoters Enkei Corporation, Japan	<b>27,96,335</b>	1,09,11,695

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



# Notes

## forming part of the financial statements

### (d) Details of shareholders holding more than 5% shares

Sr. No	Particulars	(Amt. in ₹)			
		As at March 31, 2019		As at March 31, 2018	
		Number of shares	Percentage (%) held	Number of shares	Percentage (%) held
(i)	<b>Equity shares</b>				
a	Enkei Corporation, Japan	<b>1,17,22,695</b>	<b>72.26</b>	1,09,11,695	70.80

### (e) Details of Allotment of Shares for consideration other than cash, allotments of Bonus Shares and Shares bought back in the period of five years immediately preceding March 31, 2019 : None

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

Sr. No	Particulars	(Amt. in ₹)			
		As at March 31, 2019		As at March 31, 2018	
		Number of shares held	Amount	Number of shares held	Amount
(i)	<b>Equity shares</b>				
a	Enkei Corporation, Japan	<b>1,17,22,695</b>	<b>5,86,13,475</b>	1,09,11,695	5,45,58,475

## Notes forming part of the financial statements

### Note : 14.1 Other Equity

Sr. No	Particulars	(Amt. in ₹)	
		As at March 31, 2019	As at March 31, 2018
<b>1</b>	<b>Securities premium account</b>		
	As per last Balance sheet	<b>68,32,36,483</b>	45,58,61,483
	Add: Addition during the year	<b>34,46,75,000</b>	22,73,75,000
		<b>1,02,79,11,483</b>	<b>68,32,36,483</b>
<b>2</b>	<b>General reserve</b>		
	As per last Balance sheet	<b>13,47,74,993</b>	13,47,74,993
	Less : realised on fair value measurement on long term liabilities	<b>(2,17,58,635)</b>	-
		<b>11,30,16,358</b>	<b>13,47,74,993</b>
<b>3</b>	<b>Retained earnings</b>		
	As per last Balance sheet	<b>53,41,035</b>	(10,15,68,334)
	Add: Additions during the year	<b>12,84,18,231</b>	10,69,09,368
		<b>13,37,59,265</b>	<b>53,41,035</b>
	<b>Total</b>	<b>1,27,46,87,106</b>	<b>82,33,52,511</b>
	Less:		
<b>4</b>	<b>Foreign Currency Monetary Item Translation Difference</b>		
	As per last Balance sheet	<b>9,42,39,035</b>	13,03,27,065
	Add: Adjustment/Accumulation during the year	<b>3,57,97,203</b>	1,10,31,488
		<b>13,00,36,238</b>	14,13,58,553
	Less: Amortisation during the year	<b>6,50,18,119</b>	4,71,19,518
		<b>6,50,18,119</b>	9,42,39,035
	<b>Total</b>	<b>1,20,96,68,987</b>	<b>72,91,13,476</b>

# Notes

## forming part of the financial statements

### Note : 15 Borrowings

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>1 Unsecured</b>		
(A) Term Loans Foreign Currency Loans (ECBs) (Payable over a period of five years)	<b>52,26,67,200</b>	52,18,59,200
<b>Total</b>	<b>52,26,67,200</b>	<b>52,18,59,200</b>

### Term Loans - Note 15 Borrowings (contd.)

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

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>1 Unsecured</b>		
<b>Foreign Currency Loans from Banks</b>		
<b>External Commercial Borrowings</b>		
<b>Lender -MUFG Bank LTD , Japan</b>	<b>65,52,09,600</b>	<b>65,23,24,000</b>
Bank	ECB Amt (In JPY)	Rate of Interest (%)
	ECB Repayment	No. of Installment
		Repayment Date
MUFG Bank LTD	1060	1.515
	106	10
		Half Yearly Equal installments starting from 30th Sept 2018
MUFG Bank LTD	200	1.175
	33.3	6
		Half Yearly starting from September 2021
Sub-Total	<b>65,52,09,600</b>	65,23,24,000
Less: Current maturities of long-term borrowings (Refer Note No. 11)	<b>13,25,42,400</b>	13,04,64,800
<b>Total</b>	<b>52,26,67,200</b>	<b>52,18,59,200</b>
<b>Total Long -term Borrowings</b>	<b>52,26,67,200</b>	<b>52,18,59,200</b>

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

\*measured at amortised cost

### Note : 16 Trade Payable (Non-current liabilities)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>a Trade Payables-Related parties*</b>	<b>52,68,82,422</b>	<b>46,60,61,567</b>
b Others - Property, plant and equipment	-	13,43,08,745
<b>Total</b>	<b>52,68,82,422</b>	<b>60,03,70,312</b>

\*measured at amortised cost



# Notes

## forming part of the financial statements

### Note : 17 Provisions

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>Provision for employee benefits:</b>		
1 Defined benefit obligation - compensated absences	35,56,238	43,73,871
<b>Total</b>	<b>35,56,238</b>	<b>43,73,871</b>

\* As the balances are shown net of assets

### Note : 18 Borrowings (current liabilities)

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>1 Unsecured</b>		
<b>Working Capital Demand Loans</b>		
- From Banks	20,00,00,000	8,00,00,000
Cash Credit	-	
<b>Total</b>	<b>20,00,00,000</b>	<b>8,00,00,000</b>

### Note : 18 Short-term Borrowings -(current liabilities) (contd.)

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

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>1 Unsecured</b>		
<b>a Working Capital Demand Loans from Banks</b>		
(1) Mizuho Bank Ltd.	-	80,000,000
Security		
Letter of guarantee by holding Company, Enkei Corporation, Japan		
Repayment		
(2) Sumitomo Mitsui Banking Corporation	200,000,000	-
Security		
Letter of guarantee by holding Company, Enkei Corporation, Japan		

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

\*measured at amortised cost.

### Note : 19 Trades payables

Sr. Particulars No	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>1 Total outstanding dues of Micro, Small &amp; Medium Enterprises</b>	<b>28,910</b>	<b>22,722</b>
2 Total outstanding dues of creditors other than small enterprises		
Payable to Related parties	7,59,76,214	15,99,88,756
Others	32,79,88,161	22,54,49,726
<b>Total</b>	<b>40,39,93,285</b>	<b>38,54,61,204</b>

\*measured at amortised cost

# Notes

## forming part of the financial statements

### Note : 20 Other financial liabilities (Current Liabilities)

Sr. No	Particulars	(Amt. in ₹)	
		As at March 31, 2019	As at March 31, 2018
1	Current maturities of long-term debt	13,25,42,400	13,04,64,800
2	Payables on purchase of property, plant and equipments (Including ₹ 9,76,67,691 /- payable to related parties, PY : ₹ Nil)	13,79,58,871	2,22,886
3	Employee dues	1,42,03,220	2,09,41,526
4	Interest accrued but not due	7,08,491	2,16,241
5	Deposit from customers	2,75,841	11,981
6	Derivative liability in respect of forward currency contracts	15,78,773	-
	<b>Total</b>	<b>28,72,67,596</b>	<b>15,18,57,434</b>

\*Liabilities other than derivative liabilities are measured at amortised cost

\*Derivative liabilities are measured at fair value through profit and loss

### Note : 21 Other current liabilities

Sr. No	Particulars	(Amt. in ₹)	
		As at March 31, 2019	As at March 31, 2018
1	Statutory remittances	5,78,85,352	7,61,26,833
2	Advance from customers	3,43,048	1,86,46,728
	<b>Total</b>	<b>5,82,28,400</b>	<b>9,47,73,561</b>

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

### Note : 22 Short-term provisions

Sr. No	Particulars	(Amt. in ₹)	
		As at March 31, 2019	As at March 31, 2018
<b>1</b>	<b>Provision for employee benefits</b>		
	a. Defined benefit obligation (gratuity)	18,19,054	6,36,962
	b. Defined benefit obligation-compensated absences	-	8,43,020
	<b>Total</b>	<b>18,19,054</b>	<b>14,79,982</b>

\* As the balances are shown net of assets

### Note : 23 Current Tax Liabilities

Sr. No	Particulars	(Amt. in ₹)	
		As at March 31, 2019	As at March 31, 2018
1	Provision for Income Tax (Current Year)	2,94,63,920	10,28,47,060
	<b>Total</b>	<b>2,94,63,920</b>	<b>10,28,47,060</b>



# Notes

## forming part of the financial statements

### Note : 24 Revenue from operations

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
1 Sale of Products	<b>4,68,50,89,867</b>	4,72,04,67,819
2 Other operating revenues	<b>5,97,57,355</b>	6,43,49,114
<b>Total</b>	<b>4,74,48,47,222</b>	<b>4,78,48,16,933</b>

Revenue from operations for the year ended March 31, 2018, includes and is gross up of Excise Duty of ₹ 13,75,42,810/- for three months ended June 30, 2017, which is not there for the year 2018-19 post implementation of GST effective from 1 July 2017.

### Note: 24.1 Particulars of Sale of Products

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
<b>a Manufactured goods</b>		
i Wheels - Two Wheelers	<b>1,64,84,29,146</b>	1,73,28,06,429
ii Wheels - Four Wheelers	<b>3,03,45,92,803</b>	2,84,83,38,498
Total - Sale of manufactured goods	<b>4,68,30,21,949</b>	4,58,11,44,927
<b>b Traded goods</b>		
i Wheels - Four Wheelers	-	-
ii Accessories	<b>20,67,918</b>	33,94,339
Total - Sale of traded goods	<b>20,67,918</b>	33,94,339
<b>Total - Sale of products</b>	<b>4,68,50,89,867</b>	<b>4,58,45,39,266</b>

### Note : 25 Other Income

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
1 Interest on term Deposits	<b>1,41,06,737</b>	64,95,099
2 Profit on sale of Property, Plant and equipment	<b>95,563</b>	7,96,655
3 Miscellaneous Income	<b>6,611</b>	6,06,387
<b>Total</b>	<b>1,42,08,911</b>	<b>78,98,141</b>



# Notes

## forming part of the financial statements

### Note : 26 Cost of Materials Consumed

		(Amt. in ₹)	
Sr. Particulars No	For the period ended March 31, 2019	For the period ended March 31, 2018	
1 Opening Stock	<b>9,88,47,768</b>	8,85,66,530	
Add: Purchases	<b>2,86,68,15,032</b>	2,66,20,97,101	
	<b>2,96,56,62,800</b>	<b>2,75,06,63,631</b>	
Less: Closing Stock	<b>11,35,13,709</b>	9,88,47,768	
<b>Cost of materials consumed*</b>	<b>2,85,21,49,091</b>	<b>2,65,18,15,863</b>	

### Note : 26.1 Detail of Purchase of Raw Material imported and indigenous items

		(Amt. in ₹)			
Sr. Particulars No	For the period ended March 31, 2019		For the period ended March 31, 2018		
	%	Value	%	Value	
<b>Raw Materials</b>					
Imported	<b>81.1</b>	<b>2,32,37,27,520</b>	83.2	2,21,57,41,327	
Indigenous	<b>18.9</b>	<b>54,30,87,511</b>	16.8	44,63,55,774	
<b>Total</b>	<b>100.0</b>	<b>2,86,68,15,031</b>	<b>100.0</b>	<b>2,66,20,97,101</b>	

### Note : 27 Purchases of Stock-in-Trade

		(Amt. in ₹)	
Sr. Particulars No	For the period ended March 31, 2019	For the period ended March 31, 2018	
1 Purchase of Accessories	<b>16,80,320</b>	30,58,022	
<b>Total</b>	<b>16,80,320</b>	<b>30,58,022</b>	

### Note : 27.1 Details of purchase of stock-in-trade imported and indigenous items

		(Amt. in ₹)			
Sr. Particulars No	For the period ended March 31, 2019		For the period ended March 31, 2018		
	%	Value	%	Value	
Traded Goods					
Imported Accessories	-	-	-	-	
Indigenous Accessories	<b>100.0</b>	<b>16,80,320</b>	100.0	30,58,022	
<b>Total</b>	<b>100.0</b>	<b>16,80,320</b>	<b>100.0</b>	<b>30,58,022</b>	



# Notes

## forming part of the financial statements

### Note : 28 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
<b>1 Inventories (at close)</b>		
a Finished Goods	<b>32,08,56,520</b>	9,56,17,294
b Work-in-progress	<b>59,27,082</b>	1,05,03,142
c Stock-in-trade	<b>1,21,847</b>	2,94,778
	<b>32,69,05,449</b>	<b>10,64,15,214</b>
<b>2 Inventories (at commencement)</b>		
a Finished Goods	<b>9,56,17,294</b>	1,50,30,555
b Work-in-progress	<b>1,05,03,142</b>	1,19,99,323
c Stock-in-trade	<b>2,94,778</b>	3,00,611
	<b>10,64,15,214</b>	<b>2,73,30,489</b>
<b>Total</b>	<b>(22,04,90,235)</b>	<b>(7,90,84,725)</b>

### Note : 29 Employee Benefits Expenses

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
1 Salaries, Wages, Allowances and Bonus	<b>31,64,19,282</b>	27,25,04,712
2 Contribution to Provident, Gratuity and other Funds	<b>1,50,35,519</b>	1,75,13,385
3 Employee Welfare Expenses	<b>3,90,62,693</b>	3,98,39,299
<b>Total</b>	<b>37,05,17,494</b>	<b>32,98,57,396</b>

### Note : 30 Finance Cost

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
1 Interest on term loans - Foreign Currency Loans (ECB)	<b>1,00,50,118</b>	99,62,655
2 Interest on Working Capital Demand Loan	<b>2,42,39,059</b>	1,28,21,698
3 Interest on delayed Payment of Statutory Dues	<b>5,327</b>	2,67,474
4 Unwinding of interest on remeasurement of trade payables & defined benefit obligations	<b>10,924,753</b>	17,602,908
5 Other borrowing costs	<b>10,134,849</b>	7,266,664
<b>Total</b>	<b>5,53,54,106</b>	<b>4,79,21,399</b>

# Notes

## forming part of the financial statements

### Note : 31 Depreciation & amortisation expense

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
1 Depreciation on property, plant and equipment	21,33,84,720	23,29,85,060
2 Amortisation on intangible assets	-	-
<b>Total</b>	<b>21,33,84,720</b>	<b>23,29,85,060</b>

### Note : 32.1 Consumption - Stores & Spares

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
1 Opening Stock	2,30,28,822	1,78,04,662
Add: Purchases	44,18,88,538	41,06,10,130
	<b>46,49,17,360</b>	<b>42,84,14,792</b>
Less: Closing Stock	3,16,48,237	2,30,28,822
<b>Cost of materials consumed*</b>	<b>43,77,66,679</b>	<b>40,53,85,970</b>

### Note : 32.1.1 Consumption - Stores & Spares

Sr. Particulars No	For the period ended March 31, 2019		For the period ended March 31, 2018	
	%	Value	%	Value
	(Amt. in ₹)			
<b>Consumption- Stores and Spares</b>				
Imported	9.3	4,12,15,304	7.5	3,08,11,694
Indigenous	90.7	40,06,73,234	92.5	37,97,98,436
<b>Total</b>	<b>100.0</b>	<b>44,18,88,538</b>	<b>100.0</b>	<b>41,06,10,130</b>

### Note : 32 Other Expenses

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
1 <b>Manufacturing Expenses</b>		
a Consumption of stores & spares	437,766,679	405,385,970
b Power and Fuel	37,64,32,214	32,84,91,718
c Processing Charges- Remelting	8,30,73,896	8,60,45,383
d Contract Labors	8,06,45,647	8,05,03,878
e Royalty	6,22,65,950	5,90,24,708
f Others	8,73,55,403	7,94,21,675
	<b>1,127,539,789</b>	<b>1,038,873,332</b>



# Notes

## forming part of the financial statements

### Note : 32 (Contd...)

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
2 <b>Foreign Exchange Fluctuation Loss/(Gain)</b> (including unrealised loss of ₹ 7,43,80,944/-, PY : ₹ 4,72,88,066/-)	<b>9,22,92,512</b>	4,66,92,381
3 <b>Administrative Expenses</b>		
a Legal and professional fees	<b>1,55,03,264</b>	1,26,58,007
b Corporate social responsibility expenses (refer note...)	<b>1,754,041</b>	
c Others	79,569,669	97,199,109
	<b>9,68,26,974</b>	<b>10,98,57,116</b>
4 <b>Selling &amp; Distribution Expenses</b>		
a Freight Outward	<b>15,10,54,574</b>	11,52,66,009
b Others	<b>1,50,55,873</b>	1,43,04,947
	<b>16,61,10,447</b>	<b>12,95,70,956</b>
<b>Total</b>	<b>1,482,769,722</b>	<b>1,324,993,785</b>

### Note : 33 Exceptional Items

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
a Prior period income		
i Related Party Liabilities (old) written back	<b>13,30,40,226</b>	4,96,62,452
<b>Total</b>	<b>13,30,40,226</b>	<b>4,96,62,452</b>

### Note : 34 Current Tax

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
a Current Tax - Current year	29,463,920	102,847,060
b MAT credit entitlement		
c Current Tax - Prior period (Excess provisions of earlier years)	(13,415,006)	(2,685,607)
<b>Total Current Tax Expense recognised in the statement of profit and loss</b>	<b>16,048,914</b>	<b>100,161,453</b>
Other comprehensive income		
d Remeasurements gains and losses on post employment benefits	547,295	(470,813)
<b>Income tax expense recognised in the statement of other comprehensive income</b>	<b>547,295</b>	<b>(470,813)</b>

### Note : 35 Deferred Tax

Sr. Particulars No	For the period ended March 31, 2019	(Amt. in ₹)
		For the period ended March 31, 2018
a Deferred Tax - Current Year	(6,643,906)	(14,672,509)
i (for temporary timing differences including reversals thereof)		
<b>Total</b>	<b>(6,643,906)</b>	<b>(14,672,509)</b>

# Notes

## forming part of the financial statements

### Note : 36 Additional information to the financial statements

Notes	Particulars
-------	-------------

**a Share Capital**

During the year, the Company has allotted 8,11,000 equity shares issued on preferential basis to its promoter & holding Company ENKEI CORPORATION, Japan after receiving the requisite approvals from the regulatory authorities.

**b Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**  
(Amt. in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	28,910	22,722
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

**c Disclosure under regulation 34 (3) of SEBI (Listing Obligations & Disclosure requirement) Regulations, 2015**  
Amount of loan and advances in nature of loans outstanding from subsidiaries:

(Amt. in ₹)

Name of the subsidiary	Relationship	Amount outstanding as at March 31, 2019	Amount outstanding as at March 31, 2018
-		-	-

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

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

(Amt. in ₹)

	As at March 31, 2019 in Foreign currency	As at March 31, 2018 in Foreign currency
Forward Contracts against Imports		
- In US Dollars ..... Number of contracts.....(5)	17,78,277	17,98,209
- In Japanese Yen Nil Number of contracts.....(Nil)	-	-
	<b>17,78,277</b>	<b>17,98,209</b>
	<b>In Indian Rupees</b>	<b>In Indian Rupees</b>
- Equivalent Indian Rupees	<b>12,30,05,705</b>	<b>11,69,62,913</b>



# Notes

## forming part of the financial statements

### e Details of the year-end foreign currency exposures that have not been hedged

Particulars with balances as per books of account	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
External Commercial Borrowings	65,52,09,600	65,23,24,000
Purchase of Property, Plant and Equipment	10,04,48,520	13,43,08,745
Trade Payables	57,22,30,633	65,42,06,940
<b>Foreign Currency Assets:</b>		
Trade receivables	4,78,268	34,25,876
Capital Advances	-	30,38,531
	<b>1,32,83,67,021</b>	<b>1,44,73,04,092</b>

### f Value of imports calculated on CIF basis @:

Raw materials	2,32,37,27,520	2,21,57,41,327
Spare parts	4,12,15,304	3,08,11,694
Capital goods	20,68,01,100	11,15,91,666
	<b>2,57,17,43,924</b>	<b>2,35,81,44,687</b>

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

### g Expenditure in foreign currency #:

Testing Expenses	35,47,888	86,01,292
Foreign Travel	1,80,013	48,518
Computer Hire Charges	6,39,906	6,58,028
Legal, Professional and consultation fees	36,73,766	47,80,654
Interest on Foreign Currency Loans	1,00,50,118	99,62,655
	<b>1,80,91,690</b>	<b>2,40,51,147</b>

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

### h Earnings in foreign exchange:

Export of goods calculated on FOB basis	22,39,560	30,44,404
Others -rendering of services		
	<b>22,39,560</b>	<b>30,44,404</b>

### i Remittance in foreign currency during the year on account of dividends

Gross amount of dividend remitted in foreign currency	-	-
Number of non-resident shareholders		
Number of equity shares held by them on which dividend was due		
Year to which the dividend relates		
TDS Deducted		

# Notes

## forming part of the financial statements

	As at March 31, 2019	As at March 31, 2018
<b>j Details of CSR Expenditure</b>		
Gross Amount to be spent during the year	16,91,346	-
Amount spent during the year	17,54,041	-
Balance amount unspent / (excess spent) as at close of the financial year	<b>(62,695)</b>	-
<b>k Auditors Remuneration</b>		
Statutory Audit	15,50,000	13,50,000
Certification Fees	18,000	-
Limited Reviews	1,50,000	1,50,000
Out of Pocket Expenses	2,11,028	1,89,549
	<b>19,29,028</b>	<b>16,89,549</b>
<b>l Contingent liabilities and commitments (to the extent not provided for)</b>		
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts - Disputed tax liabilities under the Income Tax Act, VAT and CST)	4,08,96,412	5,49,28,525
(b) Guarantees issued by the banks	15,00,000	10,00,000
(c) Other money for which the company is contingently liable Differential Tax Liability - C Forms not received	-	14,17,44,166
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets	77,01,80,427	8,61,93,710
(b) Other Commitments	-	-
<b>m Earning per Share as computed in accordance with Accounting Standard 20</b>		
Net profit / (loss) for the year	12,73,26,134	10,77,98,972
(Add) / Less: Extraordinary items (net of tax)		
Less: Preference dividend and tax thereon		-
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	<b>12,73,26,134</b>	<b>10,77,98,972</b>
Weighted average number of equity shares for calculation of Basic EPS	1,61,02,711	1,51,69,846
Weighted average number of equity shares for calculation of Diluted EPS	1,61,02,711	1,51,69,846
Face value per share	₹ 5/- per share	₹5/- per share
Earnings per share - Basic	7.91	7.11
Earnings per share - Diluted	7.91	7.11





# Notes

## forming part of the financial statements

### n Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

#### 1 Defined contribution plan - Provident fund

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 has recognised the following amounts in its Statement of Profit and Loss.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contributions to employee provident fund	1,03,95,284	1,02,43,641

#### 2 Defined benefit plan

i) The defined benefit plan comprises gratuity and compensated absences which are funded.

ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI). The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

#### Gratuity

Changes in present value of defined benefit obligation	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of defined benefit obligation at the beginning of the year	2,40,63,790	1,99,74,036
Current service cost	31,43,338	27,14,979
Interest cost	17,83,418	14,48,146
Actuarial loss / (Gain) recognised in other comprehensive income		
a) Financial (Gain)/Loss on plan liabilities	(6,67,046)	(6,25,221)
b) Demographic (Gain)/Loss on plan liabilities	(1,340)	-
c) Experience (Gain)/Loss on plan liabilities	(9,97,033)	17,83,512
Past service cost	-	-
Benefits paid	(11,95,526)	(12,31,662)
Present value of defined benefit obligation at the end of the year	2,61,29,601	2,40,63,790

Change in the fair value of plan assets	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of plan assets at the beginning of the period	2,34,26,828	1,98,23,179
Interest Income	17,54,009	15,37,437
Return on plan assets, excluding interest income	(26,027)	(2,02,126)
Contributions	5,00,000	35,00,000
Benefit paid	(13,44,264)	(12,31,662)
Fair Value of plan assets at the end of the period	2,43,10,546	2,34,26,828

Analysis of defined benefit obligation	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of obligation as at the end of the year	(2,61,29,601)	(2,40,63,790)
Fair Value of Plan Assets at the end of the Period	2,43,10,546	2,34,26,828
Net asset / (liability) recognized in the Balance Sheet	(18,19,055)	(6,36,962)
<b>Bifurcation of liability as per Schedule III</b>		
Current Liability	18,19,055	6,36,962
Non-Current Liability	2,43,10,546	2,34,26,828
Net asset / (liability) recognized in the Balance Sheet	18,19,055	6,36,962

# Notes

## forming part of the financial statements

<b>Components of employer expenses/remeasurement recognized in the statement of Profit and Loss</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Current service cost	31,43,338	27,14,979
Net Interest Cost	29,409	(89,291)
Past Service Cost	-	-
Expenses recognized in the Statement of Profit and Loss	31,72,747	26,25,688
<b>Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Actuarial loss / (gain)	(16,65,419)	11,58,291
Return on plan assets, Excluding interest income	26,027	2,02,126
Net (income)/expense recognized in the OCI	<b>(16,39,392)</b>	<b>13,60,417</b>
<b>Analysis of defined benefit obligation</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Net opening provision in books of accounts	6,36,962	1,50,857
Employee Benefit Expense	31,72,747	26,25,688
Amounts recognized in Other Comprehensive Income	(16,39,392)	13,60,417
Contributions	(5,00,000)	(35,00,000)
Net (asset) / liability recognized in the Balance Sheet	<b>16,70,317</b>	<b>6,36,962</b>
<b>Composition of the plan assets</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Policy of insurance	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Actuarial Assumptions:</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Discount rate	7.80%	7.60%
Salary Escalation	6.00%	6.00%
<b>Withdrawal rates per annum</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 36 to 45 years	3.00%	3.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%



# Notes

## forming part of the financial statements

- a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

### Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Projected benefit obligation on current assumptions	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	2,45,59,993	2,78,42,158	2,25,95,326	2,56,70,265
Future salary growth (0.5 % movement)	2,77,35,230	2,46,41,442	2,56,87,629	2,25,67,409
Attrition rate (0.5% movement)	2,64,08,609	2,58,33,264	2,41,98,363	2,39,24,036

### Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	For the year ended March 31, 2019	For the year ended March 31, 2018
1st Following year	15,47,000	13,41,719
2nd Following year	13,58,000	10,15,598
3rd Following year	13,42,000	11,23,556
4th Following year	14,64,000	10,27,136
5th Following year	21,95,000	10,27,871
Sum of years 6 to 10	1,11,54,000	61,99,819

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of active members	431	435
Per month salary cost for active members	60,05,441	59,77,592
Average monthly salary (₹)	13,933.74	13,741.59
Average age (years)	35.62	34.81
Weighted average duration of the projected benefit obligation (years)	15.69 years	14.69 years
Average expected future service (years)	15.63	14.69
Prescribed contribution for next year (12 Months)	20,00,000	6,36,962

# Notes

## forming part of the financial statements

### Compensated Absences

<b>Changes in present value of defined benefit obligation</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Present value of defined benefit obligation at the beginning of the year	<b>1,27,87,182</b>	<b>83,56,322</b>
Current service cost	32,64,324	35,12,413
Interest cost	9,50,752	5,87,072
Actuarial loss / (Gain) recognised in other comprehensive income		
a) Financial (Gain)/Loss on plan liabilities	(2,33,156)	(2,03,381)
b) Demographic (Gain)/Loss on plan liabilities	(4,400)	-
c) Experience (Gain)/Loss on plan liabilities	(17,14,298)	11,54,198
Past service cost	-	-
Benefits paid	(5,54,567)	(6,19,442)
Present value of defined benefit obligation at the end of the year	<b>1,44,95,837</b>	<b>1,27,87,182</b>
<b>Change in the fair value of plan assets</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Fair Value of plan assets at the beginning of the period	<b>1,29,06,751</b>	-
Interest Income	10,80,846	98,663
Return on plan assets, excluding interest income	(1,84,427)	(91,535)
Contributions	30,00,000	1,28,99,623
Benefit paid	(4,08,965)	-
Fair Value of plan assets at the end of the period	<b>1,63,94,205</b>	<b>1,29,06,751</b>
<b>Analysis of defined benefit obligation</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Present value of obligation as at the end of the year	(1,44,95,837)	(1,27,87,182)
Fair Value of Plan Assets at the end of the Period	1,63,94,205	1,29,06,751
Net (asset) / liability recognized in the Balance Sheet	18,98,368	1,19,569
<b>Bifurcation of liability as per Schedule III</b>		
Current Liability	-	-
Non-Current Liability	1,44,95,837	1,27,87,182
Net asset / (liability) recognized in the Balance Sheet	<b>18,98,368</b>	<b>1,19,569</b>
<b>Components of employer expenses/remeasurement recognized in the statement of Profit and Loss</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Current service cost	32,64,324	35,12,413
Net Interest Cost	(1,30,094)	4,88,409
Remeasurement Cost/ (Credit) for the year	(17,67,427)	10,42,352
Past Service Cost	-	-
Expenses recognized in the Statement of Profit and Loss	<b>13,66,803</b>	<b>50,43,174</b>



# Notes

forming part of the financial statements

<b>Analysis of defined benefit obligation</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Net opening provision in books of accounts	1,19,569	(83,56,322)
Employee Benefit Expense	(14,05,578)	(50,43,174)
Benefits directly paid by the company	1,84,377	6,19,442
Contributions	30,00,000	1,28,99,623
Net asset / (liability) recognized in the Balance Sheet	<b>18,98,368</b>	<b>1,19,569</b>

<b>Composition of the plan assets</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Policy of insurance	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

<b>Actuarial Assumptions:</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Discount rate	0	0
Salary Escalation	0	0

<b>Withdrawal rates per annum</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
- 25 years and below	0	0
- 26 to 35 years	0	0
- 36 to 45 years	0	0
- 46 to 55 years	0	0
- 56 years and above	0	0

- a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

### Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<b>Projected benefit obligation on current assumptions</b>	<b>For the year ended March 31, 2019</b>		<b>For the year ended March 31, 2018</b>	
	<b>Defined benefit obligation</b>		<b>Defined benefit obligation</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
Discount rate (0.5 % movement)	1,39,39,908	1,50,90,978	1,23,02,875	1,33,06,607
Future salary growth (0.5 % movement)	1,50,29,583	1,39,92,229	1,33,12,165	1,22,93,580
Attrition rate (0.5% movement)	1,47,72,106	1,42,08,031	1,28,18,483	1,27,56,876

# Notes

## forming part of the financial statements

### Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	For the year ended March 31, 2019	For the year ended March 31, 2018
1st Following year	9,50,000	14,48,701
2nd Following year	5,99,000	12,47,274
3rd Following year	5,17,000	12,32,496
4th Following year	5,16,000	11,57,076
5th Following year	5,86,000	11,19,239
Sum of years 6 to 10	28,91,000	52,79,618

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of active members	431	435
Total Monthly leave encashment salary in Rupees	1,22,57,730	1,18,88,036
Total Monthly leave availment salary in Rupees	1,63,43,569	1,88,40,376
Average age (years)	36	35
Total Leave Balances in days		
Privilege Leave	15,315	12,052
Sick Leave	15,315	12,052
Average past services in years	9	8

### o Related Party Disclosures

#### Details of related parties:

Parent Company	Entities over which Key Managerial Personnel of the parent company are able to exercise significant influence	Key Managerial Personnel	Entities over which Key Managerial Personnel of the company are able to exercise significant influence
Enkei Corporation	Enkei Audit & Computer Services Ltd.	<b>Managing Director</b>	Alicon Castalloy Ltd.
(with 72.26% shareholding in Company)	Enkei Thai Co. Ltd.	Kazuhiko Shimamura -(upto 31.03.2019)	Chemetall India Pvt. Ltd.
	Enkei Thai Mouldings Ltd.	Kazuo Suzuki -(from 01.04.2019)	HU Consultancy Pvt. Ltd.
	Enkei Asia Pacific Co. Ltd.	<b>Other Directors</b>	GSV Prasad & Co.
	Enkei Vietnam Co. Ltd.	Junichi Suzuki	MRM & Associates
	Enkei (Malaysia) Sdn. Bhd.	Shailendrajit Rai	
	Enkei Phillipins Inc	Haresh Shah	
		GSV Prasad	
		Shilpa Dixit	
		<b>Chief Financial Officer</b>	
		Jitendra Parmar	
		<b>Company Secretary</b>	
		Omkar Kaulgud -(upto 30.06.2019)	
		Shrikant Joshi - (From 02.08.2019)	



# Notes

## forming part of the financial statements

### Related Party Transactions

(Aggregate of the transactions)

(Amt. in ₹)

Particulars		Parent Company	Entities over which Key Managerial Personnel of the parent company are able to exercise significant influence	Key Managerial Personnel	Entities over which Key Managerial Personnel of the company are able to exercise significant influence	Total
Sale of Goods	CY	2,239,560		-	-	<b>2,239,560</b>
	PY	3,044,404		-	-	3,044,404
Purchase of stores & spares	CY	15,093,221	1,350,908		17,796,297	<b>34,240,426</b>
	PY	16,417,953	627,869		19,563,844	36,609,666
Purchase of property and other assets	CY	140,032,790	66,768,310		-	<b>206,801,100</b>
	PY	51,665,063	59,926,603		-	111,591,666
Receiving of services	CY	16,140,940	4,583,647		35,215,760	<b>55,940,347</b>
	PY	13,454,536	3,583,753		39,668,592	56,706,881
Salaries & other reimbursements - paid	CY	12,216,926		-	-	<b>12,216,926.00</b>
	PY	661,284		-	-	<b>661,284</b>
Rent paid	CY				18,149,592	<b>18,149,592</b>
	PY				16,776,034	16,776,034
Expense reimbursements - received	CY	-	49,560		-	<b>49,560</b>
	PY	-			-	-
Compensation to Key Managerial Personnel	CY	-		12,700,368		<b>12,700,368</b>
	PY	-		6,028,305		6,028,305
Royalty paid	CY	62,265,950		-	-	<b>62,265,950</b>
	PY	59,024,708		-	-	59,024,708
Write back of liabilities	CY	-	133,040,226		-	<b>133,040,226</b>
	PY	-	49,664,991		-	49,664,991
Issue of shares	CY	348,730,000		-	-	<b>348,730,000</b>
	PY	230,050,000		-	-	230,050,000
<b>TOTAL CY</b>	<b>CY</b>	<b>596,719,387</b>	<b>205,792,651</b>	<b>12,700,368</b>	<b>71,161,649</b>	<b>886,374,055</b>
<b>TOTAL PY</b>	<b>PY</b>	<b>374,317,949</b>	<b>113,803,215</b>	<b>6,028,305</b>	<b>76,008,470</b>	<b>570,157,939</b>

Note: 1. Figures in CY relates to the year 2018-19 and PY relates to the year 2017-18  
2. Related party transactions are shown at gross amount



# Notes

## forming part of the financial statements

### Balances with related parties at the end of the period March 31, 2019

Nature of Balances with related parties		Holding Company	Entities over which Key Managerial Personnel of the parent company are able to exercise significant influence	Key Managerial Personnel	Entities over which Key Managerial Personnel of the company are able to exercise significant influence	Total
Trade payable	CY	167,528,435	527,595,896	-	5,401,996	700,526,327
	PY	65,237,514	691,054,084		7,106,001	763,397,599
Trade receivables	CY	478,268	-	-	-	478,268
	PY	3,425,876	3,038,531	-	-	6,464,407
Other advances	CY	-	-	-	-	-
	PY	-	-	30,857	-	30,857
Capital commitments	CY	27,557,826	5,130,770	-	-	32,688,596
	PY	4,477,112	-	-	-	4,477,112

### Compensation to key management personnel:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	12,200,826	5,633,709
Post-employment benefits	159,542	154,596
Sitting Fees	340,000	240,000
Total	12,700,368	6,028,305

p Disclosure in respect of Leases pursuant to Indian Accounting Standard (Ind AS-17) "Leases".

i) where the Company is a lessee:

#### Operating Leases

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

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	17,172,288	16,008,720
Later than one year but not later than five years		
Later than five years	-	-

#### Segment information

q "The Company has single operating segment, that of manufacturing of automotive wheels. Accordingly, disclosure requirements as per Indian Accounting Standard (Ind AS) 108 'Operating Segment' are not applicable to the Company.



# Notes

## forming part of the financial statements

### r Net debt reconciliation

#### Position of net debt

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Borrowings		
Non-current borrowings	522,667,200	521,859,200
Current borrowings	200,000,000	80,000,000
Current maturities of long term loans	132,542,400	130,464,800
	<b>855,209,600</b>	<b>732,324,000</b>
Less		
Cash & cash equivalents	201,671,392	96,537,658
<b>Net debt</b>	<b>653,538,208</b>	<b>635,786,342</b>

#### Movement in net debt

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
<b>Opening net debt</b>	<b>635,786,342</b>	<b>623,176,089</b>
Cash flows	(7,198,534)	(25,337,747)
Foreign exchange adjustment-loss/(gain)	24,950,400	37,948,000
Interest accrued but not due at the beginning of the year	216,241	-
Interest accrued but not due as at end of the year	(708,491)	216,241
Interest expense	34,289,177	22,784,353
Interest paid	(33,796,927)	(23,000,594)
<b>Closing net debt as at 31<sup>st</sup> March 2019</b>	<b>653,538,208</b>	<b>635,786,342</b>

### s The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Profit before tax	136,731,142	193,287,916
Indian statutory income tax rate	34.94%	34.61%
Expected tax expense	47,779,331	66,893,083
<b>Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense</b>		
Effect of tax on earlier years	(18,315,409.88)	(25,241,855.56)
Tax rate difference on book profit as per Minimum Alternate Tax	(13,415,006)	(2,685,607)
Tax expenses accounted as no effect of Timing differences on MAT liability	-	29,140,320
Effect of weighted deductions, exemptions and deductions	-	32,055,512
Effect of permanent adjustments	16,048,915	100,161,453
<b>Total tax expense</b>	<b>653,538,208</b>	<b>635,786,342</b>

# Notes

## forming part of the financial statements

### Deferred Tax

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

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
-Property, plant and equipment	(7,309,561)	(16,615,181)
-Remeasurment /Unwinding of long term liabilities	-	-
-Remeasurement of defined benefit obligations	547,295	-470,813
-Provision allowed on payment basis	665,655	1,942,672
-Foreign currency loan and forward contracts	-	-
<b>Total expenses</b>	<b>(6,096,611)</b>	<b>(15,143,322)</b>
- Recognised in Profit or Loss	(6,643,906)	(14,672,509)
- Recognised in Other Comprehensive Income	547,295	(470,813)

#### The gross movement in the deferred tax for the year ended 31 March 2019 and 31 March 2018 is as follows:

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Net deferred tax asset (liability) at the beginning	<b>29,855,430</b>	<b>14,712,108</b>
Credits / (charge) relating to temporary differences	6,643,906	14,672,509
Temporary differences on other comprehensive income	(547,295)	470,813
Net deferred income tax asset at the end	<b>35,952,041</b>	<b>29,855,430</b>

### t Financial Instruments

#### i) Financial Instruments by category

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

Particulars	(Amt. in ₹)			
	Amortised cost	FVTPL	FVTOCI	Total carrying value
<b>Assets</b>				
Trade receivables	436,358,845	-	-	436,358,845
Cash and cash equivalents	201,671,392	-	-	201,671,392
Other balances with banks	150,000	-	-	150,000
Other financial assets	22,068,781	-	-	22,068,781
<b>Total Assets</b>	<b>660,249,018</b>	<b>-</b>	<b>-</b>	<b>660,249,018</b>
<b>Liabilities</b>				
Borrowings	722,667,200	-	-	722,667,200
Trade payables	930,875,707	-	-	930,875,707
Other financial liabilities	285,688,823	1,578,773	-	287,267,596
<b>Total Liabilities</b>	<b>1,939,231,731</b>	<b>1,578,773</b>	<b>-</b>	<b>1,940,810,504</b>

The carrying value of financial instruments by categories as on March 31, 2018 are as follows:

Particulars	(Amt. in ₹)			
	Amortised cost	FVTPL	FVTOCI	Total carrying value
<b>Assets</b>				
Trade receivables	708,069,225	-	-	708,069,225
Cash and cash equivalents	96,537,658	-	-	96,537,658
Other balances with banks	100,000	-	-	100,000
Other financial assets	22,161,724	179,289	-	22,341,013
<b>Total Assets</b>	<b>826,868,607</b>	<b>179,289</b>	<b>-</b>	<b>827,047,896</b>
<b>Liabilities</b>				



# Notes

## forming part of the financial statements

Borrowings	601,859,200	-	-	601,859,200
Trade payables	985,831,516	-	-	985,831,516
Other financial liabilities	151,857,434	-	-	151,857,434
<b>Total Liabilities</b>	<b>1,739,548,150</b>	<b>-</b>	<b>-</b>	<b>1,739,548,150</b>

### ii) Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, deposits, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short-term nature of such assets and liabilities.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2019:

Particulars	As at March 31, 2019	Fair value measurement as at		
		Level 1	Level 3	Level 3
Derivative financial asset	-	-	179,289	179,289
Derivative financial liability	1,578,773	-	-	-

### Valuation technique and significant unobservable inputs:

#### Level 2:

- (i) Derivative financial liabilities / assets are valued based on inputs that are directly or indirectly observable in the market.

#### Financial Instruments measured/carried at amortised cost:

The management believes that the fair value of financial assets and financial liabilities, both current and non-current, measured at amortised cost is not materially different from carrying amount.

### iii) Financial risk management

The Company's activities exposes it various financial risks, such as market risk (including currency risk, interest rate risk and price risk), credit risks and liquidity risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company's management have overall responsibility for the establishment and oversight of the Company's risk management framework. Derivatives are used for hedging of foreign currency liabilities and not as a trading or speculative purposes.

The Company has exposure to the following risks arising from financial instruments:

#### a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers, bank balances and cash deposits. To manage this, the Company periodically assesses the balances of its trade receivables. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss, if any.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

#### i. Trade receivables

The management has established the policies under which customer accounts are regularly reviewed and monitored. The Company has a dedicated sales team which is responsible for reviewing, monitoring customer accounts and collecting dues from them within the credit period. Anyhow, almost all its customer base are OEMs and the Company does not have make follow ups for the collections.

# Notes

## forming part of the financial statements

### Trade receivables that were not impaired

Particulars	Carrying amount (₹)	
	As at March 31, 2019	As at March 31, 2018
Less than six months old from due date	17,675,863	676,882,980
Not due as at balance sheet date	417,117,917	20,050,377
More than 180 days from due date	1,565,064.38	11,135,868.82
<b>Total</b>	<b>436,358,845</b>	<b>708,069,225</b>

### Movement in allowance for credit impairment

	(Amt. in ₹)
<b>As at April 01, 2017</b>	-
Provided during the year	-
Amount written off during the year	-
<b>As at March 31, 2018</b>	-
Provided during the year	-
Amount written off during the year	-
<b>As at March 31, 2018</b>	-

#### ii. Financial instruments and Cash deposits

Credit risk from bank balances bank deposits, derivative financial instruments is considered immaterial in view of the creditworthiness of the banks the Company works with. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. The company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties.

#### b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both, in normal and exceptional conditions. In this respect, the Company' strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility through the availability of committed credit lines.

The Company has a view of maintaining liquidity and to take minimum possible risk for which company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	201,671,392	96,537,658
Other balances with banks	150,000	100,000
<b>Total</b>	<b>201,821,392</b>	<b>96,637,658</b>

The following are the remaining contractual maturities of financial liabilities as on 31 March 2019.

Particulars	Repayable on demand	"Less than one year"	"More than one year"	(Amt. in ₹)
				Total
Borrowings - non-current	-	132,542,400	522,667,200	655,209,600
Borrowings - current	200,000,000	-	-	200,000,000
Trade payables -non-current	-	-	526,882,422	526,882,422
Trade payables -current	-	403,993,285	-	403,993,285
Other financial liabilities	-	154,725,196	-	154,725,196



# Notes

## forming part of the financial statements

The following are the remaining contractual maturities of financial liabilities as on 31 March 2018.

Particulars	Repayable on demand	"Less than one year"	"More than one year"	(Amt. in ₹)
				Total
Borrowings - non-current	-	130,464,800.00	521,859,200	652,324,000
Borrowings - current	80,000,000	-	-	80,000,000
Trade payables -non-current	-	-	600,370,312	600,370,312
Trade payables -current	-	385,461,204.00	-	385,461,204
Other financial liabilities	-	21,392,634	-	21,392,634

### c. Market risk

"Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises three types of risks, interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables and deposits with banks."

#### i. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies such as USD and JPY. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where purchases (about 80 % of total purchases) is denominated in a foreign currency. The Company manages its foreign currency risk by hedging some part of its foreign currency liabilities loan using foreign currency forward contracts . The Company negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

The details of foreign currency exposures that have not been hedged by derivative instruments at the Balance Sheet date are provided in Note 36 (d) of the financial statements. The same is reproduced here.

Nature of exposure	Currency	March 31,2019	March 31,2018	March 31,2019	March 31,2018
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
External Commercial Borrowings	JPY	1,048,000,000	655,209,600	1,060,000,000	652,324,000
Payable towards Property, Plant and Equipment	JPY	156,218,316	97,667,691	-	-
	USD	-	-	2,045,385	134,308,745
	EURO	35,788	2,780,829	-	-
Trade Payables	USD	9,563,209	593,580,968	9,148,578	681,162,078
	JPY	(32,884,134)	(20,638,238)	(43,801,005)	(26,955,138)
Total Liabilities		-	<b>1,328,600,851</b>	-	<b>1,440,839,685</b>
Less : Trade Receivables and others	JPY	764,984	478,268	5,548,616	3,425,876
	USD	-	-	46,715	3,038,531
Net liabilities / (assets)			<b>1,328,122,583</b>		<b>1,434,375,278</b>

# Notes

## forming part of the financial statements

Foreign currency sensitivity on unhedged exposure

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax	Effect on pre-tax equity
For the year ended March 31, 2019	USD	+5%	33,645,649	33,645,649
		-5%	(33,645,649)	(33,645,649)
	JPY	+5%	32,760,480	32,760,480
		-5%	(32,760,480)	(32,760,480)
For the year ended March 31, 2018	USD	+5%	39,102,564	39,102,564
		-5%	(39,102,564)	(39,102,564)
	JPY	+5%	32,616,200	32,616,200
		-5%	(32,616,200)	(32,616,200)

### ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the Company's interest bearing financial instruments are follows:

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Fixed rate instruments		
Foreign Currency Loan -External Commercial Borrowings	655,209,600	652,324,000
Variable rate instruments		
Working Capital Demand Loans	200,000,000	80,000,000

The sensitivity analysis below has been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest rate sensitivity on fixed rate instruments

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Impact on profit before tax		
Increase by 50 basis points	-	-
Decrease by 50 basis points	-	-

Interest rate sensitivity on variable rate instruments

Particulars	(Amt. in ₹)	
	As at March 31, 2019	As at March 31, 2018
Impact on profit before tax		
Increase by 50 basis points	(2,000,000)	(400,000)
Decrease by 50 basis points	2,000,000	400,000





# Notes

## forming part of the financial statements

### **Capital management**

"For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company maintains healthy capital gearing ratio by keeping debts to the minimum possible and infusion of funds from shareholders by the preferential allotments.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31 2019 and March 31 2018."



### Enkei Wheels (India) Limited

CIN : L34300PN2009PLC133702

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

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

#### Attendance Slip

I / We record my / our presence at the 'TENTH ANNUAL GENERAL MEETING' of the Company to be held on Tuesday, 9<sup>th</sup> Day of July 2019 at 12.30 p.m. at the registered office of the Company at Gat no. 1425, Village Shikrapur, Taluka Shirur, Pune - 412208.

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

No. of Share held .....

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

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

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



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#### Proxy Form

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

1. Name: .....

Address: .....

Email Id: ..... Signature: ..... or failing him;

2. Name: .....

Address: .....

Email Id: ..... Signature: ..... or failing him;

3. Name: .....

Address: .....

Email Id: ..... Signature: ..... or failing him;

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 10<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, 9<sup>th</sup> Day of July 2019 and at any adjournment thereof, in respect of following resolutions.

#### ORDINARY BUSINESS

- To receive, consider and adopt the audited financial statements of the company for the financial year ended 31<sup>st</sup> March 2019 and the reports of the board of directors and auditors thereon.
- To appoint a director in place of Mr. Shailendrajit Charanjit Rai (DIN: 00050950), who retires by rotation, and being eligible, seeks reappointment.

#### Special business:

- To appoint auditors and to fix their remuneration.
- Re-appointment of mr. Haresh babul shah (din: 00228471) as an independent non-executive director.
- Re-appointment of mr. Satyavara prasad garimella (din: 05344245) as an independent non-executive director.
- Approval for transaction with related party.
- Ratification of remuneration paid to the managing director.

Signed this ..... day of ..... 2019

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

Signature of Proxy Holder .....



Note:

- This proxy form in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 10<sup>th</sup> Annual General Meeting.





## Enkei Wheels (India) Limited

CIN : L34300PN2009PLC133702

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

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

### Ballot Form (In lieu of E-voting)

1. Registered Folio Number / DP ID No. / Client ID No. ....
2. Name(s) & Registered Address .....
3. Name(s) of the Joint holder(s), if any .....
4. Number of Ordinary Share(s) held .....
5. I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Tenth Annual General Meeting (AGM) of the Company to be held on Tuesday, 9<sup>th</sup> Day of July 2019 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below :

Item No.	Description of Resolution	No. of ordinary Shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended 31 <sup>st</sup> March 2019 and the reports of the Board of Directors and Auditors thereon			
2.	To appoint a Director in place of Mr. Shailendrajit Charanjit Rai (DIN: 00050950), who retires by rotation, and being eligible, seeks reappointment.			
3.	To appoint Auditors and to fix their remuneration.			
4.	Re-appointment of Mr. Haresh Babulal Shah (DIN: 00228471) as an Independent Non-Executive Director.			
5.	Re-appointment of Mr. Satyavara Prasad Garimella (DIN: 05344245) as an Independent Non-Executive Director.			
6.	Approval for Transaction with Related Party.			
7.	Ratification of Remuneration paid to the Managing Director.			

Date :  
Place :

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

Note : Please read the instructions printed overleaf before filling the form, valid Ballot form received by the scrutinizer by IST 5.00 p.m. on 8<sup>th</sup> July, 2019 shall only be considered.

## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. Shailesh Indapurkar, Practising Company Secretary, Unit: Enkei Wheels (India) Limited. C/o. Universal Capital Securities Pvt. Ltd., 21/25 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, so as to reach by IST 5.00 p.m. of 8<sup>th</sup> July, 2019. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Universal Capital Securities Pvt. Ltd. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DPID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
10. The Ballot Form is also placed on the website of the Company.

## MAP FOR AGM VENUE





**ENKEI WHEELS (INDIA) LIMITED**

CIN : L34300PN2009PLC133702

**Registered Office :**

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

Tel. : (02137) 618700

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

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