



4TH ANNUAL REPORT
2012 - 2013



ENKEI WHEELS (INDIA) LIMITED

An ISO / TS 16949 Company

Be Innovative and Continue to make maximum effort

BOARD OF DIRECTORS:

Mr. Masakatsu Uchiyama	Managing Director
Mr. Junichi Suzuki	Non-Executive Director
Mr. Tetsuro Masui (Up to 5th November 2012)	Non-Executive Director
Dr. Haresh Shah	Independent & Non-Executive Director
Mr. Shailendrajit Rai	Non-Executive Director
Mr. Kazuhiko Shimamura	Alternate Director to Mr. Junichi Suzuki
Mr. Junji Ohtaka (Up to 24th July 2012)	Alternate Director to Mr. Tetsuro Masui
Mr. Dhananjay Jhaveri (Up to 6th November 2012)	Independent & Non-Executive Director
Mr. Sandeep Shah (Up to 5th November 2012)	Independent & Non-Executive Director
Mr. Satyavara Prasad Garimella	Independent & Non-Executive Director

COMPANY SECRETARY:

Mr. Omkar Kaulgud

BANKERS:

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

AUDITORS:

M/s Asit Mehta & Associates
Chartered Accountants, Mumbai

COST AUDITORS:

M/s F.X. Nelson Leo & Associates
Cost Auditors, Pune

REGISTERED OFFICE & WORKS:

Gat no. 1425, Village Shikrapur,
Taluka Shirur, Dist. Pune - 412208.
Tel: (02137) 618700 , Fax: (02137) 618720
Email: secretarial@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

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Masakatsu Uchiyama
Managing Director

MD'S MESSAGE

To start with, I would like to express my gratitude to all the stake holders, for extending their continuous support to Enkei Wheels (India) Limited.

At the beginning of the year under review Financial Year 2012-13, share swap was executed which resulted into increase of Enkei Corporation stake by more than 64% in the Company. Hence, it was the first year for Enkei Wheels (India) Limited to become an individual & independent entity both in name and reality.

At the outset in Financial Year 2012-13, the growth for Indian automobile industry was miniscule and it witnessed the growth of 2.1% for passenger car segment and 2.9% for two wheeler segment.

As far as Company is concerned, last financial year, it experienced fewer orders because of Tsunami in Japan, flood in Thailand and strike in factory at customer end. Likewise in Financial Year 2012-13 also occurrence of labor related incidents took place in the factory at customer end which affected the stable order position of the Company adversely.

The environment surrounding us is becoming rigid and difficult because of the effects of external causes of Indian Economy and political instability. Our Indian rupee is becoming weaker compared to foreign currency which is resulting in sudden price rise in the cost of basic raw material of the Company.

However, Company has implemented the Shrink Balance Activity (Damage control to bring the damage to the lowest by implementing the production system in order to match with order quantity) as a measure to overcome such rigid and difficult situation.

Also by exercising the 5S audit activity and monitoring Daily Income Statement (DIS) as per standard of Enkei Group management principle, we are putting maximum efforts to develop all sorts of improvement at the production level and also promoting 3 Basics of manufacturing for improvement of quality parameters which are the fundamentals of Enkei

Group. We are hopeful and also aiming to acquire the new orders and stable production in the coming years.

As a result of this, the Revenue has gone up by 4.8% as compared to Financial Year 2011-12, and we have achieved the Gross Revenue of 3200 million INR (including excise duty). Later at the year end, Promoters (Enkei Corporation) provided great support by relinquishing their rights of receivables from the Company which helped us to close the Financial with profit. Here onwards also we will keep raising the target and aim towards fulfillment of goal.

The biggest strength of Enkei Wheels (India) Limited, is in the 61 years of rich experience of the Enkei Group in the field of research & development and manufacturing of aluminum alloy wheel. The strong technical support & cultural exchange from Japan and other ASEAN group companies of Enkei, makes us No.1 aluminum wheels OEM supplier at present in India. And we commit to retain the same status.

In order to deal with the new demands in first half of financial year 2013-14, we have almost completed the preparation for production capacity expansion and also prepared to strive with the increased production capacity and technical capability.

Financial Year 2013-14 will be challenging for the Indian Automobile Industry due to ongoing economic slowdown and inflation. However, we will continue to focus on cost control, new product development and will put maximum effort to increase the orders and to the production activities to get maximum growth.

I believe the future holds immense opportunities for us and our global team has the proficiency to drive and convert these opportunities into success, for all of us.

At the end I would like to express my cordial gratitude to all for your support and cooperation and would also like to request the same hereafter as well.

Masakatsu Uchiyama
Managing Director

**ENKEI**ENKEI WHEELS (INDIA) LTD.

Date: 29th July 2013

Dear- Member

You are cordially invited to attend the Fourth Annual General Meeting of the members to be held on Tuesday the 10th day of September 2013 at 12.30 p.m. at the registered office of the Company at Gat No. 1425, Village Shikrapur, Taluka Shirur, Pune-412208.

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

Very truly yours

For **Enkei Wheels (India) Limited**

MASAKATSU UCHIYAMA

MANAGING DIRECTOR

Encl: Notice

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ENKEI WHEELS (INDIA) LIMITED WILL BE HELD ON TUESDAY THE 10th DAY OF SEPTEMBER 2013 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 - Adoption of accounts:**

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date, together with Report of Directors and Auditors thereon.

Item No 2 - Re-appointment of Dr. Haresh Shah:

To appoint a director in place of Dr. Haresh Shah, who retires by rotation, and being eligible, seeks re-appointment.

Item No 3 - Re-appointment of Mr. Shailendrajit Rai:

To appoint a Director in place of Mr. Shailendrajit Rai, who retires by rotation, and being eligible, seeks re-appointment.

Item No 4 - Appointment of Auditors:

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

SPECIAL BUSINESS:**Item No 5 - Approve holding office or place of profit by Mr. Kazuhiko Shimamura**

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

“RESOLVED THAT pursuant to provisions of section 314 of the Companies Act, 1956 Company do hereby approve holding office or place of profit by Mr. Kazuhiko Shimamura, alternate director; in the capacity of an advisor of the Company at remuneration up to ₹ 1,67,000/- per month as determined by Board of Directors from time to time w. e. f. 1st April 2013.

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

For & On Behalf of the Board of Directors

Masakatsu Uchiyama
(Managing Director)

Place : Pune

Date : 29th July 2013

**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) An explanatory statement as required under Section 173(2) of the Companies Act, 1956 is annexed herewith and forms part of the Notice.
- 3) The Registrar of Members and Share Transfer Books of the Company will be closed from 2nd September 2013 to 10th September 2013 (both days inclusive).
- 4) As required under clause 49 of the Listing Agreement, profile of the directors being re-appointed is mentioned in Corporate Governance report.
- 5) Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
- 6) Members/ proxies should bring their attendance slip duly filled in for attending the meeting along with copy of the notice. Corporate shareholders intending to send their authorised representative to attend the meeting are requested to send a certified copy of Board Resolution authorising their representatives to attend and vote on their behalf in the meeting.

IMPORTANT COMMUNICATION TO MEMBERS**Open Demat Account:**

Investors are requested to open Demat Account and Dematerialise your shares, Investors should convert their physical holdings of securities into demat holdings. Holding securities in demat form helps investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

Green Initiative**Register e-mail address:**

To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with M/s. Universal Capital Securities Pvt. Ltd., if shares are held in physical mode or with their DP, if the holding is in electronic mode.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 5:**

Mr. Kazuhiko Shimamura was appointed as an alternate director to Mr. Junichi Suzuki, Director with effect from 15th February 2012. He is working in the capacity of an advisor at a remuneration of ₹ 1,11,000/- w.e.f. 15th February 2012. It is proposed to increase his remuneration to ₹ 1,67,000/- per month from 1st April 2013 for the services rendered by him as an advisor after his appointment as an alternate director.

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

The Board hereby seeks your consent for ratification of payment of monthly remuneration with effect from 1st April 2013 till the date he is a director on the board pursuant to the provisions of Section 314 of the of the Companies Act, 1956.

The resolution mentioned in Item no. 5 of the notice is recommended for your approval as a special resolution.

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

For & On Behalf of the Board of Directors

Place : Pune

Date : 29th July 2013

Masakatsu Uchiyama
(Managing Director)

DIRECTORS' REPORT

To,
The Members,

We are delighted to present the report on our business and operations for the year ended 31st March, 2013:

Financial Highlights:

The Company's financial performance during the year 2012-13, as compared to the previous year 2011-12 is summarized below:

Particulars	(₹ In Million)	
	For the Year ended March 31,2013	For the Year ended March 31,2012
Gross Sales	3,215.09	3,060.66
Net Sales	2,869.57	2,792.11
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)	183.74	140.54
Less: Depreciation	159.61	146.51
Less: Financial Expenses	63.57	50.06
Add: Other Income	5.71	3.67
Profit / (Loss) before exceptional and extraordinary items and tax	(33.75)	(52.37)
Exceptional and Extraordinary items	90.76	-
Profit/(Loss) before Tax	57.01	(52.37)
Provisions for Taxes	13.51	(5.33)
Profit/(Loss) after Tax	43.50	(53.30)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A) REVIEW OF OPERATIONS:

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

Turnover

During the year under review, the Company has recorded Gross Sales of ₹ 3,215.09 millions (net Sales of ₹ 2,869.57 million) in current fiscal year as compared to Gross Sales of ₹ 3,061.66 millions (net sales of ₹ 2,792.11 million) last fiscal year. A meager growth of 2.5% over the last fiscal year, this growth is of manufacturing of wheels instead of trading activity, which has been drastically reduced from ₹ 229 million of the last fiscal year to ₹ 98 million in the current fiscal year.

DIVIDEND

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

CAPITAL

The Board of Directors in its meeting held on 5th February 2013 approved the conversion of 39,13,950 Compulsorily Convertible Preference Shares of Face value of ₹ 10/- each earlier issued on preferential basis. Accordingly, 5,21,860 equity shares of Face value of ₹ 5/- each at a premium of ₹ 70/- each have been allotted to the promoter company, viz. Enkei Corporation, Japan. The said allotment is in compliance with SEBI Regulation and listing Agreement.

(B) INDUSTRY STRUCTURE AND DEVELOPMENT:

Overall Indian Automobile Industry has shown 2.61% growth in Financial Year 2012-13 compare to previous Financial Year 2011-12. Production and Domestic sales has registered growth of 1.20% and 2.61% respectively. Most of the automotive players have plan for expanding their activities in India including new product launches. Indian automotive industry contributes 5-6% in GDP and more than 15 million manpower directly associate with auto industry.

Domestic Sales

Car sales are down by more than 6% in Financial Year 2012-13 compare to previous financial year 2011-12. The main reasons were high interest rates, increase in fuel price, high inflation rate, low movement in other sectors etc. Utility vehicle segment is having maximum growth in this segment at 52%. One of our major customers like Maruti Suzuki India Limited has increased market share due its better performance in Utility Vehicle segment compare to Financial Year 2011-12. Utility Vehicle sales expected to be 11-13% growth in this financial year 2013-14. Commercial Vehicle sales expected by 7-9% while light truck sales by 10-12%.

Scooter, moped and motorcycle sales grew by 14.24%, 1.53% and 0.12 % respectively in Financial Year 2012-13 over that of Financial Year 2011-12. The two wheeler segment as a whole experienced a growth of 2.90% during Financial Year 2012-13 over that of Financial Year 2011-12. However, in March 2013 sales of scooters, mopeds and motorcycles declined by 3.18%, 8.32% and 4.54% respectively. Scooter sales achieved remarkable growth due to new model launches and the introduction of fuel efficient technology.

Exports

During the year export has negative growth due to negative global environment and fluctuation.

(C) OPPORTUNITIES/OUTLOOK FOR THE COMPANY:

India is 2nd largest 2 wheeler market in world in terms of volume after China. The two and three wheeler segments have registered growth in sales of 2.90% and 4.87% respectively. While scooter sales dominated the growth of the two wheeler segment by changing market dynamics, passenger carriers contributed to the growth of the three wheeler segment. In this financial year 2013-14 the motorcycle segment should see better growth with introduction of more new models while the premium motorcycle segment is also expected to farewell the new premium biking culture picked up by the youth.

Car Sales in India estimated to expand 3-5% in financial year 2013-14. The cumulative sales of two wheelers in India for the first quarter of financial year 2013-14 stood at 3,490,677 units as against 3,519,555 units in first quarter of financial year 2012-13 registering a 0.82% decline. The overall domestic sales of automobiles in India stood at 4,378,082 units for first quarter of financial year 2013-14 and has recorded a decline of 2.06% as against first quarter of financial year 2012-13 where 4,470,381 units were sold. As per industrial experts, motorcycle growth will be 6-8% in Financial Year 2013-14.

**(D) THREATS, RISKS AND CONCERN OF THE MANAGEMENT:**

The Indian economy has witnessed the slowdown in the financial year 2012-13. The GDP rate is estimated to 5% for financial year 2012-13 which is lowest in the decade. The interest rates & Inflation is also increasing. If the same trend continues in this financial year 2012-13 it will may affect the Indian automobile industry.

Our Indian rupee is becoming weaker compared to foreign currency which is resulting in sudden price rise in the cost of basic raw material of the Company. This might not be fully compensated by the customers. This exposes the company to significant foreign exchange fluctuation risk. The Company plans to mitigate this risk through cost reduction initiatives such as value engineering and hedging.

(E) EXPANSION AND CAPITAL EXPENDITURE:

During the year under review as a part of the expansion plan, company has completed the construction of another four wheelers MAP Line which will increase the capacity by another 20% in this financial year. The Company has also started the initial steps for construction of its new Paint shop facility to come on newly acquired the Land.

(F) INTERNAL CONTROL SYSTEM:

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

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

(G) HUMAN RESOURCE DEVELOPMENT:

The Company is giving utmost importance to human resource development. In this direction, the Company is providing intensive training in India and overseas to employees of all levels for improving competence, production, enhancing safety and social values.

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

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

(H) CAUTIONARY STATEMENT:

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

RISK MANAGEMENT

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- 1) That in the preparation of the annual accounts for year ending on 31st March 2013; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) That the Directors have 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.
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding assets of the company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors have prepared the annual accounts for the year ended on 31st March 2013 on a going concern basis.

DIRECTORS

To comply with the requirement of the Companies Act, 1956 Dr. Haresh Shah and Mr. Shailendrajit Rai Directors shall retire by rotation and, being eligible, seek reappointment.

During the year Mr. Junji Ohtaka, Mr. Tetsuro Masui, Mr. Sandeep Shah and Mr. Dhananjay Jhaveri resigned from the post of Director of the Company with effect from 24th July 2012, 30th October 2012, 5th November 2012 and 6th November 2012 respectively. Board expresses its sincere appreciation for their services rendered during their tenure.

Details of Directors seeking appointment/re-appointment are included in the Corporate Governance Report.

CORPORATE GOVERNANCE:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO:

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

EMPLOYEES:

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

**ENKEI**ENKEI WHEELS (INDIA) LIMITED

AUDITORS:

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

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 our promoters Enkei Corporation, banks, financial institutions, and customers for their unstinted support and shareholders for their confidence reposed in the management.

For & On Behalf of the Board of Directors

Masakatsu Uchiyama
Managing Director

Haresh Shah
Director

Place : Pune

Date : 29th July 2013

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE 'A'

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

A. CONSERVATION OF ENERGY

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

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

Details of energy consumption: FORM 'A'

Particulars		For the Year ended March 31st,2013	For the Year ended March 31st,2012
A. Power & Fuel Consumption*			
1. Electricity			
a) Purchased Quantity (Net)	Units	17,872,785	16,772,239
Total amount	₹	132,905,240	109,139,886
Average rate per unit	₹	7.44	6.51
b) Generated Quantity (Net)	Units	872,573	1,064,597
Total amount	₹	22,613,297	25,066,130
Average rate per unit	₹	25.92	23.55
2. LDO/Furnace Oil			
Quantity	Liter	2,265,885	2,289,375
Total amount	₹	95,820,374	87,225,262
Average rate per unit	₹	42.29	38.10
B. Consumption per Unit of Production**			
1. Electricity	Units	10.66	10.54
2. LDO/Furnace Oil	Liter	1.29	1.35

B. TECHNOLOGY ABSORPTION.

FORM 'B'

Form for disclosure of particulars with respect to-

RESEARCH AND DEVELOPMENT

Specific area in which Research & Development (R & D) carried out by the Company:

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

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

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

**Future plan of action**

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

Expenditure on R & D for the year ended 31st March, 2013

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

Technology absorption, adoption and innovation

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange earned : ₹ 0.98 Million

Total foreign exchange used : ₹ 1426.04 Million

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

For & On Behalf of the Board of Directors

Masakatsu Uchiyama
Managing Director

Haresh Shah
Director

Place : Pune

Date : 29th July 2013

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.

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.

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*		No. of Committees of other Companies in which Member/Chairman**	No. of Shares held in the Company as at 31.03.2013
			Public	Private		
Mr. Masakatsu Uchiyama	Executive Managing Director	None	1	0	0	NIL
Mr. Junichi Suzuki	Promoter & Non Executive	None	1	0	0	NIL
Mr. Tetsuro Masui ¹	Promoter & Non Executive	None	0	0	0	NIL
Mr. Shailendrajit Rai	Non Executive	None	4	5	1	280000
Dr. Hareesh Shah	Independent & Non Executive	None	0	6	0	NIL
Mr. Kazuhiko Shimamura	Executive Alternate Director to					
	Mr. Junichi Suzuki	None	0	0	0	NIL
Mr. Junji Othaka ²	Executive Alternate Director to	None	0	0	0	NIL
	Mr. Tetsuro Masui					
Mr. Dhananjay Jhaveri ³	Independent & Non-Executive	None	0	5	0	NIL
Mr. Sandeep Shah ⁴	Independent & Non-Executive	None	3	6	0	NIL
Mr. Satyavara P. Garimella	Independent & Non-Executive	None	0	0	0	NIL

* Excluding directorship in Foreign Companies & Companies under Section 25 of Companies Act, 1956.

** None of the Directors on the Board of your Company is a member of more than 10 committees or Chairman of more than five committees (in compliance with Clause 49 of the Listing Agreement), considering all the companies in which they are Directors.

1. Resigned w.e.f. 5th November 2012.
2. Resigned w.e.f. 24th July 2012.
3. Resigned w.e.f 6th November 2012
4. Resigned w.e.f. 5th November 2012.

c) Board Meetings and Annual General Meetings :

During the year 2012-13, 6 (Six) meetings of the Board of Directors of the Company held on following dates:

10th April 2012; 21st May 2012; 24th July 2012; 5th November 2012; 28th December 2012 and 5th February 2013.

The previous Annual General Meeting was held on 17th September, 2012.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2012-13 are presented in the following table.

Name of Director	No. of Board Meetings Attended (Total Meetings held - 6)	Whether last AGM attended
Mr. Masakatsu Uchiyamaya	5/6	Yes
Mr. Junichi Suzuki	0/6	No
Mr. Tetsuro Masui	1/6	Yes
Mr. Shailendrajit Rai	5/6	Yes
Dr. Hareesh Shah	6/6	Yes
Mr. Sandeep Shah	0/6	No
Mr. Dhananjay Jhaveri	0/6	No
Mr. Kazuhiko Shimamura	6/6	Yes
Mr. Junji Othaka	2/6	No
Mr. Satyavara P. Garimella	2/6	No

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.

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. Remuneration Committee
- III. Investors' Grievance Committee
- IV. Share Transfer Committee

The Chairman 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. Hareesh Shah, Chairman of the Committee and Mr. Satyavara P. Garimella, both being Independent Directors and Mr. Masakatsu Uchiyama, Managing Director. Mr. Satyavara P. Garimella is appointed as a Member of Audit Committee w.e.f. 24th July 2012. Mr. Dhananjay Jhaveri was resigned w.e.f. 6th November 2012. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreement and Section 292A of the Companies Act, 1956.

During the Financial Year 2012-13, 4 (Four) Audit Committee Meetings were held on following dates:

21st May 2012; 24th July 2012; 5th November 2012 and 5th February 2013.

Particulars of attendance of Audit committee Members at the Audit committee Meetings held during the Financial Year 2012-13:

Name of Audit committee Member	Meetings Attended during Financial Year 2012-13 (Total Meetings held 4)
Dr. Hareesh Shah	4
Mr. Masakatsu Uchiyama	4
Mr. Dhananjay Jhaveri (Ceased to be member w.e.f. 6th November 2012)	3
Mr. Satyavara P. Garimella (Appointed as a member w.e.f. 24th July 2012)	2

(ii) Remuneration Committee

The Remuneration Committee comprises of Dr. Hareesh Shah, and Mr. Satyavara P. Garimella. Mr. Satyavara P. Garimella is appointed as a Member of Remuneration Committee w.e.f. 24th July 2012 and Mr. Sandeep Shah and Mr. Dhananjay Jhaveri was resigned w.e.f. 5th November 2012, 6th November 2012 respectively. The terms of reference of this committee are:

- Recommending remuneration payable to Managing Director and other Directors as and when necessity arises.

- Reviewing sitting fees payable to Directors for attending Board Meetings, Committee Meetings, etc
During the Financial year 2012-13, 1 (One) meeting of Remuneration Committee was held on 7th April 2013.

A. Details of remuneration paid to Managing Director-

During the year 2012-13, the remuneration paid to the Managing Director is ₹ 4.47/- Million per annum.

B. Details of sitting Fees paid to the Directors for attending the Board and Committee Meetings during the financial year 2012-2013.

Name of the Director	Sitting Fees (In ₹)
Mr. Tetsuro Masui	10000
Mr. Kazuhiko Shimamura	30000
Mr. Shailendrajit Rai	25000
Dr. Haresh Shah	30000
Mr. Satyavara P. Garimella	10000

(iii) Investors Grievance Committee

The Investors Grievance Committee comprises of, Mr. Satyavara P. Garimella Chairman of the Committee, Dr. Haresh Shah and Mr. Masakatsu Uchiyama as members to look into redressal of investors' complaints on various issues. Mr. Dhananjay Jhaveri ceased to be a member of the committee w.e.f. 6th November 2012. Mr. Satyavara P. Garimella was appointed as a member of the committee w.e.f. 6th November 2012.

With reference to clause 47(f) of the Listing Agreement, the Company has designated exclusive e-mail id for the investors as secretarial@enkei.in to register their grievances, if any. This has been initiated by the Company to resolve such Investors' grievances immediately. The Company has displayed the said e-mail id on its website for the use of investors. The Compliance officer is Mr. Omkar Kaulgud, Company Secretary.

There were no complaints received from the shareholders during the year 2012-13.

(iv) Share Transfer Committee

The Share Transfer Committee comprises of Mr. Satyavara P. Garimella, Chairman of the Committee, Dr. Haresh Shah, and Mr. Masakatsu Uchiyama as members. Mr. Sandeep Shah ceased to be a member of the committee w.e.f. 6th November 2012. Mr. Satyavara P. Garimella was appointed as a member of the committee w.e.f. 6th November 2012. The terms of reference of this Committee are to approve the share transfers.

The Compliance officer is Mr. Omkar Kaulgud, Company Secretary.

During the Financial Year 2012-13, 2 (Two) Share Transfer Committee Meetings were held on following dates: 15th October 2012 and 4th December 2012.

4. GENERAL BODY MEETINGS

Details of the last three Annual 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	29-Sept-2010	12.30 PM	Gat no. 1426, village Shikrapur, Taluka -Shirur, Pune - 412208.	NIL
2	AGM	28- Sept-2011	01.00 PM	Gat no. 1426, village Shikrapur, Taluka -Shirur, Pune - 412208.	01
3	AGM	17-Sept-2012	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal - Shirur, Pune -412208	05

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

Name of the Director	Date of Birth	Date of Appointment	Qualification	Expertise	Directorships other Public Limited Companies (Excluding Foreign & Private Companies)	Memberships/ Chairmanships of committees across all Companies
Dr. Haresh Shah	06-05-1957	15-07-2009	Chartered Accountant and Phd	Merger & Acquisition	NIL	NIL
Mr. Shailendra Rai	01-02-1956	30-03-2009	Chartered Accountant	Management & Finance	1. Aicon Castalloy Ltd 2. Atlas Castalloy Ltd 3. Silicon Meadows Engineering Services Ltd 4. Silicon Meadows Design Ltd	NIL

6. DISCLOSURES:**i. Related Party Transactions:**

None of the transactions with any of the related parties was in conflict with the interests of the Company. Details of transactions between the Company and its associates during 2012- 13 are given in note no. 28 to the annual accounts.

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

ii. Statutory Compliance, Penalties and Strictures

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

iii. CEO & CFO Certificate

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

7. MEANS OF COMMUNICATION:

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

8. GENERAL SHAREHOLDER INFORMATION:
(i) Forthcoming Annual General Meeting

Date and Time : 10th September 2013 at 12.30 p.m.

Venue : At the registered office of the Company at Gat No. 1425, Villega Shikrapur, Taluka Shirur, District, Pune - 412208.

(ii) Financial Year : from 1st of April every year to 31st of March next year

(iii) Date of Book closure : 2nd September 2013 to 10th September 2013 (Both days inclusive)

(iv) Dividend payment date : NIL

(v) Listing on Stock Exchange : The shares of the are listed Bombay Stock Exchange Limited. (Listing fees has been paid to the stock exchange for the financial year 2013-14)

(vi) Stock Code : The Bombay Stock Exchange Limited: 533477

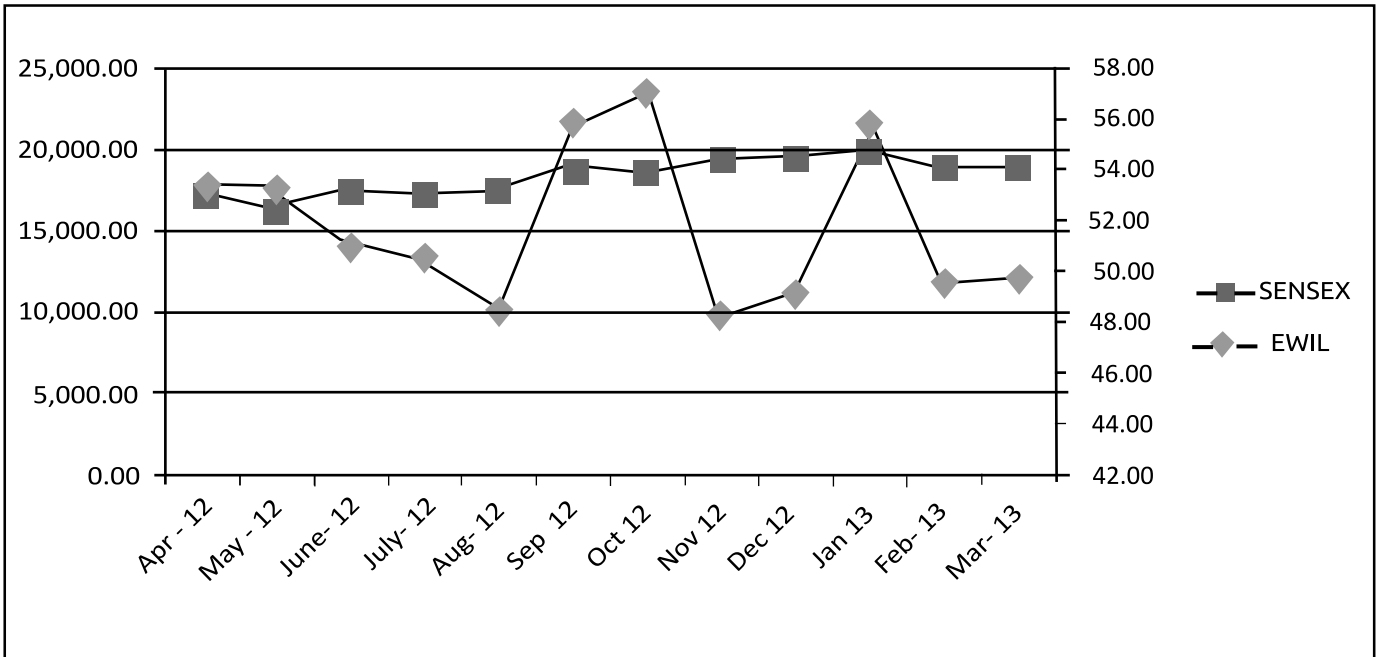
Demat ISIN for NSDL and CDSL: INE130L01014.

(vii) Market Price Data for the Year 2012-13

The high and low market price and the volume of Enkei's shares traded on the Bombay Stock Exchange (BSE) during the period from April 01, 2012 to March 31, 2013 are presented in the following table.

Market Price Data:

Month	High Price (In ₹)	Low price (In ₹)
Apr - 12	55.00	48.05
May - 12	55.15	47.60
Jun - 12	53.55	47.50
Jul -12	56.90	48.20
Aug - 12	51.95	45.15
Sep - 12	59.60	45.15
Oct -12	62.95	53.20
Nov -12	58.90	48.00
Dec -12	53.15	48.00
Jan - 13	59.70	48.00
Feb - 13	59.90	48.30
Mar -13	62.90	41.00



(viii) Registrars and share transfer agents:

M/s. Universal Capital Securities Private Limited

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

Tel: 022-28207203-05/ 28257641

(ix) 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 15 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.

(x) Shareholding Pattern as on 31st March 2013

Category	No. of Shares	Percentage
Shareholding of Promoter and Promoter Group		
(Foreign)	82,55,360	64.72
Public shareholding(Institutions)	Nil	Nil
Public shareholding (Non Institutions)	45,00,000	35.28
TOTAL	12,755,360	100.00

(xi) Distribution of Shareholding as on 31st March, 2013

SHAREHOLDINGS NOMINAL VALUE OF	SHARE HOLDERS		SHARE OR DEBENTURE	
	Number	% to Total	Holdings	% to Total
UPTO - 500	1658	74.651	289211	2.267
501 - 1000	226	10.176	185662	1.456
1001 - 2000	147	6.619	236214	1.852
2001 - 3000	54	2.431	136538	1.070
3001 - 4000	23	1.036	82312	0.645
4001 - 5000	22	0.991	100333	0.787
5001 - 10,000	43	1.936	318186	2.495
10,001 AND ABOVE	48	2.161	11406904	89.428
TOTAL	2221	100	12755360	100

(xii) Dematerialization of shares and liquidity as at 31st March 2013.

As on 31st March 2013 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	1252	9467889
(b) Electronic form - CDSL	617	1383139
(b) Physical form	394	1904332
TOTAL	2263	12755360

(xiii) Outstanding convertible instruments, conversion dates and likely impact on equity.

The Board of Directors in its meeting held on 5th February 2013 approved the conversion of 39,13,950 Compulsorily Convertible Preference Shares of Face value of ₹ 10/- each earlier issued on preferential basis. Accordingly, 5,21,860 equity shares of Face value of ₹ 5/- each at a premium of ₹70/- each have been allotted to the promoter company, viz. Enkei Corporation, Japan. The said allotment is in compliance with SEBI Regulation and listing Agreement.

(xiii) Plant Location

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

(xiv) 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
21, Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093.
Tel: 022-28207203-05/ 28257641
- (II) Shareholders holding shares in Electronic Mode should address all their correspondence to their respective depository participant.

B) NON-MANDATORY REQUIREMENTS**1. Shareholders Rights :**

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

2. Postal Ballot : Nil**3. Training of Board Members :**

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

4. Whistle Blower Policy :

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

Place : Pune

Date : 29th July 2013

**ENKEI**

ENKEI WHEELS (INDIA) LIMITED

DECLARATION

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

Place : Pune**Date : 29th July 2013****MASAKASTU UCHIYAMA**

(Managing Director)

AUDITORS CERTIFICATE

To The Members of

Enkei Wheels (India) Limited,

We have examined the compliance of conditions of Corporate Governance by ENKEI WHEELS (INDIA) LIMITED ("the Company") for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

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

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

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

For Asit Mehta & Associates

Chartered Accountants

Registration No. 100733W

Place : Pune**Date : 29th July 2013****Sanjay Rane**

(Partner)

Membership No. 100374

CEO/CFO CERTIFICATION TO THE BOARD

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March 2013 and that based on our knowledge, belief and information:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (d)
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - (ii) There has been no change in the accounting policies followed by the Company except that during the year the Company has complied the Accounting Standard 11- ' Effects of changes in foreign exchange rates' and accordingly has restated all it's foreign currency monetary liabilities of long-term nature at the year-end exchange rate. This has been explained in detail in note 2() of the statement of accounting policies forming part of the financial statements.
 - (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 : 21st May 2013

Masakastu Uchiyama
Managing Director

CSK Rao
CFO

INDEPENDENT AUDITOR'S REPORT

To,

The Members of,

Enkei Wheels (India) Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Enkei Wheels (India) Limited ('the Company') which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

- 1) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- 2)
 - (a) We draw attention to sub-note under Note 17 to the financial statements: The balances reported in respect of trade receivables are subject to confirmations /reconciliations from the customers at large. We are informed that all receivables are good and realisable in the ordinary course of the Company's business. In the absence of party confirmations, we have relied upon management confirmation in respect of the same.
 - (b) We draw attention to Note 2.7 of statement of accounting policies: Fixed assets/facilities retired from active use and

held for re-work/disposal have been classified separately as 'Assets held for disposal' in the Balance Sheet and depreciation has not been charged on the same. The Company has not worked out deterioration, if any, in the values of those assets and thus are stated at the values appearing in the books. We have relied upon management confirmation in respect of the same.

Our opinion is not qualified in respect of these matters.

- 3) As required by the Companies (Auditor's Report) Order, 2003, (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31,2013 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31,2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Act.
 - (f) Since the Central Government has not issued any notification as to the rate at which cess is to be paid under section 441A of the Companies Act, 1956 nor it has issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Sanjay S. Rane
Partner
Membership No.100374

Place: Pune
Date :May 21, 2013

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 3 under the heading 'Report on Other Legal and Regulatory Requirements of our report of even date on the financial statements of Enkei Wheels (India) Limited ('the Company') .for the year ended March 31, 2013).

On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we state that:

- (i) (a) The Company is maintaining records showing quantitative details and situation of fixed assets. However, asset numbering exercise has remained to be completed. The liability in case of stamp duty, conveyances etc. in respect of immovable properties received on demerger from Alicon Castalloy Ltd. (erstwhile Enkei Castalloy Ltd.) on 01.04.2009, has now been crystallized and as informed to us, will be paid shortly before its due date.
- (b) As informed to us, some part of the fixed assets has been physically verified by the management during the year. *However, in our opinion, the Company needs to undertake a comprehensive programme of physical verification thereby book values of all its fixed assets could be compared and reconciled with the results of physical verification.* We are informed that the discrepancies noticed on physical verification of the fixed assets have been properly dealt with in the books of account.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) The inventories comprising semi-finished goods, raw materials, stores and spares etc. have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company needs to improve its inventory records so as to cover all details of each transaction and for each item of the stock. *The closing inventory is established only on the basis of year-end physical verification.*
- (iii) (a) In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause (iii) (a) (b) (c) (d) of paragraph 4 of the Order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, during the year, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However, unsecured loans taken in the earlier years from its overseas holding & promoter company are outstanding as at the end of the year. The maximum amount involved and the year-end balance outstanding was ₹ 61,22,56,001/-.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loans taken by the Company from its overseas holding & promoter company in earlier years are prima facie not prejudicial to the interest of the Company.

- (d) In our opinion and according to the information and explanations given to us, the principal amount/s of unsecured loans taken by the Company from its overseas holding & promoter company are not fallen due for repayment by the end of the financial year. The payment of interest is regular.
- (iv) In our opinion and according to the information and explanations given to us, there exists internal control system commensurate with the size of Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. *However, in our opinion, the existing internal control system needs to be suitably strengthened particularly in respect of its fixed assets including capital work-in-process.* During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, to the extent information available with the Company.
- (vi) The Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company
- (vii) The Company has internal audit system commensurate with its size and nature of its business which needs to be suitably strengthened as a part of its overall internal control system.
- (viii) In our opinion and according to the information and explanations given to us, the cost records required to be maintained under section 209(1)(d) of the Companies Act, 1956 have been made and maintained. We, however, have not made detailed examination of the records.
- (ix) (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Profession Tax, Workmen Compensation, Income-tax, Wealth-tax, Sales-tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues as applicable to it.
- During the year, the Company has admitted custom duty liability including interest as worked out by the DGCEI, Regional Unit, Pune in respect raw material imported under Advance Authorisation Licences received at the time of de-merger. *Of the total liability, custom duty of ₹77,50,691/- and interest of ₹7,85,20,569/- have remained to be paid to the government authorities as at close of the financial year.*
- (b) According to the information and explanation given to us, there are no dues payable by the Company under Employees' State Insurance Scheme and Investor Education and Protection Fund
- (c) According to the records of the Company and according to the information and explanations given to us, no

undisputed amounts payable in respect of the aforesaid statutory dues were in arrears and outstanding as at March 31, 2013 for a period of more than six months from the date those became payable *other than custom duty of ₹77,50,691/- and interest of ₹7,85,20,569/- as referred in para (a) above.*

- (d) According to the information and explanations given to us, there are no dues, to the extent applicable, of Income-tax, Sales-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute.
- (x) Post-demerger, the year ended March 31, 2013 is the fourth year of operations of the Company. The Company has accumulated losses as at the end of the financial year. However, the Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks and financial institutions. The Company has not borrowed money in the form of debentures.
- (xii) Based on our examination of records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or nidhi/mutual benefit fund/society and therefore provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause (xv) of paragraph 4 of the Order are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us and on overall examination of the Balance Sheet read with notes thereon of the Company, the term loans have prima-facie been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanation given to us and on overall examination of the Balance Sheet read with notes thereon of the Company, no funds raised on short-term basis have prima facie been used for long-term investment.
- (xviii) During the year, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, on conversion of 39,13,950 compulsorily convertible preference shares into equity shares, earlier issued on preferential basis. Accordingly, 5,21,860 equity shares of face value of ₹ 5/- each at a premium of ₹ 70/- each have been allotted to the overseas holding/promoter company, viz. Enkei Corporation, Japan. The said allotment is in compliance with SEBI Regulations and listing Agreement. In our opinion and according to the information and explanation given to us, the price at which shares have been issued is not prejudicial to the interest of the Company.

- xix) The Company has not issued debentures during the year. The Company also did not have any debentures outstanding as at the end the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud of material amount on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Asit Mehta & Associates**

Chartered Accountants

Registration No. 100733W

Sanjay S. Rane

(Partner)

Membership No. 100374

Place : Pune

Date : May 21, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013
(Amt. in ₹)

Particulars	Note No.	As at 31st March'2013	As at 31st March'2012
A. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	63,776,800	100,307,000
(b) Reserves and surplus	4	57,672,199	(22,359,034)
(c) Money received against share warrants		-	-
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	856,736,001	837,111,754
(b) Deferred tax liabilities (net)	6	7,674,439	6,192,519
(c) Other Long term liabilities	7	1,209,727,836	1,043,912,207
(d) Long-term provisions	8	8,224,315	6,844,914
4 Current liabilities			
(a) Short-term borrowings	9	270,237,372	469,802,570
(b) Trade payables	10	638,928,651	562,972,938
(c) Other current liabilities	11	416,687,027	108,745,747
(d) Short-term provisions	12	2,129,384	279,764
	TOTAL	3,531,794,024	3,113,810,379
B. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13.1	1,519,695,868	1,587,192,634
(ii) Intangible assets	13.2	1,495,944	1,782,334
(iii) Capital work-in-progress	13.3	254,123,909	76,340,889
(iv) Intangible assets under development		-	-
(v) Fixed assets held for disposal	13.4	57,062,589	32,294,888
(b) Non-current investments		-	-
(c) Foreign Currency Monetary Item Translation Difference	14	194,030,941	-
(d) Long term loans and advances	15	90,580,769	71,971,745
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories	16	224,916,209	175,629,977
(c) Trade receivables	17	516,588,766	461,864,049
(d) Cash and cash equivalents	18	487,592,044	605,787,188
(e) Short-term loans and advances	19	185,706,985	100,946,676
(f) Other current assets		-	-
	TOTAL	3,531,794,024	3,113,810,379
Significant Accounting Policies and Other Notes on Financial Statements	1 & 2 28		

As per our report of even date attached.

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

Sanjay S. Rane
(Partner)
Membership No. : 100374
Place : Pune
Date : 21-5-2013

For and on behalf of the Board Directors

Masakatsu Uchiyama
(Managing Director)
Place : Pune
Date : 21-5-2013

Hareesh Shah
(Director)

Omkar Kaulgud
(Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**(Amt. in ₹)**

Particulars	Note No.	As at 31st March'2013	As at 31st March'2012
1 Revenue from operations (Gross)	20	3,215,086,888	3,060,663,176
Less: Excise duty		345,514,759	268,550,640
Revenue from operations (net)		2,869,572,129	2,792,112,536
2 Expenses			
(a) Cost of materials consumed	21.a	1,438,261,355	1,391,937,229
(b) Purchases of stock-in-trade	21.b	88,826,936	228,506,370
(c) Changes in inventories of work-in-progress and stock-in-trade	21.c	18,570,732	(7,440,171)
(d) Employee benefits expense	22	173,219,029	148,719,613
(e) Other expenses	23	966,958,130	889,851,190
		2,685,836,182	2,651,574,231
3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)(1 - 2)		183,735,947	140,538,305
4 Finance costs	24	63,573,658	50,063,719
5 Depreciation and amortization expense	25	159,614,885	146,507,127
6 Other income	26	5,705,975	3,665,418
7 Profit / (Loss) before exceptional and extraordinary items and tax (3- 4- 5 + 6)		(33,746,621)	(52,367,123)
8. Prior period & Exceptional items - Income/(Expenditure)	27	90,759,247	-
9 Profit / (Loss) before extraordinary items and tax (7 - 8)		57,012,626	(52,367,123)
10 Extraordinary items		-	-
11 Profit / (Loss) before tax (9 - 10)		57,012,626	(52,367,123)
12 Tax expense:			
(a) Current tax		12,029,674	-
(b) (Less): MAT credit		-	(2,197,968)
(c) Net current tax (credit)		12,029,674	(2,197,968)
(d) Deferred tax/(credit)		(1,481,920)	(3,128,660)
13 Profit / (Loss) after tax (11 + 12)		43,501,032	(53,297,815)
14. i Earnings per share (before extraordinary items) (Face Value of Rs.5/-each)			
(a) Basic		3.56	(4.78)
(b) Diluted		2.29	(2.80)
14. ii Earnings per share (after extraordinary items) (Face of Rs.5/-each)			
(a) Basic		3.56	(4.78)
(b) Diluted		2.29	(2.80)
Significant Accounting Policies and Other Notes on Financial Statements	1 & 2 28		

As per our report of even date attached.

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

Sanjay S. Rane
(Partner)
Membership No. : 100374
Place : Pune
Date : 21-5-2013

For and on behalf of the Board Directors

Masakatsu Uchiyama
(Managing Director)
Place : Pune
Date : 21-5-2013

Haresh Shah
(Director)

Omkar Kaulgud
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013
(Amt. in ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	57,012,626	(52,367,123)
Adjustments for:		
Depreciation and amortisation	159,614,885	146,507,127
Loss on disposal of fixed assets	31,546,396	58,429,037
Finance costs	63,573,658	50,063,719
Interest income	(2,005,245)	(3,263,602)
Unrealised Foreign Exchange Loss (net)	24,866,936	-
	277,596,630	251,736,281
Operating profit / (loss) before working capital changes	334,609,256	199,369,158
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(49,286,232)	(26,594,517)
Trade receivables	(54,724,717)	(44,801,068)
Short-term loans and advances	(84,760,309)	(17,379,314)
Long-term loans and advances	(3,954,177)	(5,525,927)
Other current assets	-	-
Other non-current assets	- (192,725,435)	- (94,300,826)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	75,955,713	259,415,306
Other current liabilities	72,421,280	42,558,958
Other long-term liabilities	(16,508,062)	20,173,055
Short-term provisions	1,849,620	279,764
Long-term provisions	1,379,401	1,400,426
Cash flow from extraordinary items	-	-
Cash generated from operations	276,981,773	428,895,841
Net income tax (paid) / refunds	(13,139,470)	(730,316)
Net cash flow from / (used in) operating activities (A)	263,842,303	428,165,525
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(312,128,439)	(278,455,603)
Proceeds from sale of fixed assets	1,224,603	225,000
Interest received from Banks & Financial Institutions	2,005,245 (308,898,591)	3,263,602 (274,967,001)
Cash flow from extraordinary items	-	-
Net income tax (paid) / refunds	-	-
Net cash flow from / (used in) investing activities (B)	(308,898,591)	(274,967,001)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013 (Contd.)**(Amt. in ₹)**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
C. Cash flow from financing activities		
Proceeds from long-term borrowings	240,000,000	240,000,000
Repayment of long-term borrowings	(50,000,000)	(83,333,336)
Proceeds from short-term borrowings	(199,540,034)	99,750,708
Repayment of short-term borrowings	(25,164)	(199,584)
Finance cost	(63,573,658)	(92,972,801)
Cash flow from extraordinary items		163,244,987
Net cash flow from / (used in) financing activities (C)	(73,138,856)	163,244,987
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(118,195,144)	316,443,511
Cash and cash equivalents at the beginning of the year	605,787,188	289,343,676
Cash and cash equivalents at the end of the year	487,592,044	605,787,187
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet at the end of the year *(Refer Note 17)	487,592,044	605,787,188
* Comprises:		
(a) Cash on hand	1,439,788	591,130
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	233,003,099	235,070,305
(ii) In deposit accounts with original maturity of less than 3 months	253,149,157	370,125,753
	487,592,044	605,787,188

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of financial statements.

In term of our report of even date attached.

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

Sanjay S. Rane
(Partner)
Membership No. : 100374
Place : Pune
Date : 21-5-2013

For and on behalf of the Board Directors

Masakatsu Uchiyama
(Managing Director)
Place : Pune
Date : 21-5-2013

Hareesh Shah
(Director)

Omkar Kaulgud
(Company Secretary)

SIGNIFICANT ACCOUNTING POLICIES

1 Corporate information

Enkei Wheels (India) Limited (the Company) is listed on the Bombay Stock Exchange. It is engaged in the manufacturing and selling of aluminium alloy casting wheels (products) mainly used in automotive segment of the industry in India. At times, the Company has also traded in the products mainly to supplement its manufacturing capacities.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

The accounting policies adopted in the preparation of financial statements are consistent with those of previous years.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialised.

2.3 Inventories

Raw Materials and Traded goods

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

Work-In-Progress/Semi-Finished goods

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

Consumables, Stores and Spares

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

2.4 Depreciation and amortisation

Depreciation of fixed assets is provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following class of assets.

Individual asset costing less than RS. 5,000/- each is fully depreciated in the year of its purchase.

Intangible assets in the nature of computer & functional software are amortised over a period of 5 years.

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

2.5 Revenue recognition

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

SIGNIFICANT ACCOUNTING POLICIES (Contd).

Sale of goods

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

Sale Returns

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

Income from services

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

Other operating revenue

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

2.6 Other income

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

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

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

The project cost including attributable borrowing cost incurred in respect of facilities not commenced/expanded has been accounted as 'Capital Work-In-Progress'.

Fixed assets/facilities retired from active use and held for re-work/disposal have been classified separately as 'Assets held for Disposal' in the Balance Sheet and depreciation has not been charged on the same. The Company has not worked out deterioration, if any, in the value there of and thus are stated at the values appearing in the books.

2.8 Intangible assets

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

2.9 Foreign currency transactions and translations

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

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

"During the year, the Company has exercised the option available under paragraph 46 of the Accounting Standard (AS-11)–'The Effects of changes in Foreign Exchange Rates' and accordingly, Foreign currency monetary liabilities of long-term nature including loans, payables to group companies, have been restated at exchange rates prevailing as on the date of the balance sheet. The exchange differences on account of depreciable fixed assets are capitalised as part of the

SIGNIFICANT ACCOUNTING POLICIES (Contd).

asset to which differences relate and depreciated over the remaining life of such assets. In other cases, exchange differences are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' to be amortised equally over the period of 8 years starting with the year 2012-13, in accordance with the provisions of the relevant paragraph of the AS-11 read with the notification(s) issued.

Earlier, i.e. for all accounting periods prior to 01.04.2012, foreign currency monetary liabilities of long-term nature were never restated at the exchange rates prevailing as at the date of individual balance sheets. During the year 2012-13, since all payables to group companies have been reconciled, the Company has restated its long term liabilities as required under AS-11. The change in accounting policy is as required by the law and is in compliance with AS-11. Had there been no such change, the profit before tax reported for the year would have been more by Rs 24,866,936/-.

The exchange differences on restatement of liabilities which are of short term nature have been dealt with as usual in the statement of profit and loss.

2.10 Investments

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

2.11 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

'Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive, bonus, ex-gratia and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits

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

2.12 Borrowing costs

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

SIGNIFICANT ACCOUNTING POLICIES (Contd).

2.13 Leases

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

2.14 Segment Reporting

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

2.15 Taxes on income

Current tax for the current periods is the amount of tax due on the taxable income as determined in accordance with the provisions of the Income Tax Act, 1961. "Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. In the context, MAT credit available is accounted for only to the extent of deferred tax charge for the year, as per policy followed from the earlier years.

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

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

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

2.16 Impairment of assets

An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which assets are identified as impaired unless and until there is an unamortised balance available under 'Business Construction Reserve' against which the asset can be written off either in full or part. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.17 Provisions, contingencies and commitments

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

NOTE : 3 SHARE CAPITAL
(Amt. in ₹)

Sr. No.	Particulars	As at 31st March 2013		As at 31st March 2012	
		Number of shares	Amount	Number of shares	Amount
1	AUTHORISED :				
(i)	Equity shares of Rs.5/- each with voting rights	52,000,000	260,000,000	52,000,000	260,000,000
(ii)	Preference shares of Rs.10/- each	14,000,000	140,000,000	14,000,000	140,000,000
		66,000,000	400,000,000	66,000,000	400,000,000
2	ISSUED , SUBSCRIBED & PAID UP				
(i)	Equity shares of Rs.5/- each with voting rights	12,755,360	63,776,800	12,233,500	61,167,500
(ii)	Compulsorily convertible preference shares of Rs.10/- each	-	-	3,913,950	39,139,500
	TOTAL	12,755,360	63,776,800	16,147,450	100,307,000

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Sr. No	Particulars	Opening Balance	Conversion of Compulsorily convertible preference shares into Equity during the year	Closing Balance
(i)	Equity shares of Rs.5/- each with voting rights Year ended 31 March, 2013			
	- Number of shares	12,233,500	521,860	12,755,360
	- Amount (Rs)	61,167,500	2,609,300	63,776,800
	Year ended 31 March, 2012			
	- Number of shares	11,000,000	1,233,500	12,233,500
	- Amount (Rs)	55,000,000	6,167,500	61,167,500
(ii)	Compulsorily convertible preference shares of Rs.10/- each			
	Year ended 31 March, 2013			
	- Number of shares	3,913,950	3,913,950	-
	- Amount (Rs)	39,139,500	39,139,500	-
	Year ended 31 March, 2012			
	- Number of shares	13,165,200	9,251,250	3,913,950
	- Amount (Rs)	131,652,000	92,512,500	39,139,500

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

Sr. No	Particulars	As at 31.03.2013		As at 31.03.2012	
		No. of Equity shares with voting rights	No. of compulsorily convertible preference shares	No. of Equity shares with voting rights	No. of compulsorily convertible preference shares
	Lock-in of shares held by Promotors Enkei Corporation, Japan	3,955,360	-	3,433,500	3,913,950*

Allotment of equity shares on conversion of preference shares

The Board of Directors in its meeting held on 5th February 2013 approved the conversion of 39,13,950 Compulsorily Convertible Preference Shares of Face value of ₹ 10/- each earlier issued on preferential basis. Accordingly, 5,21,860 equity shares of Face value of ₹ 5/- each at a premium of ₹ 70/- each have been allotted to the promoter company, viz. Enkei Corporation, Japan. The said allotment is in compliance with SEBI Regulation and listing Agreement.

Rights of the Equity Share holders

Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by each shareholder holding more than 5% shares:**(Amt. in ₹)**

Sr. No	Class of shares / Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
(i)	Equity shares with voting rights				
a	Enkei Corporation, Japan	8,255,360	64.72	7,733,500	63.22
b	Passionate Investment Management Pvt.Ltd.	-	-	792,000	6.47
c	Motilal Gopilal Oswal	792,000	6.21	-	-
(ii)	Compulsorily convertible preference shares				
	Enkei Corporation, Japan	-	-	3,913,950	100.00

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

Sr. No.	Particulars	As at 31st March'2013	As at 31st March'2012
1	<u>Securities premium account</u>		
	As per last Balancesheet	122,237,308	35,892,308
	Add: Addition during the year	36,530,200	86,345,000
		158,767,508	122,237,308
2	<u>Surplus / (Deficit) in Statement of Profit and Loss</u>		
	As per last Balancesheet	(144,596,341)	(91,298,527)
	Add: Profit / (Loss) for the year	43,501,032	(53,297,815)
		(101,095,309)	(144,596,342)
	TOTAL	57,672,199	(22,359,034)

NOTE : 5 Long-term borrowings

1	Secured		
	<u>Term Loans</u>		
	- From Banks	360,000,000	290,000,000
2	Unsecured		
	Foreign Currency Loans (ECBs)	496,736,001	547,111,754
	TOTAL	856,736,001	837,111,754

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)
NOTE : 5 LONG-TERM BORROWINGS (CONTD.)

Details of terms of repayment of long-term borrowings, applicable rate of interest, security wherever provided etc. (Amt. in ₹)

Sr. Particulars No.							As at 31st March'2013	As at 31st March'2012
1 Secured								
Term Loans from Banks								
Bank	Amount of Loan Sanctioned	Amount of Loan Availed	Installment Amount in Rs. in Mio	Rate of Intrest	Total Number of Installment	Number Of Installment due		
Bank of Tokyo Mitsubishi UFJ Ltd.	50	50	3.13	12.60%	16 Equal Qtrly Installment	4 Equal Qtrly Installment	12,500,000	25,000,000
Bank Of Tokyo Mitsubishi UFJ Ltd.	150	150	9.38	12.60%	16 Equal Qtrly Installment	4 Equal Qtrly Installment	37,500,000	75,000,000
Mizuho Corporate Bank Ltd.	480	480	30.00	base rate + 4.10%	16 Equal Qtrly Installment	16 Equal Qtrly Installment	480,000,000	240,000,000
Secured First Parri-Passu charge by way of Equitable Mortgage on the existing Fixed Assets in favour of Bank of Tokyo Mitsubishi UFJ Ltd. and Mizuho Corporate Bank Ltd.								
							530,000,000	340,000,000
Less: Current maturities of long-term debt (Refer Note No. 11)							170,000,000	50,000,000
TOTAL							360,000,000	290,000,000
2 UnSecured								
External Commercial Borrowings								
Lender - ENKEI CORPORATION, Japan								
CURRENCY	ECB Amount (in JPY Million)	Rate of Interest	ECB Repayment Amt (in JPY Mio)	Revised Date				
JPY	300	3%	100	11-Jul-15	173,280,000	146,341,754		
			100	11-Jan-16				
			100	11-Jul-16				
JPY	200	3%	60	25-Jul-17	115,520,001	96,880,000		
			70	25-Jan-18				
			70	25-Jul-18				
JPY	260	3%	78	23-Jan-18	150,176,000	139,490,000		
			91	23-Jul-18				
			91	23-Jan-19				
JPY	300	3%	100	13-Sep-13	173,280,000	164,400,000		
			100	13-Mar-14				
			100	13-Sep-14				
Sub-Total							612,256,001	547,111,754
Less: Current maturities of long-term debt (Refer Note No. 11)							115,520,000	-
TOTAL							496,736,001	547,111,754

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

Sr. No.	Particulars	As at 31st March'2013	As at 31st March'2012
	Deferred tax liabilities		
	Fixed Assets /Depreciation	7,674,439	6,192,519
	Others	-	-
		<u>7,674,439</u>	<u>6,192,519</u>
	Deferred tax assets *		
	Fixed Assets /Depreciation	-	-
	Others	-	-
		<u>-</u>	<u>-</u>
	TOTAL	<u><u>7,674,439</u></u>	<u><u>6,192,519</u></u>

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

NOTE :7 OTHER LONG-TERM LIABILITIES

	<u>Payables to Overseas Group companies</u>		
1	Purchase of Fixed Assets	846,219,903	785,759,326
2	Trade Payables	361,910,146	258,152,881
	<u>Others</u>		
1	Purchase of Fixed Assets	1,597,987	-
	TOTAL	<u><u>1,209,727,836</u></u>	<u><u>1,043,912,207</u></u>

NOTE :8 LONG-TERM PROVISIONS

	Provision for employee benefits:		
1	Defined benefit obligation (gratuity)	4,937,401	4,852,744
2	Defined benefit obligation (leave encashment)	3,286,914	1,992,170
	TOTAL	<u><u>8,224,315</u></u>	<u><u>6,844,914</u></u>

NOTE :9 SHORT-TERM BORROWINGS

1	Secured		
	- Cash Credit from Bank	210,674	50,109,971
		<u>210,674</u>	<u>50,109,971</u>
2	Unsecured		
	<u>Working Capital Demand Loans</u>		
	- from Banks	270,000,000	370,000,000
	- from others	-	49,640,737
	Vehicle Loan	26,698	51,862
	TOTAL	<u><u>270,026,698</u></u>	<u><u>419,692,599</u></u>
		<u><u>270,237,372</u></u>	<u><u>469,802,570</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)
NOTE : 9. SHORT-TERM BORROWINGS (CONTD.)

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

(Amt. in ₹)

Sr. Particulars No.	As at 31st March'2013	As at 31st March'2012
1 Cash Credit from Bank		
(a) Axis Bank Ltd	210,674	50,109,971
Security		
Exclusive Charge on current assets of the company. Present and future		
2 Working Capital Demand Loans from Banks		
(b) Bank of Tokyo Mitsubishi UFJ Ltd.	170,000,000	170,000,000
Repayment		
From time to time, nevertheless payable on demand. (rollover arrangements are entered with the bank with the same terms)		
(c) Mizuho Corporate Bank Ltd.	100,000,000	200,000,000
Repayment		
From time to time, nevertheless payable on demand. (rollover arrangements are entered with the bank with the same terms)		

NOTE : 10 TRADES PAYABLES

1 Micro, Small & Medium Enterprises	-	606,542
2 <u>Others</u>		
Raw materials & components	474,173,785	317,902,963
Services & Expenses	56,223,717	30,288,951
3 <u>Payable to Overseas Group Companies</u>		
Raw materials & components	106,127,249	212,663,789
Services & Expenses	2,403,900	1,510,693
TOTAL	638,928,651	562,972,938

NOTE : 11 OTHER CURRENT LIABILITIES

1 Current maturities of long-term debt	285,520,000	50,000,000
2 Employee dues	9,169,078	14,031,458
3 Payables on purchase of fixed assets	16,249,544	26,259,668
4 Statutory remittances	102,678,907	13,167,248
5 Interest accrued but not due on borrowings	2,426,171	2,529,664
6 Others	643,327	2,757,709
7 Unpaid dividends/Investor education and protection fund	-	-
TOTAL	416,687,027	108,745,747

NOTE : 12 SHORT-TERM PROVISIONS

Defined benefit obligation (gratuity)	1,568,101	279,764
Defined benefit obligation (leave encashment)	561,283	-
TOTAL	2,129,384	279,764

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

NOTE : 13.1 TANGIBLE ASSETS

Sr. No.	Particulars	Deprn. Rate	Gross Block			Effect of foreign currency exchange differences			Depreciator			Net Block	
			As on 01-04-2012	Additions during the year	Deductions during the year	Reclassified as held for disposal	As on 31-03-2013	As on 01-04-2012	Depreciation for the year	Eliminated on Disposals	Eliminated on reclassification as held for disposal	As on 31-03-2013	WDV as on 31.03.2012
1	Free hold Land	0.00%	277,515,784	-	-	-	277,515,784	-	-	-	-	277,515,784	277,515,784
2	Lease hold Land	0.00%	212,672,150	-	-	-	212,672,150	-	-	-	-	212,672,150	212,672,150
3	Building	3.34%	179,862,032	8,058,246	-	19,815,031	168,105,247	23,066,025	6,223,206	3,004,951	26,284,280	141,820,967	156,796,007
4	Plant and Equipment	10.34%	1,043,295,817	28,750,980	-	35,892,135	1,064,724,722	353,138,805	109,822,518	19,564,617	443,396,705	621,328,017	690,157,012
5	Factory Equipment	10.34%	89,127,493	534,149	-	6,353,053	83,308,590	33,264,303	9,333,921	3,452,592	39,145,631	44,162,959	55,863,190
6	Electrical Installation	10.34%	49,985,385	914,356	-	1,592,739	49,307,003	15,772,477	5,250,033	1,008,805	20,013,704	29,293,299	34,212,908
7	Furnitures & Fixtures	6.33%	14,489,053	70,700	-	2,956,011	11,603,742	3,841,353	928,518	1,041,309	3,728,562	7,875,180	10,647,700
8	Computers	16.21%	6,369,139	2,077,700	-	1,931,628	6,515,210	3,093,968	1,210,540	1,675,921	2,628,587	3,886,623	3,275,171
9	Office Equipment	6.33%	7,701,645	117,580	47,500	303,548	7,468,177	1,921,861	495,305	81,968	2,327,941	5,140,236	5,779,784
10	Quality Control Equipment	10.34%	2,914,756	-	-	463,146	2,451,611	1,314,126	304,986	270,530	1,348,582	1,103,029	1,600,630
11	Vehicles - Owned	9.50%	7,407,337	2,512,876	-	-	9,920,213	2,514,680	819,660	-	3,334,339	6,585,874	4,892,657
	- Leased		-	2,104,193	-	-	2,104,193	-	173,610	-	173,610	1,930,583	-
12	Dies & Moulds	11.31%	181,575,957	81,525,642	10,079,267	34,077,797	218,944,535	47,796,316	24,607,197	3,618,340	16,221,805	166,381,167	133,779,641
	SUB TOTAL (i)		2,072,916,548	126,666,422	10,126,767	103,385,088	2,114,641,177	485,723,914	159,169,494	3,625,597	46,322,498	1,519,695,868	1,587,192,634
	(Current Year)		1,763,184,249	276,105,122	976,971	34,604,150	2,072,916,548	340,066,041	145,657,870	-	485,723,914	1,587,192,634	1,423,118,208
	(Previous Year)		-	-	-	-	-	-	-	-	-	-	-

Note : 13.2 Intangible Assets

Sr. No.	Particulars	Deprn. Rate	Gross Block			Effect of foreign currency exchange differences			Depreciator			Net Block	
			As on 01-04-2012	Additions during the year	Deductions during the year	Reclassified as held for sale	As on 31-03-2013	As on 01-04-2012	Depreciation for the year	Eliminated on Disposals	Eliminated on reclassification as held for sale	As on 31.03.2013	WDV as on 31.03.2012
	Functional Softwares	20.00%	2,174,839	159,000	-	-	2,333,839	392,505	445,390	-	837,895	1,495,944	1,782,334
	SUB TOTAL (ii)(Current Year)		2,174,839	159,000	-	-	2,333,839	392,505	445,390	-	837,895	1,495,944	1,782,334
	(Previous Year)		766,065	2,174,839	766,065	-	2,174,839	309,312	849,257	766,065	392,504	1,782,335	456,753



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Note : 13.3 Capital Work-in-progress

Sr. No.	Particulars	Depn. Rate	Gross Block			Depreciation			Net Block			
			As on 01-04-2012	Additions during the year	Deductions during the year	Reclassified as held for sale	Effect of foreign currency exchange differences	As on 31-03-2013	Eliminated on Disposals	Eliminated on reclassification as held for sale	As on 31-03-2013	WDV as on 31.03.2012
	Capital Work-in-Progress		76,340,889	362,728,364		184,945,344	254,123,909	-	-	-	254,123,909	76,340,889
	SUB TOTAL (iii)(Current Year)		76,340,889	362,728,364	-	184,945,344	254,123,909	-	-	-	254,123,909	76,340,889
	(Previous Year)		37,689,359	219,500,984	-	(180,849,454)	76,340,889	-	-	-	76,340,889	37,689,359

Note : 13.4 Fixed assets held for Disposal

Sr. No.	Particulars	Depn. Rate	Gross Block			Depreciation			Net Block			
			As on 01-04-2012	Additions during the year	Deductions during the year	Reclassified as held for disposal	Effect of foreign currency exchange differences	As on 31-03-2013	Deductions During year	Eliminated on reclassification as held for Disposal	As on 31-03-2013	WDV as on 31.03.2012
	Fixed Assets held for Disposal		57,716,693	103,385,088	57,716,693	-	103,385,088	25,421,805	-	-	57,062,589	32,294,888
	SUB TOTAL (v)(Current Year)		57,716,693	103,385,088	57,716,693	-	103,385,088	25,421,805	-	46,322,499	57,062,589	32,294,888
	(Previous Year)		269,612,997	-	211,896,304	-	57,716,693	-	-	-	32,294,888	141,371,386

Note : 13.5 Details of amounts written off on revaluation of assets during the preceding 3 years:

Sr. No	Particulars	Financial Year	
		31st March'2013	31st March'2012
	Opening Balance (Gross Block)	-	-
	Less: Accumulated Depreciation	-	-
	Net Block	-	-
	Written off on revaluation	-	-
	Date	-	-
	Amount	-	-
	Balance as at 31 March	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**NOTE : 14 FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE****(Amt. in ₹)**

Sr. No.	Particulars	As at 31st March'2013	As at 31st March'2012
2	Foreign Currency Monetary Item Translation Difference	-	-
	As per last Balance sheet	-	-
	Add: Accumulation during the year	221,749,647	-
	Less: Amortisation during the year	27,718,706	-
	TOTAL	194,030,941	-

NOTE : 15 LONG TERM LOANS AND ADVANCES

1	<u>Secured, Considered Good :</u>	-	-
2	<u>Unsecured, Considered Good :</u>		
	i) Capital Advances	48,093,901	34,548,850
	ii) Security Deposit	20,265,749	17,519,075
	iii) Advance income tax	3,145,182	2,035,386
	iv) MAT credit entitlement	3,391,638	3,391,638
	v) Balances with government authorities	14,478,075	10,771,822
	vi) Define benefit plan assets	1,206,224	3,704,974
	TOTAL	90,580,769	71,971,745

NOTE : 16 INVENTORIES

1	Raw Materials	164,775,850	92,626,750
2	Semi Finished Goods	28,021,230	40,755,030
3	Stock of Traded Goods	1,689,264	7,526,194
4	Stores,Spares & Consumables	30,429,865	34,722,003
	TOTAL	224,916,209	175,629,977

Details of inventories

1	Raw Materials		
	Alluminium Ingots	164,775,850	92,626,750
2	Semi Finished Goods		
	a Wheels-Two wheeler	7,423,037	13,325,058
	b Wheels - Four wheeler	20,598,193	27,429,972
		28,021,230	40,755,030
3	Traded Goods		
	a Wheels - Two wheeler	-	39,170
	b Wheel- Four wheeler	657,682	4,121,418
	c Accessories	1,031,582	3,365,606
		1,689,264	7,526,194
4	Stores,Spares & Consumables	30,429,865	34,722,003
	TOTAL	224,916,209	175,629,977

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)
NOTE : 17 TRADE RECEIVABLES

(Amt. in ₹)

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	<u>Secured, Considered Good</u> :	-	-
2	<u>Unsecured, Considered Good</u> :		
	Outstanding for a period exceeding six months	11,764,027	24,419,961
	Others	504,824,739	437,444,088
	TOTAL	516,588,766	461,864,049

Note : The balances reported above are subject to confirmation /reconciliation from the customers at large. The Company has initiated steps in this regard. However, all receivables are goods and realisable in the ordinary course of its business.

NOTE : 18 CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	Cash On Hand (including held in Foreign currency)	1,439,788	591,130
2	Bank Balances		
	In current accounts	233,003,099	235,070,305
	In deposit accounts	253,149,157	370,125,753
	TOTAL	487,592,044	605,787,188

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

NOTE :19 SHORT TERMS LOANS AND ADVANCES

Sr. No.	Particulars	As at 31st March 2013	As at 31st March 2012
1	<u>Secured, Considered Good</u> :	-	-
2	<u>Unsecured, Considered Good</u> :		
	i) Loans and advances to employees	613,618	438,723
	ii) Prepaid Expenses	4,801,767	3,819,800
	iii) Balances with government authorities	178,162,216	96,408,388
	iv) Define benefit plan assets	2,129,384	279,764
	TOTAL	185,706,985	100,946,675

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**NOTE : 20 REVENUE FROM OPERATIONS**

(Amt. in ₹)

Sr. No.	Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
1	Sale of Products	3,168,845,138	3,022,491,063
2	Income from Services	202,300	178,318
3	Other operating revenues	46,039,450	37,993,795
		3,215,086,888	3,060,663,176
	Less:		
	Excise duty	345,514,759	268,550,640
	TOTAL	2,869,572,129	2,792,112,536

NOTE: 20.1 PARTICULARS OF SALE OF PRODUCTS

a	Manufactured goods		
i	Wheels - Two wheeler	1,319,907,886	1,255,186,217
ii	Wheels - Four wheeler	1,409,535,354	1,273,221,959
	TOTAL - Sale of manufactured goods	2,729,443,240	2,528,408,176
b	Traded goods		
i	Wheels - Two wheeler	1,622,999	202,108,952
ii	Wheels - Four wheeler	92,129,760	20,710,158
iii	Accessories	5,030,325	6,324,901
	TOTAL - Sale of traded goods	98,783,084	229,144,011
	TOTAL - Sale of products	2,828,226,324	2,757,552,187

NOTE : 21.a COST OF MATERIALS CONSUMED

1	Opening Stock	92,667,791	74,960,621
	Add: Purchases	1,510,369,414	1,409,644,399
		1,603,037,205	1,484,605,020
	Less: Closing Stock	164,775,850	92,667,791
	Cost of materials consumed*	1,438,261,355	1,391,937,229

* The figures are in respect of main raw material, i.e. aluminium ingots. The figures reported are derived figures, since the issue records of the Company are being stream-lined.

NOTE : 21.a DETAILS OF PURCHASE OF RAW MATERIAL IMPORTED AND INDIGENOUS ITEMS

Sr. No.	Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
		%	Value	%	Value
	Raw Materials				
	Imported	91.6	1,383,681,856	91.1	1,283,532,214
	Indigenous	8.4	126,687,558	8.9	126,112,185
	TOTAL	100.0	1,510,369,414	100.0	1,409,644,399

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)
NOTE : 21.b PURCHASES OF STOCK-IN-TRADE
(Amt. in ₹)

Sr. No.	Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
1	Wheels	86,178,671	222,068,994
2	Accessories	2,648,265	6,437,376
	TOTAL	88,826,936	228,506,370

NOTE : 21.b DETAILS OF PURCHASE OF STOCK-IN-TRADE IMPORTED AND INDIGENOUS ITEMS

Sr. No.	Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
		%	Value	%	Value
	Traded Goods				
	Imported	74.7	66,337,051	68.8	157,131,777
	Indigenous	25.3	22,489,885	31.2	71,374,593
	TOTAL	100.0	88,826,936	100.0	228,506,370

NOTE :21.c CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND STOCK-IN-TRADE

Sr. No.	Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
1	Inventories (at close)		
a	Semi Finished goods	28,021,229	40,755,030
b	Stock-In-Trade	1,689,265	7,526,196
		29,710,494	48,281,226
2	Inventories (at commencement)		
a	Semi Finished goods	40,755,030	39,398,805
b	Stock-In-Trade	7,526,196	1,442,250
		48,281,226	40,841,055
	TOTAL	18,570,732	(7,440,171)

NOTE : 22 EMPLOYEE BENEFITS EXPENSES

1	Salaries & Wages	140,047,307	123,350,336
2	Contribution to Provident, Gratuity and other Funds	8,871,486	6,994,457
3	Leave Encashment	3,168,982	1,079,145
4	Welfare Expenses	21,131,254	17,295,675
	TOTAL	173,219,029	148,719,613

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**NOTE : 23 OTHER EXPENSES****(Amt. in ₹)**

Sr. No.	Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
1	Manufacturing Expenses		
a	Consumption- Stores and Spares	296,992,699	268,038,859
b	Power and Fuel	268,022,998	228,460,504
c	Processing Charges- Remelting	61,623,231	54,102,364
d	Processing Charges- Others	39,910,767	36,320,484
e	Royalty	37,035,418	32,777,644
f	Other Manufacturing Expenses	57,449,803	40,761,859
		<u>761,034,916</u>	<u>660,461,714</u>
2	Foreign Exchange Fluctuation Loss/(Gain)	56,084,106	58,064,193
3	Administrative Expenses		
a	Legal and Professional Fees	6,861,614	11,197,472
b	Other Administrative expenses	47,615,448	35,384,598
c	Loss on disposal of Fixed Assets	32,294,888	55,675,028
		<u>86,771,950</u>	<u>102,257,098</u>
4	Selling & Distribution Expenses		
a	Freight Outward	52,876,296	51,721,981
b	Other selling & distribution expenses	10,190,862	17,346,204
		<u>63,067,158</u>	<u>69,068,185</u>
	TOTAL	<u>966,958,130</u>	<u>889,851,190</u>

Note : 23.a Details of consumption of imported and indigenous items

Sr. No.	Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
		%	Value	%	Value
	Consumption- Stores and Spares				
	Imported	13.6	40,415,726	17.2	46,189,021
	Indigenous	86.4	256,576,973	82.8	221,849,838
	TOTAL	100.0	296,992,699	100.0	268,038,859

NOTE :24 FINANCE COST

Sr. No.	Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
1	Interest on Rupee Loans	105,274,770	23,729,764
2	Interest on Foreign Currency Loans (ECB)	26,153,103	19,167,704
		<u>131,427,873</u>	<u>42,897,468</u>
	Less: capitalised during the year		
	- Prior Period	(42,909,083)	(23,517,274)
	- Current Period	(69,469,573)	(19,391,808)
		<u>19,049,217</u>	<u>(11,614)</u>
	Interest on Working Capital Loans	42,014,467	47,728,099
4	Other Borrowing Costs	2,509,974	2,347,234
	TOTAL	<u>63,573,658</u>	<u>50,063,719</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)
NOTE : 25 DEPRECIATION & AMORTISATION EXPENSE
(Amt. in ₹)

Sr. No.	Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
1	Depreciation on tangible assets	159,169,495	145,657,870
2	Amortisation on intangible assets	445,390	849,257
	TOTAL	159,614,885	146,507,127

NOTE : 26 OTHER INCOME

1	Interest Income on Term Deposits with Banks *	2,005,245	3,263,602
2	Other income	3,700,730	401,816
	TOTAL	5,705,975	3,665,418

* net of capitalisation of ₹ 21,224,425/- (PY ₹ 11,64,383)

NOTE : 27 PRIOR PERIOD, EXCEPTIONAL & EXTRA ORDINARY ITEMS

a	Group companies (overseas) liabilities (old) written back	218,663,452	-
	Less :		
	Prior period expenses		
a	Group companies (overseas) fees & expenses	21,506,626	-
b	Non-refundable CENVAT Duty - Advance Licenses	27,877,010	-
c	Interest liability on CENVAT Duty - Advance Licenses	78,520,569	-
	TOTAL	90,759,247	-

NOTE 28 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
a Compulsorily Convertible Preference Shares

The Board of Directors in its meeting held on 5th Feb'2013 approved the conversion of 39,51,250 Compulsorily Convertible Preference Shares of Face value of ₹ 10/- each earlier issued on preferential basis. Accordingly, 5,21,860 equity shares of Face value of ₹ 5/- each at a premium of ₹ 70/- each have been allotted to the promoter company, viz. Enkei Corporation, Japan. The said allotment is in compliance with clause 40A of the Listing Agreement.

b Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2013	As at 31 March, 2012
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	606,542
(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	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

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

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

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

Name of the party	Relationship	Amount outstanding as at 31 March, 2013	Amount outstanding as at 31 March, 2012
Enkei Corporation, Japan (equity shares of ₹ 4,12,76,800/- are held by the holding company in the equity capital of the Company.	Promoter Holding Company	-	-
		-	-

Note: Figures in bracket relate to the previous year ended 31st March 2012.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

d Details of fixed assets (at book values) held for disposal		(Amt. in ₹)	
Particulars	As at 31 March, 2013	As at 31 March, 2012	
(i) Plant and Equipments	53,385,580	30,266,679	
(ii) Factory Equipments	2,900,460	1,915,756	
(iii) Electrical Installation	583,933	112,453	
(iv) Quality Control Equipments	192,615	-	
	<u>57,062,589</u>	<u>32,294,888</u>	
e Details of the year-end foreign currency exposures that have not been hedged			
Particulars with balances as per books of account			
External Commercial Borrowings	612,256,001	547,111,754	
Purchase of Fixed Assets	846,219,903	785,759,326	
Trade Payables	762,869,075	563,355,924	
	<u>2,221,344,979</u>	<u>1,896,227,004</u>	
f Value of imports calculated on CIF basis @:			
	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹	
Raw materials	1,383,681,856	1,283,532,214	
Traded Goods	66,337,051	157,131,777	
Spare parts	40,998,259	46,189,021	
Capital goods	86,020,579	114,268,811	
	<u>1,557,037,745</u>	<u>1,601,121,823</u>	
@ the total value of imports relates to the imports made excluding the relevant taxes:			
g Expenditure in foreign currency #:			
Royalty	37,035,418	32,777,644	
Foreign Travel	613,198	324,741	
Computer Hire Charges	909,786	877,400	
Legal, Professional and consultation fees	1,260,000	3,000,000	
Interest on Foreign Currency Loans	20,331,723	10,286,956	
Other matters	-	-	
	<u>60,150,125</u>	<u>47,266,741</u>	
# 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	9,81,167	48,470	
	<u>9,81,167</u>	<u>48,470</u>	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

		(Amt. in ₹)	
		For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
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		
j	Auditors Remuneration		
	Audit Fees	713,125	600,000
	Limited Reviews	90,000	75,000
	Out of Pocket Expenses	132,625	49,926
		<u>935,750</u>	<u>724,926</u>
k	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	-	-
	(b) Guarantees	-	-
	(c) Letters of Credits issued by the bank for imports	-	-
	(d) Differential Tax Liability - C Forms not received	327,959,232	643,196,878
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets	111,329,243	54,052,738
	(b) Other Commitments	-	-
l	Earning per Share as computed in accordance with Accounting Standard 20		
	Net profit / (loss) for the year	43,501,032	(53,297,814)
	(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	43,501,032	(53,297,814)
	Weighted average number of equity shares for calculation of Basic EPS	12,233,500	11,158,400
	Weighted average number of equity shares for calculation of Diluted EPS	18,980,506	19,007,747
	Face value per share	₹ 5/- per share	₹ 5/- per share
	Earnings per share - Basic	3.56	(4.78)
	Earnings per share excluding extraordinary items - Basic	3.56	(4.78)
	Earnings per share - Diluted	2.29	(2.80)
	Earnings per share, excluding extraordinary items - Diluted	2.29	(2.80)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)
Note 28 Disclosures under Accounting Standards (contd.)
m Employee benefit plans

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

Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 6,097,720/- (Year ended 31 March, 2012 ₹ 5,035,767/-) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined Benefit plans

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

- i. Gratuity
- ii. Leave Entitlements

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

(Amt. in ₹)

Particulars	Year ended 31 March, 2013		Year ended 31 March, 2012	
	Gratuity	Leave Entitlements	Gratuity	Leave Entitlements
Components of employer expense				
Current service cost	1,233,692	1,233,372	1,097,754	712,138
Interest on obligation	396,341	113,557	325,968	123,202
Expected return on plan assets	(316,356)	-	(176,390)	-
Net Actuarial (gain) / loss recognized in the year	708,447	811,303	101,489	243,804
Past service cost	-	1,010,751	-	-
Actuarial losses/(gains) on curtailments & settlement	-	-	-	-
Expense recognised in the Statement of Profit and Loss	2,022,124	3,168,983	1,348,821	1,079,144
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	6,505,501	3,848,196	5,132,507	1,992,168
Fair value of plan assets	3,335,608	-	3,984,738	-
Funded status [Surplus / (Deficit)]	(3,169,893)	(3,848,196)	(1,147,769)	(1,992,168)
Unrecognised past service costs	-	-	-	-
Unrecognised Actuarial loss	-	-	-	-
Net asset / (liability) recognised in the Balance Sheet	(3,169,893)	(3,848,196)	(1,147,769)	(1,992,168)
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	5,132,507	1,992,168	3,951,126	1,493,362
Current service cost	1,233,692	1,233,913	1,097,754	712,138
Interest cost	396,341	113,557	325,968	123,202
Actuarial (gains) / losses	682,297	811,303	(9,937)	243,804
Past service cost	-	1,010,751	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

(Amt. in ₹)

Particulars	Year ended 31 March, 2013		Year ended 31 March, 2012	
	Gratuity	Leave Entitlements	Gratuity	Leave Entitlements
Loss (gains) on Curtailments	-	-	-	-
Liability extinguished on settlements	-	-	-	-
Liability assumed in an amalgamation in the nature of purchase	-	-	-	-
Exchange difference on foreign plans	-	-	-	-
Benefits paid	(939,336)	(1,313,496)	(232,404)	(580,338)
Present value of DBO at the end of the year	6,505,501	3,848,196	5,132,507	1,992,168
Change in fair value of assets during the year				
Fair value of plan assets at beginning of year	3,984,738	-	-	-
Expected return on plan assets	316,356	-	176,390	-
Actuarial gain / (loss)	(26,150)	-	(111,426)	-
Assets distributed on settlements	-	-	-	-
Contribution by the employer	-	-	3,919,774	-
Assets acquired in an amalgamation in the nature of purchase	-	-	-	-
Exchange difference on foreign plans	-	-	-	-
Benefits paid	(939,336)	-	-	-
Plan assets at the end of the year	3,335,608	-	3,984,738	-
Actual return on plan assets	290,206	-	111,426	-
Composition of the plan assets is as follows:				
Government of India Securities	0%	0%	0%	0%
High quality corporate bonds	0%	0%	0%	0%
Equity shares of listed companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Policy of insurance	100%	0%	100%	0%
Bank Balance	0%	0%	0%	0%
Actuarial assumptions				
Discount rate	8.20%	8.20%	8.50%	8.50%
Expected return on plan assets	9.00%	0.00%	9.00%	0.00%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Proportion of employees opting for early retirement	-	-	-	-

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Note 28 Disclosures under Accounting Standards (contd.)

n Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Holding Company	Enkei Corporation, Japan
Associates	Enkei Thai Co. Ltd., Thailand
Associates	Enkei Thai Moulding Co. Ltd.,Thailand
Associates	Asian Enkei Trading Co. Limited,Japan
Associates	Enkei Audit & Computer Ltd.,Japan
Associates	PT. Enkei Indonesia, Indonesia
Associates	Enkei Alluminium Product (China) Co. Ltd., China
Associates	Enkei Moulding (Kushan) Co. Ltd.,Japan
Associates	ENKEI MALAYSIASDN.BHD.
Associates	Enkei Wheel Corporation, Japan
Associates	ENKEI VIETNAM CO.LTD.
Key Management Personnel (KMP)	Masakatsu Uchiyama, Managing Director
Key Management Personnel (KMP)	Kazuhiko Shimamura, Alternate Director

Note: Related parties have been identified by the Management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)**Details of related party transactions during the year ended 31 March, 2013:****(Amt. in ₹)**

Particulars		Associates	Holding Company	Key Management Personnel (KMP)	Total
Purchase of Traded goods	CY	54,760,284	-	-	54,760,284
	PY	179,437,174	-	-	179,437,174
Export Sale	CY	-	981,167	-	981,167
	PY	-	-	-	-
Purchase of Stores & Spares	CY	20,745,319	70,856	-	20,816,175
	PY	13,783,124	1,676,134	-	15,459,258
Receiving of services	CY	1,459,438	-	30,000	1,489,438
	PY	2,878,447	-	80,000	2,958,447
Royalties Paid/Payable	CY	-	37,035,418	-	37,035,418
	PY	-	32,777,643	-	32,777,643
Interest Paid/Payable	CY	-	20,331,723	-	20,331,723
	PY	-	10,286,956	-	10,286,956
Salaries & perquisite	CY	-	-	6,528,155	6,528,155
	PY	-	-	1,941,868	1,941,868
Other Expenses Charged to Company	CY	1,143,900	25,054,497	-	26,198,397
	PY	113,075,118	2,358,865	-	115,433,983
Purchase of fixed assets	CY	26,841,017	59,179,562	-	86,020,579
	PY	29,293,405	84,975,406	-	114,268,811
Sale of fixed assets	CY	1,732,843	-	-	1,732,843
	PY	-	-	-	-
Loans and equity contributions in cash or in kind	CY	-	-	-	-
	PY	-	-	-	-
Net Transaction during the year	CY	106,682,801	142,653,223	6,558,155	255,894,179
	PY	338,467,268	132,075,004	2,021,868	472,564,140

Note: Figures in CY relates to Year 2012-13 and PY relates to year 2011-12

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

i) where the Company is a lessee :

Finance Leases

The Company has acquired a vehicle (motor car) on finance lease. The lease covers a period of 36 months, which is fixed and non-cancellable. The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows.

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March, 2013	As at 07 May, 2012	As at 31 March, 2013	As at 07 May, 2012
Payable not later than one year	647,448	593,494	460,783	387,158
Payable later than one year but not later than five years	1,059,902	1,707,350	940,819	1,405,336
Payable later than five years	-	-	-	-
Total	1,707,350	2,300,844	1,401,602	1,792,494
Less: Future finance charges	305,748	508,350	-	-
Present Value of minimum lease payments	1,401,602	1,792,494	1,401,602	1,792,494

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	As at	As at
	31 March, 2013	31 March, 2012
Not later than one year	1,638,593	1,501,644
Later than one year but not later than five years	-	-
Later than five years	-	-

p Figures of the previous year have been regrouped & reclassified wherever necessary.



ENKEI WHEELS (INDIA) LIMITED

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

4th Annual General Meeting on 10th September 2013.

Attendance Slip

(Members Attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the Fourth Annual General Meeting of the Company at the registered office of the Company at Gat No. 1425, Village Shikrapur, Taluka Shirur, Pune-412208 on Tuesday, the 10th September, 2013 at 12.30 PM.

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

Signature

.....

.....

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

* Applicable for members holding shares in electronic form

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

ENKEI WHEELS (INDIA) LIMITED

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

4th Annual General Meeting on 10th September 2013.

Proxy Form

I/We.....

of.....being a Member/
Members of the above named Company, hereby appoint -

Mr./Mrs./Miss.of

or failing him/her;

Mr./Mrs./Miss. of

as my/our Proxy(ies) to attend and vote for me/us and on my/our behalf at the Fourth Annual General Meeting of the Company the registered office of the Company at Gat No. 1425, Village Shikrapur, Taluka Shirur, Pune-412 208 on Tuesday, the 10th September, 2013 at 12.30 PM or at any adjournment thereof.

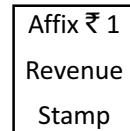
No. of Shares

Folio No.:DP ID No.* Client ID No.*

*Applicable for members holding shares in electronic form.

.....

Signed this day of , 2013.



Signature

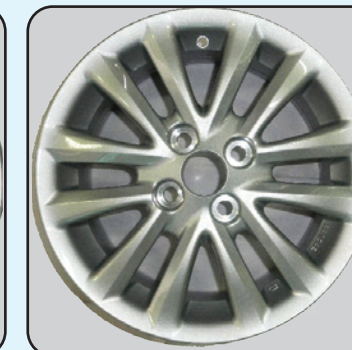
NOTES:

- (i) A Member entitled to attend and vote of the meeting is entitled to appoint one or more proxy(ies) to attend and vote instead of himself/herself and the proxy need not be a member of the company.
- (ii) The proxy form duly signed across revenue stamp should reached the company's registered office atleast forty eight hours before the time of the meeting.

ALLOY WHEELS 2W



ALLOY WHEELS 4W



BOOK-POST

TO,

If Undelivered pleased return:

ENKEI WHEELS (INDIA) LTD.


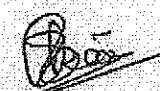


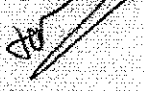
Registered Office :

Gat No. 1425, Village Shikrapur,

Taluka Shirur, Dist. Pune - 412 208.

Tel. : (02137) 618700

**ENKEI WHEELS (INDIA) LTD.**GAT No. 1425 Shikrapur, Tal. Shirur, Dist. Pune Maharashtra, India 412 208
Tel. : +91-2137-618700 Fax : +91-2137-618720**FORM A****Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	ENKEI WHEELS (INDIA) LIMITED
2.	Annual financial statements for the year ended	31 st March 2013.
3.	Type of Audit observation	Unqualified, Matter of Emphasis There are two matters of emphasis.
4.	Frequency of observation	These have been appeared first-time in the independent auditor's report under paragraph 'Emphasis of Matter' as per the new format of the auditor's report. These are of clarificatory in nature.
5.	To be signed	For ENKEI WHEELS (INDIA) LTD.  Managing Director  CFO  For ASIT MEHTA & ASSOCIATES  Partner  Audit Committee Chairman