



ENKEI WHEELS (INDIA) LIMITED

(CIN - L34300PN2009PLC133702)

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



ISO/TS
16949:2009
ISO 14001:2004

www.tuv.com
ID 9105060168

Date: 26th June 2020.

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

Subject: Notice of 11th Annual General Meeting and Annual Report FY 2019.

Ref: Scrip Code: 533477

Dear Sir,

This is to inform you that, 11th Annual General Meeting (AGM) of the Shareholders of Enkei Wheels (India) Limited will be held on **Saturday, The 18th Day Of July 2020 at 12:30.** at Registered office of the Company situated at Gat No. 1425, Village Shikrapur, Tal Shirur, Pune – 412208.

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, copy of Annual Report for the financial year ended 31st December 2019 along with copy of Notice of the 11th AGM is enclosed herewith.

The Notice of the AGM and the Annual Report for financial year 2019 can also be downloaded from website of the company www.enkei.in.

Kindly take the same on the record.

FOR ENKEI WHEELS (INDIA) LIMITED

SHRIKANT JOSHI
COMPANY SECRETARY
eCSIN: EA047346A000009715.



Investing in People. Building our Future.

Annual Report
FY 2019



ENKEI WHEELS (INDIA) LIMITED

AN IATF 16949:2016, ISO 14001:2015, ISO 45001:2018

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Investing in People. Building our Future.



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Managing Director's Message



Forward-looking statements

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



View or download this report at
www.enkei.in

At Enkei Wheels, we continue to resonate with our motto of 'Investing in People. Building our Future'.

We have emerged as one of the largest Indian manufacturers of aluminium wheels for the automotive industry. Our strength lies in the ability to keep developing new technologies that are used to create value-added, top-quality products for our customers. Technology, Innovation, Customers and Employees - together these four pillars are what galvanises us. We have constantly striven to create an environment that allows technology to flourish and employees to thrive.

We are now moving aggressively into the future, as we gear up to kickstart the next level of growth and expansion.

We are



Investing in people practices and talent development to create an empowering culture



Expanding business by growing our capacities



Developing differentiated products to meet customers' demands



Enhancing operational efficiency through innovation and cost optimisation

Simply put, from machinery to manpower and from technology to talent, we are prepping ourselves for the future to serve the unique requirements of our customers and sustain growth.

Enkei Wheels (India) Limited at a Glance

Who we are

Enkei Wheels (India) Limited is India's leading manufacturer and supplier of aluminium wheels. We are part of the Enkei Group, a globally renowned Japanese multinational conglomerate with more than six decades of experience in manufacturing aluminium wheels. Having commenced operations in Pune in 2009, we have come a long way in a decade. Today, we are recognised as one of the most preferred aluminium wheel brands in the Indian automotive industry.

What we do

We are engaged in the business of manufacturing and supplying aluminium wheels to the leading two-wheeler and four-wheeler manufacturers in India. Our rich domain expertise, pioneering design and manufacturing capabilities, and unwavering focus on quality and excellence underpin our operations. Backed by state-of-the-art Japanese technology, we offer finest, high-quality products suited to customer requirements.

Our manufacturing capabilities

Our state-of-the-art manufacturing unit in Pune has a production capacity of 2 W 1,20,000 and 4 W 90,000 pieces per month. Equipped with advanced machinery and equipment, this facility enables us to produce the highest quality products as per customer requirements.

Our CSR Initiative

During the year, the Company spent ₹ 2.94 million towards CSR activities. Major initiatives included promotion of rural development projects. During year, the Company had spent on road development under its rural development initiative. This initiative led to betterment of lives of the people of Shikrapur village as well as of the employees working in the surrounding factories.



Before CSR initiative



After CSR initiatives

Our Marquee Clientele

Four-Wheeler



Two-Wheeler



What sets us apart



Rich industry experience



Technology edge



Economies of scale



Quality consciousness



Dedicated and skilled team



Enduring relationships



**Our
Strengths**

Financial Performance

We constantly strive to drive value-creation for our stakeholders, maintain strong financials and maximise shareholders' return. Our intent is to sustain profitable growth and deliver improved financial performance each year. Our cost competitiveness, flexible production, and technology-led approach give us a distinct edge.

Net Sales ₹ in Million

FY 2019*	2,667.6
FY 2018-19	4,744.8
FY 2017-18	4,785.2
FY 2016-17	4,588.8
FY 2015-16	3,854.9

Other Income ₹ in Million

FY 2019*	320.2
FY 2018-19	147.2
FY 2017-18	57.0
FY 2016-17	2.0
FY 2015-16	3.6

Material Cost ₹ in Million

FY 2019*	1,404.6
FY 2018-19	2,633.3
FY 2017-18	2,574.1
FY 2016-17	2,221.4
FY 2015-16	2,057.2

Other Expenses ₹ in Million

FY 2019*	1,863.42
FY 2018-19	1,853.3
FY 2017-18	1,794.3
FY 2016-17	2,030.8
FY 2015-16	1,521.9

Interest ₹ in Million

FY 2019*	44.8
FY 2018-19	45.22
FY 2017-18	47.5
FY 2016-17	47.1
FY 2015-16	51.5

Depreciation ₹ in Million

FY 2019*	177.6
FY 2018-19	213.4
FY 2017-18	233.0
FY 2016-17	217.3
FY 2015-16	256.5

Profit before Tax ₹ in Million

FY 2019*	51.4
FY 2018-19	136.7
FY 2017-18	193.3
FY 2016-17	74.2
FY 2015-16	(28.6)

Income Tax Provision ₹ in Million

FY 2019*	24.2
FY 2018-19	9.4
FY 2017-18	85.5
FY 2016-17	46.9
FY 2015-16	26.1

Net Profit after Tax
₹ in Million

FY 2019#	27.3
FY 2018-19	127.3
FY 2017-18	107.8
FY 2016-17	27.3
FY 2015-16	(54.7)

Share Capital
₹ in Million

FY 2019#	85.4
FY 2018-19	81.1
FY 2017-18	77.1
FY 2016-17	74.4
FY 2015-16	70.7

Reserves
₹ in Million

FY 2019#	1,746.67
FY 2018-19	1,209.7
FY 2017-18	729.1
FY 2016-17	358.7
FY 2015-16	190.6

Net Worth
₹ in Million

FY 2019#	1,832.0
FY 2018-19	1,290.8
FY 2017-18	806.2
FY 2016-17	433.1
FY 2015-16	261.2

Basic Earnings per Share (₹) (Face Value of ₹ 5/-) before extraordinary Income / Expense

FY 2019#	1.6
FY 2018-19	7.9
FY 2017-18	7.1
FY 2016-17	1.9
FY 2015-16	(4.0)

Basic Earnings per Share (₹) (Face Value of ₹ 5/-) After extraordinary Income/ Expense

FY 2019#	1.6
FY 2018-19	7.9
FY 2017-18	7.1
FY 2016-17	1.9
FY 2015-16	(4.0)

Book Value per Share*

FY 2019#	107.26
FY 2018-19	79.6
FY 2017-18	52.3
FY 2016-17	29.1
FY 2015-16	18.5

Debt Equity Ratio

FY 2019#	0.55
FY 2018-19	0.42
FY 2017-18	0.65
FY 2016-17	1.42
FY 2015-16	2.40

Note : *Figures of book value per share are calculated for all the reported periods above after considering the subdivision of equity share ₹ 10/- each to share of ₹ 5/- also calculated considering the Compulsory convertible preference shares of ₹ 10/-.

#Figures are not comparable, as current Financial year of the Company ended on 31st December 2019 covering a period of Nine months from 1st April 2019 to 31st December 2019 and previous period of Twelve Months from 1st April 2018 to 31st March 2019.

Managing Director's Message



We have a proactive approach towards the future, despite of experiencing such difficult situations. We analyse our accomplishments in detail and come up with strategies for the future. We shall build a foundation for the management and production systems that is not affected by external factors. We shall continue to execute the production capacity expansion projects in the near future, and this will help us to overcome the difficult times and create greater opportunities.

Dear shareholders,

We, hereby, share the comprehensive performance results of the financial year 2019 and latest information of Enkei Wheels (India) Limited (hereinafter referred to as EKIN). We thank you all for your continued patronage.

Change in the Financial Year

We report that, for the purpose of consolidated financial statements and keeping in line with the closing term of the ENKEI Group, we have closed the Annual Report of FY 2019 for 9 (nine) months (April to December). Next year onwards, we will move to a 12-month financial period from January to December.

Summary of performance for FY 2019

According to the SIAM (Society of Indian Automobile Manufacturers) statistics, the number of automobile units (passenger cars + commercial vehicles) sold in FY 2019 was 3.81 million units, a 13% decrease from the previous year. This is the first time in the last five years that it was lower than the previous year. The number of vehicles manufacturing in 2019 also decreased by 16% from the previous year. As for motorcycles, the number of two-wheeler sold from April to December 2019 was 13.9 million units, a decrease of 15.8% in comparison with the same period of the previous year, and the number of two-wheeler manufactured also declined by 12.8%. This was primarily due to the factors such as slowdown of the Indian economy from the latter half of 2018, tightening of bank loans for purchase of vehicles, increased cost of vehicle insurance, soaring fuel prices and the reluctance in purchase of vehicles that were manufactured before the transition from BS-IV to BS-VI emission regulations. While these factors have been continuing since FY 2018, in the year FY 2019, the market reacted strongly to these factors, and our Company also recorded a sharp decline in orders. Until July, the order numbers were the same as in the second half of the previous year, but the number of orders suddenly dropped from August, and the production line saw a sharp decline until the end of the year. We have aggressively focussed on reducing, fixed cost and cash outflow, however it couldn't make up for it with a reduction in fixed cost as sales in declined too much in current situation, and we continued to incur losses from August to December 2019. The combined sales volume of two-wheeler and four-wheeler segment was 1.36 million units, which was a significant decrease of 21% compared to the 1.72 million units sold in the same period of the previous year. EKIN's sales volumes decreased by 21% (65% in four-wheeler and 90% in two-wheeler), although the decrease in automobile and motorcycle

production was only 15%. We realise that this is a major issue, and clearing out these factors, the strategies that need to be applied will be based on the lessons learnt from the results of the year. The significant decline in orders during the year has been highlighted as a major issue to be incorporated into the medium to long-term strategy for the future. Further, forex fluctuations continues to have impact on the operating results.

Status of the production capacity expansion plan

With respect to the expansion of production capacity at the adjoining land, the first phase of construction was planned to be completed by the end of FY 2019, and the operations were planned to commence in the first quarter of FY 2020, however, it became clear that the safety and environment-related approvals from the Government would take longer than expected. Therefore, plans for the first term MAC-1 operations have been rescheduled to the end of the year 2020, and the new paint shop will start operation after second quarter of 2021. In addition, the plan for the existing line's upgradation to Enkei standardisation for four-wheeler was to complete the remodelling of MAP-1, which was completed in FY 2019. The remaining two lines are included in the investment plan after the next year. The two-wheeler production capacity expansion is continuing to shorten the production cycle time of the existing lines without having to make a significant investment. Although the sales of vehicles and motorcycles in India have been witnessing a slump, we are confident that it will recover in the near future and there will be a huge market. Therefore, we must continue to prepare (invest) for it.

Outlook for the automobile and motorcycle market

Going forward, the nationwide lockdown aimed at preventing the spread of the COVID-19 virus in India has impacted not just the production and sales of vehicles and motorcycles but the activities of the entire economy has become stagnant and be restricted. The damage due to this state of emergency that has engulfed the whole world, wherein an end is not visible, and which could not have been predicted at the beginning of the year FY 2020, is immeasurable. The sales trend of automobiles and motorcycles in FY 2020 due to the trends before and after the switch from BS-IV to BS-VI in India had been gaining prominence, however, it doesn't been feel any influence from the switching the regulations during the lockdown situation. The business plan for the first quarter of FY 2020 was at the same level as the second half of FY 2019, and upward from the second quarter on, and overall the plan was to change for the better in FY 2020 from FY 2019, However, currently, there is no choice but to make major downward revisions.

Outlook and challenges for FY 2020

In FY 2019, we started with the slogan "Keep changing, evolving and growing", however, on account of slump in the economy, we were unable to achieve our goals. In FY 2020, the global economic growth is expected to contract sharply due to the COVID-19 pandemic. Consequently, the Indian economy is also predicted to slow down in the in FY 2020. The number of automobiles and motorcycles sold in India is also expected to decline due to subdued consumer sentiment. Even under such difficult circumstances, we will turn the pinch into opportunity, and in parallel, build the foundation and prepare for the future, based on a credible strategy.

In conclusion

FY 2020's slogan is "Building Foundation for Tomorrow" and "Preparation for our Future", and for overcoming the difficult situation that we are in now. EKIN will build and establish a foundation, while expanding the production capacity and preparing for the future increase in orders.

To that end, the human resource development is an important challenge and is the key to success for all the projects. This year, the action guideline for the entire Enkei Group is "Investing in People. Building our Future." In addition to the in-house education, we also aim to actively participate in Enkei Group training programmes as well as external training programmes to improve the capabilities of our employees. Finally, we will become a company that aims to create a sound, stable and reliable management structure, a work environment based on "safety", "health" and "environment", and maximum welfare by contributing to local communities through CSR activities.

We would like to extend our deepest gratitude to our stakeholders, shareholders, clients, suppliers, employees, unions, workers, and everyone at the Enkei Group. We look forward to your continued support in the future.

Kazuo Suzuki
Managing Director

Corporate Information

Board of Directors

Mr. Kazuo Suzuki

Managing Director

Mr. Junichi Suzuki

Non-Executive Director

Dr. Haresh Shah

Independent & Non-Executive Director

Mr. Shailendrajit Rai

Non-Executive Director

Mr. Satyavara Prasad Garimella

Independent & Non-Executive Director

Ms. Shilpa Dixit

Independent & Non-Executive Director

Chief Financial Officer

Mr. Jitendra Parmar

Company Secretary

Mr. Shrikant Joshi

Bankers

MUFG Bank Ltd.

Mumbai

Mizuho Bank Ltd.

Mumbai

Sumitomo Mitsui Banking Corporation

Delhi

Axis Bank Ltd.

Pune

Kotak Mahindra Bank Ltd.

Pune

State Bank of India

Pune

Auditors

Kirtane & Pandit LLP
Chartered Accountants
Pune

Registered Office

Enkei Wheels (India) Limited
CIN: L34300PN2009PLC133702
Gat No. 1425, Village Shikrapur,
Taluka Shirur, Dist. Pune - 412 208.
Tel: (02137) 618700, Fax: (02137) 618720
Email: secretarial@enkei.in
Website: www.enkei.in

Registrar & Share Transfer Agents

Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093.
Tel: 022-28207203-05/28257641
Email: info@unisec.in

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ENKEI WHEELS (INDIA) LIMITED WILL BE HELD ON SATURDAY, THE 18th DAY OF JULY 2020 AT 12.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT GAT NO. 1425, VILLAGE SHIKRAPUR, TALUKA SHIRUR, PUNE-412208 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM NO. 1 - To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on **31st December 2019** (9 Months) and the Reports of the Board of Directors and Auditors thereon.

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

SPECIAL BUSINESS:

ITEM NO. 3 - ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS.

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 42 and Section 62 and other applicable provisions if any, of the Companies Act, 2013, as amended ("Companies Act") and rules made thereunder, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of Foreign Exchange Management Act, 1999 and subject to the provisions of Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and the Listing Agreement entered into by the Company with the BSE Ltd on which the Company's shares are listed, and Reserve Bank of India ("RBI") or any other relevant authority from time to time and, the rules / regulations / guidelines, notifications, circulars, press notes and clarifications issued from time to time by Government of India, to the extent applicable and subject to (i) execution of definitive agreements and the conditions therein specified if any and (ii) approvals, consents, permissions and sanctions as might be required and (iii) such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the Board be and is hereby authorised to create, offer, issue allot up to 898700 equity shares of face value of ₹ 5/- each fully paid up ("Equity Shares") for cash at a price of ₹ 410/- (Rupees Four Hundred and Ten only) per Equity Shares (including a premium of ₹ 405/- (per Equity Share) or at a price to be determined as per Regulation 164/165 of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 ("SEBI ICDR Regulations") whichever is higher, on preferential basis to Promoter as mentioned below and as per terms and conditions given in the explanatory statement annexed to this notice and that the board of directors be and is hereby authorise to finalise all such terms and conditions and the matter incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable, law, rules and regulations for time being in force in this regard.

Sr. No	Name of the Proposed Allottee	No. of Shares	Category
1.	Enkei Corporation, (PAN: AACCE4515D) having office at ACT Tower 26F 111-2 Itaya-Machi, Naka-Ku Hamamatsu City, Shizuoka Pref 430-7726, Japan. E-mail id: kazuhiko_shimamura@enkei.co.jp	898700	Promoter

RESOLVED FURTHER THAT the "relevant date" for the preferential issue, as per the "SEBI (ICDR Regulations 2018)", as amended from time to time, for the determination of minimum price for the issue of the above mentioned Equity Shares shall be **18th June 2020**, being the date 30th working day of Stock exchange prior to the date of Annual General Meeting (i.e. **18th July, 2020**).

RESOLVED FURTHER THAT the issue and allotment of the Equity Shares to Enkei Corporation, Japan shall be on the following terms and conditions:

- i) The consideration price of the Equity Shares shall be received from the Enkei Corporation's Bank account;
- ii) the Equity Shares to be issued and allotted shall be listed and traded on BSE Limited and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- iii) the Equity Shares allotted to Enkei Corporation shall rank pari passu with the then existing Equity Shares of the Company, from the date of their allotment. Such new Equity Shares when issued and allotted as aforesaid Notice of the Annual General Meeting shall also be entitled for dividend as per the regulations / notifications / clarifications issued by SEBI in this regard;

- iv) the Equity Shares to be allotted in terms of this resolution shall be made fully paid up at the time of allotment and be issued in dematerialized form only.
- v) the Equity Shares allotted on a preferential basis shall remain locked in as per the provisions of SEBI (ICDR Regulations), 2018;
- vi) the Board be and is hereby authorised to accept any modification(s) to or modify the terms of issue of Equity Shares, subject to the provisions of the Companies Act and SEBI (ICDR Regulations) 2018, without being required to seek any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby Severally authorised to do and carry out all such acts, deeds, matter and things as it may in its absolute discretion deem necessary, desirable or expedient for purpose of the issue or allotment of shares and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary and listing thereof with the Stock Exchanges and to resolve and settle any question and difficulties or doubt that may arise in regard to the proposed issue, offer and allotment of the said Equity Shares, utilizations of issue proceeds, sign and execute all such documents, undertakings, writings, as may be necessary, required or expedient as it may deem fit without being required to seek any further consent or approval of the shareholders of the company to the intent that the shareholders shall be deemed to have given their approval thereto by the authority of this resolution.

RESOLVED FURTHER THAT The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to Managing Director or director(s) or any other officer (s) of the Company or to any other person(s) as it may deem fit, for the purpose of giving effect to the aforesaid resolution”.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.

For and On Behalf of the Board of Directors

Place : Pune
Date : June 19th, 2020

Kazuo Suzuki
(Managing Director)
(DIN: 08350372)

NOTES:

- 1) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the company. Proxies in order to be effective must be deposited at the registered office of the company in not less than 48 hours before the time fixed for the meeting. The blank proxy form is enclosed.
- 2) Corporate Members intending to send their authorised representative to attend the Annual General Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
- 3) The Registrar of Members and Share Transfer Books of the Company will be closed from 12th July 2020 to 18th July, 2020 (both days inclusive).
- 4) Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
- 5) Statement setting out material facts (Explanatory Statement) pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.
- 6) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the business hours on all days except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m. upto the date of ensuing Annual General Meeting and will also be available at the Meeting.

- 7) Brief resume of Directors proposed to be re-appointed along with such other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Secretarial Standards on General Meetings (SS-2), are provided as Annexure to this Notice.
- 8) Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Company's Registrar and Share Transfer Agents for assistance in this regard.
- 9) Route Map of venue of Annual General Meeting is annexed to the Notice.

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



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

- (i) The voting period begins on Wednesday, 15th July, 2020 at 9.00 a.m. (IST) and ends on Friday, 17th July, 2020 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 11th July, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

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

(viii) After entering these details appropriately, click on "SUBMIT" tab.

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

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

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE
Explanatory Statement

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

The following explanatory statement sets out all material facts relating to various Business including Special Business of the accompanying Notice of the Annual General Meeting to be held on **18th July 2020**.

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

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

Sr. No.	Particulars	Details of Director
1.	Name of Director and DIN	Mr. Junichi Suzuki (DIN: 02628162)
2.	Nature of Appointment	Director retires by rotation, and being eligible, seeks reappointment.
3.	Reference of Resolution Number in notice	2
4.	Father's Name	Mr. Kenji Suzuki
5.	Relationship with other Directors	NIL
6.	Nationality	Japan
7.	Date of Birth	25 th January 1948
8.	Brief Resume of the Director	Mr. Suzuki is founder, president of Enkei Corporation, which was founded on October 5, 1950 in Japan. Enkei Corporation manufactures and distributes automobile wheels and other auto components. Enkei also offers molds, industrial machines, and other products. Today Enkei Corporation have Domestic 12, Overseas 15 companies. Mr. Suzuki is serving on Board of various corporate worldwide.
9.	Qualifications	Engineer.
10.	Expertise	Engineering & Management.
11.	Date of first appointment	24 th March 2010
12.	List of outside directorships Held (Public Limited Co.)	Please refer Report of Corporate Governance.
13.	Member of the Committees in other companies in India	Please refer Report of Corporate Governance.
14.	Shareholding in the Company	NIL (Director of Promoter Company Enkei Corporation, Japan.)
15.	Number of Meetings of the Board attended	Please refer Report of Corporate Governance.
16.	Details of remuneration last drawn	Please refer Report of Corporate Governance.

Item No. 3: ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS:

The Board of Directors of the Company at its meeting held on 11th June 2020, approved the issue and allotment of 898700 (Eight Lakhs Ninety Eight Thousand Seven Hundred) Equity Shares of face value of ₹ 5/- per shares through preferential allotment for cash at a price of ₹ 410/- per share, including a premium of ₹ 405/- per share, aggregating to ₹ 368,467,000/- (Thirty Six Crore Eighty Four Lakh Sixty Seven Thousand Only) or at such higher prices in accordance with Chapter V of the ICDR Regulations, to Promoter – Enkei Corporation, Japan and on such other terms and conditions as the Board of Directors may in its absolute discretion decide at the time of issue of such Equity Shares (“the Issue”).

Pursuant to provisions of Section 62 (1) (c) of Companies Act, 2013, any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. The Listing Agreements executed by the Company with the BSE Ltd also provide that the Company shall, in the first instance, offer all securities for subscription pro-rata to the shareholders unless the shareholders in a general meeting decide otherwise. The proposed issue of shares is in accordance with the provisions of SEBI (ICDR Regulations) 2018 and other applicable regulations, if any. In terms of the provisions of the Companies Act, 2013 read with Rule 13 (2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid SEBI (ICDR Regulations) 2018, the relevant disclosures are given below:

INFORMATION AS REQUIRED UNDER REGULATION 163 OF THE SEBI (ICDR) REGULATIONS 2018 FOR THE PREFERENTIAL ALLOTMENT IS AS FOLLOWS:

1. Objects of the Issue:

The total proceeds of the issue would be utilized by the company for general Corporate Purpose, to meet the working Capital requirement, for construction and development of new plant situated on land besides its existing factory at Gat No 1421-24 Shikrapur, Tal: Shirur, District Pune.

2. Intention of Promoters / Directors / Key Management Persons to subscribe to the issue:

Enkei Corporation, Japan who will be subscribing to 898700 equity shares is Promoter of the Company.

Intention of Promoter is to subscribe this issue. Mr. Junichi Suzuki, Director is deemed to be concerned or interested in the above resolution being a Director in Enkei Corporation.

None of the other Directors of the company or the Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise in this resolution. None of the other Directors of the company or the Key Managerial Personnel or their respective relatives are intending to subscribe the issue of equity share on preferential basis.

3. Relevant Date:

The relevant date for the purpose of determination of issue price of the Equity Shares is 18th June, 2020 being the 30th working day prior to 18th July 2020 (i.e., the date on which the meeting of the shareholders will be held, in terms of Section 62 of the Companies Act, 2013, to consider the proposed issue).

4. Issue Price:

The price of equity shares to be issued is fixed at ₹ 410/- per equity share face value of ₹ 5/- each in accordance with the price determined in terms of Regulation 164/165 of the SEBI ICDR Regulations 2018.

Basis on which the price has been arrived at:

The Company is listed on BSE Limited and the equity shares of the Company are not frequently traded in accordance with Regulation 164 of the ICDR Regulations 2018.

Therefore, in accordance with Regulation 165 of the ICDR Regulations 2018 the issue price shall not be less than the price determined by taking into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of company. Further, company have obtained valuation report and certificate from an independent Registered Valuer M/s. Pramod Jain, Chartered Accountants, Pune (Membership No. 129741) to confirm that the company have complied with these regulations.

Valuation Report and Certificate obtained from an independent Registered Valuer as mentioned above is available for inspection as per note no 6 to this Notice.

5. Shareholding Pattern of the Company before and after the proposed issue of Equity Shares on preferential basis:

Sr. No	Category	Pre-issue holding		Post issue Holding	
		No. of shares	%	No. of shares	%
1.	Promoter	12576195	73.65	13474895	74.97
2.	Public	4500000	26.35	4500000	25.03

6. Proposed time within which the allotment shall be completed:

The allotment of Equity Shares pursuant to the Special Resolution shall be completed within a period of 15 days from the date of passing of the Special Resolution provided hereinabove.

In case the allotment of the Equity Shares on preferential basis remains pending on account of non receipt of any approval(s) by any regulatory/statutory authority (ies), the allotment shall be completed within 15 days from the date of receipt of such approval(s).

7. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

During the Financial Year 2020, no preferential allotment has been made to any person.

8. Identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

Name of proposed allottee	Category	Pre-issue Holding		Post-issue Holding	
Enkei Corporation, Japan	Promoter	12576195	73.65	13474895	74.97

The Issue would not result in change in control in the Company consequent to the aforesaid preferential allotment of the Equity Shares.

9. The details of the natural persons, who are ultimate beneficial owners and having ultimate control over the Body Corporate to which the shares of the Company proposed to be allotted is as under:

Name & Address of Proposed Allottee	Category (Promoter / Non Promoter)	Name of the Ultimate Beneficial Owners of Proposed Allottee	Address of Ultimate Beneficial Owners of Allottee
Enkei Corporation ACT Tower 26F 111-2 Itaya-Machi, Naka-Ku Hamamatsu City, Shizuoka Pref 430-7726, Japan. E-mail id: kazuhiko_shimamura@enkei.co.jp	Promoter	Mr. Junichi Suzuki	5-27-18 Sanarudai, Hamamatsu-City, Shizuoka-Prefecture, Hamamatsu, 4328021, Japan

10. Lock - In Period

The aforementioned allotment shall be subject to lock-in provisions contained in SEBI (ICDR) Regulations 2018, for the time being in force and as amended from time to time.

11. Undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in ICDR Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees:

As the shares of the Company are listed with the stock exchanges for more than six (6) months, the same is not applicable to the Company.

12. Auditor Certificate:

A certificate from M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W / W100057), Pune the Statutory Auditors of the Company, as required under the ICDR Regulations 2018, certifying that the proposed issue is being made in accordance with the requirements contained in the ICDR Regulations will be placed for inspection for the Members at the Annual General Meeting.

13. DISCLOSURES TO SHAREHOLDERS under regulation 163(1)(i) of SEBI (ICDR) REGULATIONS, 2018.

Issuer and none of Directors, Promoters, and Key Managerial Persons of the issuer company has declared as Wilful Defaulter by any financial institution or by bank or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

None of Directors, Promoters, and Key Managerial Persons of the issuer company has declared as a fugitive economic offender as defined under Regulation 2(1) (p) of SEBI (ICDR) Regulations, 2018.

Issuer and none of Director, Promoter, and Key Managerial Person of the issuer company are not in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009.

The consent of the members is being sought under Section 62 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 if any, and in terms of the SEBI (ICDR) Regulations 2018 and provisions of the Listing Agreement entered into by the Company with the BSE Limited, where the securities of the Company are listed.

The Board of Directors of the Company believes that this preferential allotment is in the interest of the Company and hence, recommends the resolution for the approval of the Members.

None of the Directors Key Managerial Persons of the Company is, in any way, concerned or interested in the said Resolution otherwise than shareholder in general.

BOARD'S REPORT

To,

The Members,

We are delighted to present the Eleventh Annual Report together with the Audited Financial Statements, for the financial year ended 31st December, 2019:

Financial Highlights:

The Company's financial performance during the financial year 2019 (9 Months) , as compared to the previous year 2018 -19 (12 M) is summarized below:

Particulars	(₹ In Million)	
	For the Year ended December 31, 2019 (9 M)*	For the Year ended March 31, 2019 (12 M)*
Total Revenue	2,670.63	4,759.60
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)	(43.37)	262.29
Less: Depreciation	177.60	213.38
Less: Financial Expenses	44.79	45.22
Profit / (Loss) before exceptional and extraordinary items and tax	(265.76)	3.69
Less: Exceptional and Extraordinary items	(317.18)	(133.04)
Profit/(Loss) before Tax	51.42	136.73
Less: Provisions for Taxes	24.17	9.40
Profit/(Loss) after Tax	27.25	127.33

*Figures are not comparable as current financial year of the company ended on 31st December 2019 covering a period of nine months from 1st April 2019 to 31st December 2019 and previous period is of twelve months from 1st April 2018 to 31st March 2019.

REVIEW OF OPERATIONS:

In the financial year 2019, your Company continued to focus on plant efficiency improvement, technology upgradation and adding new capabilities. Business was sluggish and witnessed continued slowdown majorly in four wheeler segment during the year and to continue with implementation of our long-term strategic plan was the hard task to ride over. The integration between your Company and its parent company, Enkei Corporation, interaction between the employees of the two entities played a major role in survival in the current tough times. Overall, your Company registered sales of total 1.36 million (April-Dec19) wheels during the year under review as against total sales of 2.16 million wheels (April-Mar19). Your Company posted 37% overall de-growth in sales volume as well as 43.8% de-growth in sales value in the year under review as compared to the last year 12 months period.

TURNOVER

During the year under review, the Company has recorded Gross Sales of ₹ 2,670.63 million in current financial year as compared to Gross Sales of ₹ 4,759.06 million of last financial year. Though the figures are not directly comparable, as compared to the last year sale of company was drastically reduced due to continuing slow down in auto industry, transition phase of BS IV to BS VI, changed in government policies with regards to auto industries.

CAPITAL

During the year under review, Company has allotted 853500 Equity Shares on Preferential basis on 28th May 2019 against share application money of ₹ 435.29 million at ₹ 510/- (including the premium of ₹ 505) each received from its Holding Company i.e. Enkei Corporation, Japan after obtaining requisites approvals from all competent authorities.

Company have raised fund through preferential issue for the purpose of expansion its plant at Shikrapur, Pune. During the year under review proceeds of the preferential issue was utilised for said purpose.

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

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

The Company has framed a Policy on Prevention of Sexual Harassment at Workplace as per the provisions of this Act. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

There were no cases reported during the year under review under the said policy.

LISTING FEES:

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

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

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

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

EXTRACT OF ANNUAL RETURN:

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

NUMBER OF MEETINGS OF THE BOARD:

During the year under review, **Six Board Meetings** were convened and held. The intervening gap between the two consecutive Meetings was within the period prescribed

under the Companies Act, 2013 and as per the SEBI (Listing Obligation & Disclosure) Regulations, 2015. Following are the details of the Board Meeting held during the year:

Name of Director	No. of Board Meetings Attended (Total Meetings held: 6)
Mr. Kazuo Suzuki	6/6
Mr. Junichi Suzuki	2/6
Mr. Shailendrajit Rai	5/6
Dr. Haresh Shah	6/6
Mr. Satyavara P. Garimella	6/6
Ms. Shilpa Dixit	5/6

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Pursuant to schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on Wednesday, 18th December 2019 to consider the following business as required under the Companies Act, 2013:

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

All the independent directors were present for the meeting.

Compliance with the provisions of Secretarial Standard 1 and Secretarial Standard 2.

The Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under review the Company was in compliance with the Secretarial Standards, i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings" respectively.

FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS

The company as required under Schedule IV of the Companies Act, 2013 and Listing Regulations has made arrangement to facilitate the independent directors to familiarize with the operations of the company, their roles, rights, responsibilities

as Directors of the company considering the nature of the industry in which the company operates, business model of the company, etc. The above aspect can be accessed by web link www.enkei.in. During the F.Y. 2019 no new independent directors have been appointed by the company.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. That in the preparation of the annual accounts for year ending on **31st December 2019**; the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. That the Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the **Profit** of the company for that year.
- c. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the company and for preventing and detecting fraud and other irregularities.
- d. That the Directors had prepared the annual accounts for the year ended on **31stDecember 2019** on a going concern basis.
- e. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

DIVIDEND

In the view of continuing expansion your Directors have decided to conserve the resources of the company, and hence your Directors have not recommended any dividend for the financial year 2019.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

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

The Board is of the opinion that all the Independent Directors appointed during the year under review are person's of integrity and possess relevant expertise and experience to act as Independent Director of the Company. The Independent Directors of the Company have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs, Manesar and have included their name in the databank of Independent Directors within the statutory timeline and they will also appear for the online proficiency test within a period of one year, wherever applicable.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

AUDITORS:

A. Statutory Auditors

The Members of your Company at Tenth Annual General Meeting of your Company held on 09thJuly 2019 appointed M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W / W100057) as Statutory Auditors of the Company for the term of 5 (five) years from the Tenth Annual General Meeting till the conclusion of 15th Annual General Meeting to be held in calendar year 2024.

Details of remuneration is provided in note to Balance Sheet 36(f). There is no material difference in the remuneration offered and remuneration paid to the present Auditors.

B. Secretarial Auditors

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

M/s. Shailesh Indapurkar and Associates, Practicing Company Secretary have also issued Secretarial Compliance Report as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder, same is annexed herewith as 'Annexure IV' to this Report.

EXPLANATIONS ON COMMENTS ON STATUTORY AUDITORS', SECRETARIAL COMPLIANCE REPORT AND SECRETARIAL AUDITORS' REPORTS:

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

COST AUDIT REPORT AND MAINTENANCE OF COST RECORDS:

The Cost audit of the Company has not been conducted for the financial year 2019 as provisions of Section 148 of the Companies Act, 2013 are not applicable on the Company.

Maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 (1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 for the business activities carried out by the Company.

CHANGE IN FINANCIAL YEAR:

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

Regional Director, Mumbai wide its order dated 19th June 2019 approved request of your company to change its financial year 'April to March' and to adopt new financial year 'January to December'. Accordingly your Company has closed its financial year on 31st December 2019(9 M) and subsequent financial years will be January to December of every calendar year.

RISK MANAGEMENT

The management is accountable for the integration of risk management practice into the day to-day activities. The Company has framed its Risk Management Policy detailing the identification of elements of risks, monitoring and mitigation of the risks. The risk assessment and minimization procedures being followed by the management and steps taken by it to mitigate these risks are periodically placed before the Board and Audit Committee along with findings of the internal auditors. All the assets of the Company are adequately insured. No major elements of the risk exist, which in the opinion of the Board may threaten the existence of the company

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not advanced any loans, given guarantees and made investments. Your company on 27th November 2019 has entered into Joint Venture Agreement to form Joint Venture Company with Nikkei MC Aluminium Co. Ltd, Japan, Century Metal Recycling Limited, India and Enkei Corporation, Japan and agreed to hold (7%) share i.e. 3,150,000 (Thirty One Lakh Fifty Thousand) Equity Shares of ₹ 10/- each in newly incorporated JV company, however during the year under review company have not made this investment.

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

All contract/arrangement/transactions entered by the Company during the Financial Year 2019 with the related parties were in the ordinary course of business and on arm's length basis. Hence, no particulars are being provided in Form AOC-2.

During the year, the Company has not entered into contract/arrangement/transactions with related parties which could be considered material in accordance with the Company's 'Policy on Related Party Transactions except with Enkei Corporation, Japan. Your company have obtained requisite approval from the members of the company for contract/arrangement/transactions with Enkei Corporation Japan in Annual general meeting held on 09th July 2019 for three financial Year. The said policy is uploaded on the website of the Company.

Further, we draw your attention to Note no 36(j) of the Financial Statements of the Company.

STATE OF COMPANY'S AFFAIRS:

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

AMOUNTS PROPOSED TO BE CARRIED TO RESERVES:

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

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

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

EMPLOYEES' REMUNERATION:

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

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

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

Your Company is committed to save energy and maintain a green environment. The Company has adopted the philosophy of ANZEN DAI ICHI- SAFETY FIRST, KENKOU DAI ICHI- HEALTH FIRST, KANKYOU DAI ICHI- GREEN FIRST. During the year under review, the Company has undertaken various activities like change or improvement in machinery, process etc., which resulted in energy saving, heat loss during the process. Installation of equipment that monitor the temperature, sensor driven electric equipment, increase in periodic servicing of machinery are the other small steps that the Company has taken to reduce daily consumption of energy. Use of renewable sources of energy also helped to reduce energy cost and make environment clean.

TECHNOLOGY ABSORPTION:

During the year under review, the Company has have adopted VDH technology for Air Leak checking in wheels

which brought accuracy in testing final products and resulted in lower rejection ratio. During the year, the Company used modified technology of power pack to improve speed of its machine. With the help of this improved technology, the Company has undertaken target of "Mission 500" for its 2W section under which target of production of 500 wheels per machine per day was set.

RESEARCH AND DEVELOPMENT:

Enkei has pioneered the sustenance of various Quality and Environment Management System. We received SNI certification for qualifying our product sale (through Customer) in Indonesia Market. We are looking ahead to continue product certification amidst all regulatory and changing requirements.

FOREIGN EXCHANGE EARNINGS AND OUTGO:**Foreign Exchange Earnings & Outgo**

(Cash Basis)

During the year, total inflows (on cash basis) in foreign exchange were ₹ 506.08 Million and total outflows (on cash basis) in foreign exchange were ₹ 1,829.17 Million.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

Performance evaluation of board and its Committees

Pursuant to provisions of the Companies Act and the Listing Regulations, the Board has carried out the annual performance evaluation of Board's own performance, the Committees and independent Directors without participation of the relevant Director. The Nomination and Remuneration Committee of the Board also have evaluated the performance of the Board and provided feedback to the Board. The independent directors had a separate meeting without the presence of any non independent directors and management and considered and evaluated the Board's performance and other non independent directors and shared their views with the board.

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

DIRECTORS AND KMP'S APPOINTED / RESIGNED DURING THE YEAR:

During the year under review, Board of directors in the meeting held on 01st April 2019 appointed Mr. Kazuo Suzuki as Managing Director of the company for the period of 5 (five) years with effect from 01st April 2019 to 31st March 2024 in place of Mr. Kazuhiko Shimamura, which was subsequently approved by the members of the company in the Extraordinary General meeting held on 14th May 2019. As Mr. Kazuo Suzuki was Nonresident in India on the date of his appointment, company has filed necessary application for approval of Central Government of India as per the schedule V of companies Act 2013.

Central Government vide its order dated 19th August 2019 had approved the appointment of Mr. Kazuo Suzuki (DIN: 08350372) being Nonresident in India, as Managing Director of the Company for the period of five years with effect from 01st April 2019 to 31st March 2024. A copy of the said order is available on the website of the company www.enkei.in and BSE Limited.

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

Members of your company at Annual General meeting held on 09th July 2019 re-appointed Mr. Hareesh Babulal Shah (DIN: 00228471) and MR. Satyavara Prasad Garimella (DIN: 05344245) as an independent non-executive director for second consecutive term of five year starting from conclusion of 10th Annual General Meeting of the Company till the conclusion of the 15th Annual General Meeting of the Company to be held in the calendar year 2024.

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

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

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

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

During the financial year under review, company did not accepted any deposits which are not in compliance with the requirements of Chapter V Of The Companies Act, 2013.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

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

Your company has entered into Joint Venture Agreement with Nikkei MC Aluminium Co. Ltd, Japan, Century Metal Recycling Limited, India and Enkei Corporation, Japan to form Joint Venture Company. Detail Disclosure has been made to BSE Limited by wide letter dated 27th November 2019 and same is available on the website of company.

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

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

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

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

COMPOSITION OF COMMITTEES:

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

VIGIL MECHANISM:

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

CASH FLOW:

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

CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENT:

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

For & On Behalf of the Board of Directors

Kazuo Suzuki
Managing Director
(DIN: 08350372)

Haresh Shah
Director
(DIN: 00228471)

Place: Pune
Date: February 27th, 2020

Annexure I

to Board's Report

Form No. MGT - 9

(as at Financial Year ended 31st December 2019)

EXTRACT OF ANNUAL RETURN:

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Enkei Corporation ACT Tower 26F 111-2 Itaya-machi, Naka-ku Hamamatsu City, Shizuoka Pref 430-7726, Japan	N.A.	Holding	73.65	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as %age of Total Equity):**(i) Category Wise Shareholding:**

Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FII	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2) Foreign									
g) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
h) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Bodies Corporate	11722695	0	11722695	72.26	12576195	0	12576195	73.65	1.39
j) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
k) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(2):-	11722695	0	11722695	72.26	12576195	0	12576195	73.65	1.39
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	621	0	621	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Foreign Portfolio Investors	65171	0	65171	0.40	45361	0	45361	0.27	-0.14
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify) (Alternate Investment Funds)	88000	0	88000	0.54	103783	0	103783	0.61	-0.07
Sub-total(B)(1)	153171	0	153171	0.94	149765	0	149765	0.88	-0.07
2. Non Institutions									
a) Bodies Corp.	392329	1010	393339	2.42	404021	1010	405031	2.37	-0.05
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1649249	96642	1745891	10.76	1506671	92242	1598913	9.36	-1.40
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	848566	0	848566	5.23	1017345	0	1017345	5.96	0.73
Sub-total(B)(2)	4249177	97652	4346829	26.79	4256983	93252	4350235	25.48	-1.32
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4402348	97652	4500000	27.74	4406748	93252	4500000	26.35	1.39
c. Shares held by Custodian for GDRs&ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total(A+B+C)	16125043	97652	16222695	100.00	16982943	93252	17076195	100.00	

(ii) Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Enkei Corporation	11722695	72.26	0.00	12576195	73.65	0.00	1.39
Total		11722695	72.26	0.00	12576195	73.65	0.00	1.39

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		11722695	72.26		
Date wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / (e.g. allotment / transfer / bonus / sweat equity etc.)					
	Date	Name of Promoter	Reason		
1.	28 th May 2019	Enkei Corporation	Preferential Allotment	853500	4.99
At the End of the Year				12576195	73.65

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

Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding		Reason for Change	Cumulative Shareholding	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Nastic Trading LLP	At the beginning of year	570000	3.34			
		At the end of Year	570000	3.34			
2	Pamela Trading LLP	At the beginning of year	286000	1.67			
		At the end of Year	286000	1.67			
3	Skyblue Trading And Investment P Ltd	At the beginning of year	254880	1.49			
		At the end of Year	254880	1.49			
4	Omkar Singh Karla	At the beginning of year	138870	0.81			
		03-05-19	73	0.00	Purchase	138943	0.81
		25-10-19	800	0.01	Purchase	139743	0.82
		15-11-19	257	0.00	Purchase	140000	0.82
		At the end of Year	140000	0.82			

Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding		Reason for Change	Cumulative Shareholding	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
5	NEERAV A PAREKH	At the beginning of year	125000	0.73			
		29-06-19	5537	0.03	Purchase	130537	0.76
		12-07-19	69463	0.41	Purchase	200000	1.17
		25-10-19	6332	0.04	Purchase	206332	1.21
		22-11-19	1899	0.01	Purchase	208231	1.22
		29-11-19	8398	0.05	Purchase	216629	1.27
		06-12-19	2142	0.01	Purchase	218771	1.28
		13-12-19	5815	0.03	Purchase	224586	1.31
		20-12-19	20000	0.12	Purchase	244586	1.43
	At the end of Year	244586	1.43				
6	Chandraprakash Padiyar	At the beginning of year	116000	0.68			
		At the end of Year	116000	0.68			
7	ANKIT GOYAL	At the beginning of year	91376	0.54			
		26-04-19	14	0.00	Purchase	91390	0.54
		10-05-19	49	0.00	Purchase	91439	0.54
		12-07-19	-4304	-0.03	Transfer	87135	0.51
		02-08-19	8	0.00	Purchase	87143	0.51
		06-09-19	14	0.00	Purchase	87157	0.51
		At the end of Year	87157	0.51			
8	Blue Lotus Capital Multi Bagger Fund I	At the beginning of year	88000	0.52			
		05-04-19	10883	0.06	Purchase	98883	0.58
		05-07-19	2000	0.01	Purchase	100883	0.59
		11-10-19	2900	0.02	Purchase	103783	0.61
		At the end of Year	103783	0.61			
9	INDIA MULTI BAGGER FUND I	At the beginning of year	63321	0.37			
		20-12-19	-20000	-0.12	Transfer	43321	0.25
		At the end of Year	43321	0.25			
10	RAMSWAROOP AGRAWAL	At the beginning of year	60098	0.35			
		29-06-19	2978	0.02	Purchase	63076	0.37
		12-07-19	6887	0.04	Purchase	69963	0.41
		20-09-19	20037	0.12	Purchase	90000	0.53
		11-10-19	424	0.00	Purchase	90424	0.53
		At the end of Year	90424	0.53			

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the year		No. of Shares		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
At the beginning of the year							
1.	Mr. Kazuo Suzuki	Nil	Nil	Nil	Nil	Nil	Nil
2.	Mr. Junichi Suzuki	Nil	Nil	Nil	Nil	Nil	Nil
3.	Mr. Shailendrajit Rai	262674	1.62	Nil	Nil	262674	1.54
4.	Dr. Haresh Shah	Nil	Nil	Nil	Nil	Nil	Nil
5.	Mr. Satyavara Prasad Garimella	Nil	Nil	Nil	Nil	Nil	Nil
6.	Ms. Shilpa Dixit	Nil	Nil	Nil	Nil	Nil	Nil
7.	Mr. Jitendra Parmar	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr. Shrikant Joshi	Nil	Nil	Nil	Nil	Nil	Nil

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

(₹ in million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
a. Principal Amount	-	855.21	-	855.21
b. Interest due but not paid	-	-	-	-
c. Interest accrued but not due	-	0.33	-	0.33
Total (a+b+c)	-	855.54	-	855.54
Change in indebtedness during the financial year				
• Addition	195.00	2,746.22	-	2,941.22
• Reduction	195.00	2,078.85	-	2,273.85
Net Change	-	667.37	-	667.37
Indebtedness at the end of the financial year				
d. Principal Amount	-	1,522.58	-	1,522.58
e. Interest due but not paid	-	-	-	-
f. Interest accrued but not due	-	2.26	-	2.26
Total (d+e+f)	-	1,524.84	-	1,524.84

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

(Figures in ₹)

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager Mr. Kazuo Suzuki Managing Director
1.	Gross Salary	12,201,118
	Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	6,633,409
	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	5,567,709
	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission	NIL
	- as % of profit	
	- others, specify	
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	NIL
Total (A)		12,201,118
Ceiling as per the Companies Act, 2013		24,067,115

B. Remuneration to other Directors:

(Figures in ₹)

Particulars of Remuneration	Name of the Director			Total Amount
	Dr. Haresh Shah	Mr. Satyavara Prasad Garimella	Ms. Shilpa Dixit	
Independent Directors				
Fees for attending board / committee meetings	65,000	70,000	35,000	170,000
Commission	0	0	0	0
Others, please specify	0	0	0	0
Total (1)	65,000	70,000	35,000	170,000
Other Non-Executive Directors	Mr. Junichi Suzuki	Mr. Shailendra Rai		
Fees for attending board / committee meetings	10,000	35,000		45,000
Commission	0	0		0
Others, please specify	0	0		0
Total (2)	10,000	35,000		45,000
Total (B) = (1 + 2)	75,000	105,000	35,000	215,000
Total Managerial Remuneration	₹ 12,201,118 (One Crore Twenty Two Lakh One Thousand One hundred Eighteen Only)			
Overall Ceiling as per the Companies Act, 2013	In compliance with Schedule V of the Companies Act, 2013			

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

(Figures in ₹)

Sr. No.	Particulars of Remuneration	Mr. Jitendra Parmar (Chief Financial Officer)	Mr. Shrikant Joshi (Company Secretary)	Total Amount
1.	Gross Salary	2,195,188	636,017	2,831,205
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,085,738	617,838	2,703,576
b.	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	Nil		Nil
c.	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil		Nil
2.	Stock Option	Nil		Nil
3.	Sweat Equity	Nil		Nil
4.	Commission - as % of profit - others, specify	Nil		Nil
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	109,450	18,179	127,629
Total		2,195,188	636,017	2,831,205

Note : above figures are for Nine months period 1st April 2019 to 31st December 2019.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Annexure II

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

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019 (9 M), ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019(9 M) and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows:

(Figures in ₹)

Sr. No.	Name of Director/ KMP & Designation	Remuneration of Director/KMP for Financial Year 2019	% increase in Remuneration in the financial year	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1.	Mr. Kazuo Suzuki (Managing Director)	12,201,118	36.75%	29.29	During FY 2019 Revenue was decreased by 43.8% and decrease in Profit after tax was 78.6%. Please see the note.
2.	Mr. Jitendra Parmar (Chief Financial Officer)	2,195,188	-20.32%	5.27	During FY 2019 Revenue was decreased by 43.8% and decrease in Profit after tax was 78.6%. Please see the note.
3	Mr. Shrikant Joshi	6,36,017	24.62%	1.53	During FY 2019 Revenue was decreased by 43.8% and decrease in Profit after tax was 78.6%. Please see the note.

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

- The median remuneration of employees of the Company during the financial year 2019 was ₹ 416,521/-.
- In the financial year 2019, there was decrease of 17.25% in the median remuneration of employees.
- As on December 31st, 2019, there were 463 permanent employees who were on the roll of the Company.
- Relationship between average increase in remuneration and Company performance:
The Profit After Tax for the financial year ended 31st December, 2019 decreased by 78.6% whereas the median remuneration decreased by 4.2% standard.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of the Key Managerial Personnel(s) increased by 21.6% from ₹ 12.4 Mln in 2018-19 (12 M) to ₹ 15.0 Mln 2019 (9 M) whereas Profit After Tax decreased by 78.6 % from ₹ 127.3 Mln in 2018-19 (12 M) to ₹ 27.3 Mln in 2019 (9M).

7. Increase in remuneration of the present Managing Director as compared with earlier Managing Director is due to the seniority and experience in Enkei group. Managerial remuneration paid during the year under review is according to the Nomination and remuneration policy of the company.
8. The Company do not have any employee who was employed throughout the Financial Year or part thereof and was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of remuneration drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.
9. Further, as required under provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement including the names and other details of the top ten employees in terms of remuneration drawn and the name of every employee, who were in receipt of remuneration not less than ₹ 10,200,000/per annum during the year ended 31st December, 2019 or employee who were employed for a part of the Financial Year and were in receipt of remuneration of not less than ₹ 850,000/- per month during any part of the said year is annexed herewith.

Sl. No.	Name of the employees	Nationality	Designation	Remuneration received (In ₹ Million)	Qualification	Experience in Years	Age in Years	Date of commencement of current employment	Last employment held
1	Shinji Suzuki	Japanese	Sr.VP	10.00	Mechanical Engineer	35	58	24-Mar-2017	Enkei Group, Japan
2	Isao Nitta	Japanese	Sr.VP	8.63	Legal	34	56	21-Mar-2012	Enkei Group, Japan
3	Junichi Asano	Japanese	VP	8.52	Mechanical Engineer	32	55	08-Oct-2010	Enkei Group, Japan
4	Masayuki Suzuki	Japanese	Technical Advisor	7.85	Mechanical Engineer	34	56	25-Oct-2006	Enkei Group, Japan
5	Yusuke Otaki	Japanese	Technical Advisor	7.00	Chemical Engineer	19	41	02-Nov-2017	Enkei Group, Japan
6	Katsumi Amano	Japanese	Technical Advisor	6.20	Mechanical Engineer	36	59	24-Mar-2012	Enkei Group, Japan
7	Tetsuya Sakata	Japanese	General Manager	6.12	Economics Graduate	12	34	28-Mar-2016	Enkei Group, Japan
8	Shoma Suzuki	Japanese	Technical Advisor	4.44	Electrical Engineer	10	27	14-Jul-2018	Enkei Group, Japan
9	Noritaka Suzuki	Japanese	Technical Advisor	3.93	Graduate	17	38	13-May-2017	Enkei Group, Japan
10	Koji Takahashi	Japanese	Paint shop advisor	2.68	Mechanical Engineer	18	40	24-Aug-2019	Enkei Group, Japan

Annexure III

Form No. MR-3
SECRETARIAL AUDIT REPORT
(For the period 1stApril 2019 to 31stDecember 2019)
(for the period of 9 months)

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

To,
The Members,
ENKEI WHEELS (INDIA) LIMITED
Gat No. 1425, Village Shikrapur
Tal - Shirur, Pune - 412208

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year from 1st April, 2019 to 31st December, 2019 (for the period of 9 months) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year from 1st April, 2019 to 31st December, 2019 (for the period of 9 months) , according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, External Commercial Borrowings. During the year under review Overseas Direct Investment rules and regulations were not applicable to the company.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 & The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the company during the audit period) ;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the company during the audit period);**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the company during the audit period)** ;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the company during the audit period)**
- vi) As informed to us no law was applicable specifically to the company.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meeting, Directors Report (SS-1, SS-2 & SS-4).
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the constitution / composition of the Board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

1. The Company has made allotment of 8,53,500 equity shares to the promoter i.e. Enkei Corporation Japan on preferential basis.
2. The company has changed its financial year from 'April to March' and has adopted new financial year from 'January to December' pursuant to approval from Regional Director, Mumbai dated 19th June 2019 issued under Section 2(41) of Companies Act 2013. Accordingly Company has closed this financial year from 1st April 2019 to 31st December 2019 (period of nine months)

For **Shailesh Indapurkar & Associates**
Company Secretaries

CS Shailesh Indapurkar

Proprietor
ACS 17306

C. P. No: 5701

UDIN: A017306A000578691

Place: Pune

Date: February 27th, 2020

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

'Annexure A'

To,

ENKEI WHEELS (INDIA) LIMITED

Gat No. 1425, Village Shikrapur

Tal - Shirur, Pune - 412208

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

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

For **Shailesh Indapurkar & Associates**
Company Secretaries

CS Shailesh Indapurkar
Proprietor
ACS 17306
C. P. No: 5701
UDIN: A017306A000578691

Place: Pune

Date: February 27th, 2020

Annexure IV

**SECRETARIAL COMPLIANCE REPORT
for the year ended 31st December 2019
Enkei Wheels (India) Limited
(CIN L34300PN2009PLC133702)**

We M/s **Shailesh Indapurkar & Associates, Company Secretaries, Pune** have examined

- (a) all the documents and records made available to us and explanation provided by Enkei Wheels (India) Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st December 2019 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Third Amendment) Regulations, 2019 ;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011);
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable during review period);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during review period);
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during review period);
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (not applicable to the Company during review period);
- (h) Securities and Exchange Board of India (Prohibition off Insider Trading) Regulations, 2015
- (i) and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) There are no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder

For **Shailesh Indapurkar & Associates**
Company Secretaries

CS Shailesh Indapurkar
Proprietor
ACS 17306
C. P. No: 5701
UDIN: A017306A000578691

Place: Pune
Date: February 27th, 2020

Annexure V

Report on CSR Activities

Sr. No.	Particulars	Remarks
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web site to the CSR policy and project or programs.	Please refer Report of Corporate Governance. Website site : www.enkei.in
2	The Composition Committee of the CSR	Please refer Report of Corporate Governance.
3	Average net profit of the Company for last three financial years.	₹ 140,618,643
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	₹ 2,812,373
5	Details of CSR spent during the financial year: Total amount to be spent for the financial year Amount unspent, if any; Manner in which the amount spent during the financial year is detailed below	₹ 2,936,916 Nil Please refer table
6	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.	The Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

(Amount in ₹)

(1) SR. No	(2) CSR project or activity Identified.	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency *
1	Road Development in Village Shikrapur, Pune.	Promoting rural development projects.	Local area: in the area of Pune District of Maharashtra State.	3,000,000	2,936,916	2,936,916	Direct
TOTAL				3,000,000	2,936,916	2,936,916	

*Give details of implementing agency: Not applicable

Kazuo Suzuki
Managing Director
DIN: 08350372

Satyavara Prasad Garimella
Chairman, CSR Committee
DIN : 05344245

Management Discussion and Analysis

Global economy

Global economy witnessed subdued performance last year. However, for even that modest uptick in growth, many things have to go right.

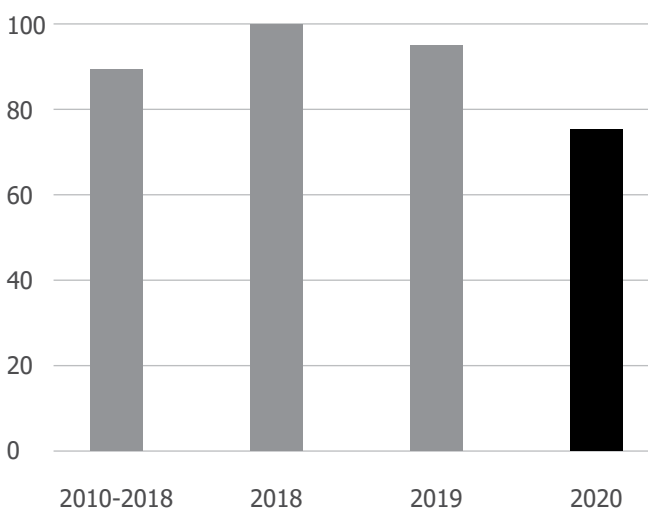
According to World Bank's report, global growth is set to rise by 2.5% this year, a small uptick from estimated 2.4% in 2019, as trade and investment gradually recover. Growth is expected to firm over the forecast horizon, reaching an average of 5.7% in 2021-22.

The auto industry is the single greatest engine of economic growth in the world.

The global auto industry is a key sector of the economy for every major country in the world. The industry continues to grow.

Over the five years to 2019, rising per capita income is expected to drive revenue growth for the Global Car and Automobile Sales industry. The industry's dependency on employment rates, global consumer spending, financing rates and the world price of crude oil makes it vulnerable to economic shifts. During the period, the United States and many other developed nations have experienced stable economic growth, leading to increased consumer demand for big-ticket purchases, such as vehicles. As a result, industry revenue is expected to grow at an annualised rate of 2.7% to US\$4.0 trillion over the five years to 2019, including revenue growing by 2.3% in 2019.

Number of cars sold worldwide between 2010 and 2020
(in million units)



Indian economy

IMF, in its recent report, estimated India to be the 5th largest economy as its GDP growth has been among the highest in the world in the past decade regularly achieving annual growth between 6-7%. According to McKinsey Global Institute report, rapid urbanisation and technologies that have improved efficiency played an important role in the development of Indian economy.

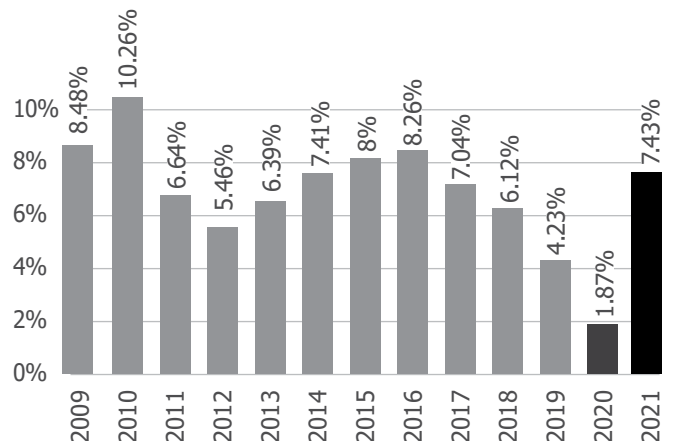
Despite challenges of unevenly distributed access to the new opportunities and resources, significant progress has been made.

According to the World Bank, the country is also seeking ways to ensure its future growth is more sustainable and inclusive, adjusting its policies regarding social protection and infrastructure development.

India's economy is likely to grow two and half times to US\$7 trillion by 2030, from about US\$3 trillion now, making India the world's third largest economy. This implies that nominal GDP growth is likely to average just over 10% through the next decade.

India: Real gross domestic product (GDP) growth rate from 2009 to 2021

(Compared to the previous year)



Source: Statista 2020

GDP growth rate compared to previous year

As far as India's economic growth is concerned, it may remain below potential in the near term. However, ongoing Government measures will give a major push to its potential in the future.

Indian automotive industry

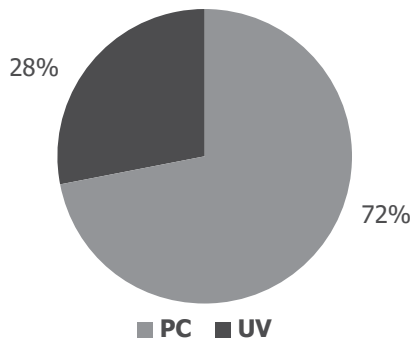
Indian automobile industry emerged in the 1940s. First car was launched by Hindustan Motors. Its traditional rival Premier Limited launched its first car in 1942. Since then, the Indian automobile industry has witnessed a lot of ups and downs.

India was the sixth-largest producer of automobiles globally with an average annual production of about 29 million vehicles in 2017-18, of which about 4 million were exported. India is the largest tractor manufacturer, second-largest two-wheeler manufacturer, second-largest bus manufacturer, fifth-largest heavy truck manufacturer, sixth largest car manufacturer, and eighth-largest commercial vehicle manufacturer. It employs more than 29 million people (direct and indirect employment).

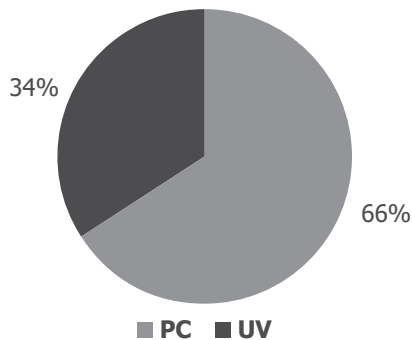
India is a prime destination for many multinational automobile companies with aspirations of business expansion in Asia. It attracted about US\$ 14.48 billion (5.2% of total) cumulative FDI equity inflows between 2000 and 2015. The basic advantages that the country provides as an investment destination include cost-effectiveness of operations, efficient manpower, and a fast-growing dynamic market. In the past, major investments have come from Japan, Italy, and the USA followed by Mauritius and Netherlands.

Statistics of Production in Indian auto industry

Apr'18 - Dec'18 Production of PC & UV



Apr'19 - Dec'19 Production of PC & UV



*PC: Passenger Car, UV: Utility Vehicle

Government has taken landmark steps in its second term in 2019 for India to emerge as a US\$5 trillion economy in the next five years amid a domestic and global slowdown.

On skidding sales and job losses in the automobile sector, government departments have been allowed to buy new vehicles. Automobiles purchased till March 31 next year can avail the benefit of additional depreciation of 15% with total depreciation up to 30%.

Besides, BS-IV vehicles bought till March 31 next year will remain operational for their entire registration period.

Attractive vehicle-exchange schemes along with assured buyback options are also being increasingly offered to entice buyers.



Attractive vehicle-exchange schemes along with assured buyback options are being increasingly offered to entire buyers

- Innovative offers
- Higher marketing spend
- Targeting focussed groups
- The companies have also entered into partnerships with lenders to ensure easy availability of loans at attractive rates

We are hopeful that the recently announced financial package will help in improving the liquidity conditions of the market and reducing the ownership cost. This will certainly help the industry to revive and drive growth.

Demand drivers for the industry

Only 18 people per 1,000 owned vehicles in India compared to 809 people per 1,000 in USA, 519 people per 1,000 in the UK, and 101 people per 1,000 in China.

Secondly, the Indian population overall is likely to move up the income curve, as the lower-middle class dwindles from

460m to 290m, and the emerging-middle, middle, and upper-middle classes increase in size as the economy moves from developing to developed one.

By 2021, India's emerging and middle-class segments together will comprise nearly 900m people - and this will open up new opportunities for businesses. Auto industry in India is likely to benefit from this growth as aspirations of the majority of the middle class includes owning a car. As the economic prosperity spreads across demographics, mobility will no longer be a luxury but a necessity for Indians.

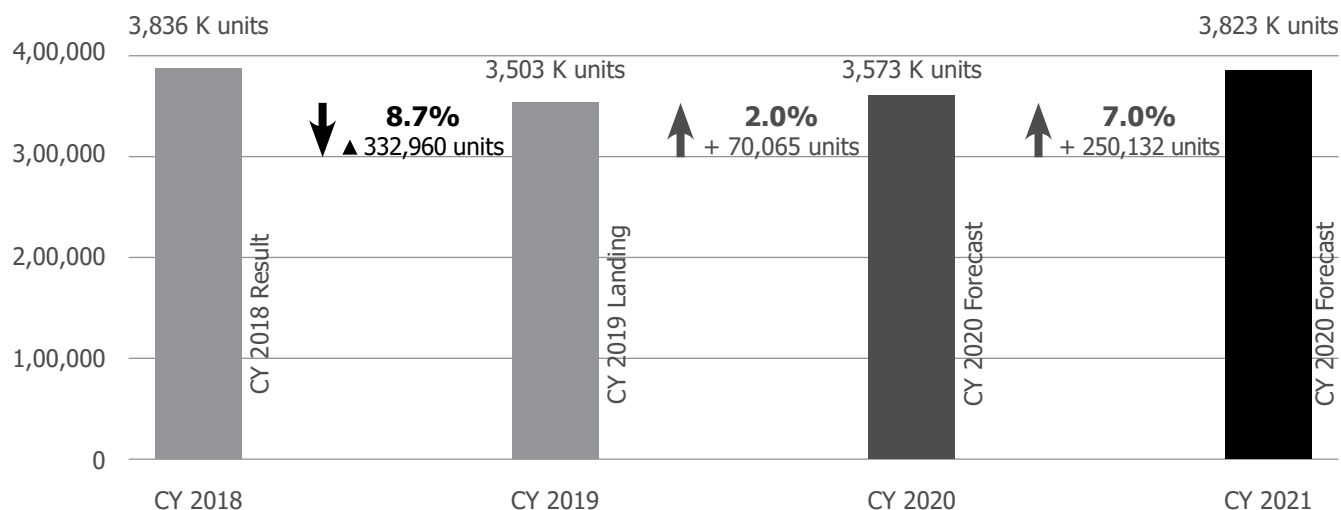
India has made remarkable progress in building new roads, highways, expressways and support infrastructure like airports, ports, railways and power plants. It is imperative to recognise that infrastructure is a major driver of growth for auto industry.

Outlook:

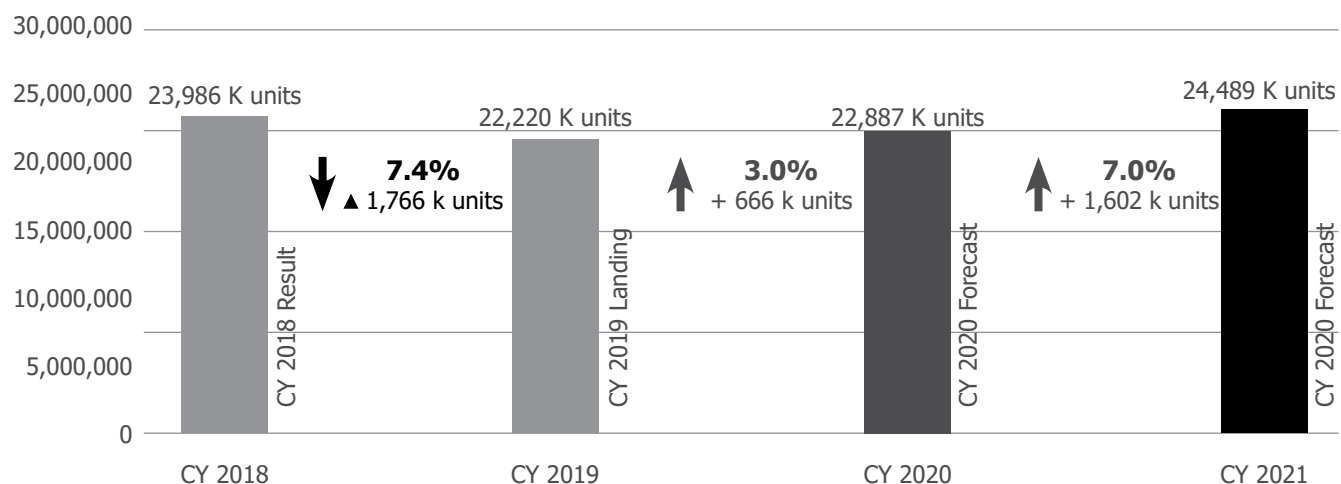
Auto industry enters 2020 with hope after a forgettable 2019. Year 2020 will be an interesting year with BS-VI getting implemented, and vehicle cost going up by 8-10% due to technology ramp-up. However, the industry fears that it could further lead to volume loss.

Auto Industry Forecasts:

Indian Automobile Sales Transition in Calendar Years



Indian Motorcycle + Scooter Sales Transition in Calendar Years



Company overview

The financial year 2019 was sluggish and difficult for the Company in terms of overall growth. However, with expectations of accelerated growth in the near future and focus on achieving full capacity utilisation, the Company embarked on enhancing its four-wheeler wheel manufacturing capacity by converting another MAP facility to Most Advance Technology (MAT) manufacturing process. This is expected to enhance Company's existing four-wheeler manufacturing capacity by 5-7%. Further, the Company already initiated setting up of an additional manufacturing facility along with painting facility adjacent to its present manufacturing plant at Pune.

This facility is expected to be operational by the end of 2020, and will increase the overall capacity of four-wheeler segment by 50%.

SWOT analysis of Company

Strength: Strong, supportive, and highly specialised parent company always supports in business development. Technologically superior plants always ensure leadership in market. Excellent operations and highly optimised ways of utilisation are the strengths of the Company.

Weakness: Limited client base, limited bargaining power, geographically scattered customer base are the weaknesses of the Company.

Opportunities: The Company has opportunity to increase its client base, model variance with increased production capacity. Increased trend of alloy wheels in upcoming brands are the some opportunities to the Company.

Threats: Imports of core raw material, exchange risk and increased competitors are the threats of the Company.

Expansion plan

Considering the increasing demand in the market for bigger-sized wheels and reface design models, the Company initiated setting up of an additional manufacturing facility including an advanced painting facility adjacent to its present manufacturing to cater to the demand of this new segment. With the part of the manufacturing (MAC1) facility becoming operational by the end of FY 2020 and the remaining (MAC2) as per the market demand in year 2022, the new coating painting facility is expected to be operational by the first quarter of 2021. Further, the existing MAP facility conversion from MAP to Most Advance Technology (MAT) for the remaining two production lines of four-wheeler is expected to be upgraded by the end of FY 2020, which will enhance existing capacity by around 10-12%.

FINANCIAL OVERVIEW

Key financial ratios applicable to the Company

Name of Ratio	FY2018-19 (12M)	FY 2019 (9 M)	% Change
Debtor Turnover	8.3	8.2	-0.07%
Inventory Turnover	13.4	4.4	-67.5%
Interest Coverage Ratio	1.0	-4.9	-562.5%
Current Ratio	1.35	1.3	1.2%
Long-term Debt-Equity Ratio	0.40	0.55	-35.3%
Operating Profit Margin Ratio	1.2%	-8.3%	-766.9%
Net Profit Margin Ratio	2.68%	1.02%	-61.9%
Return on Net Worth	12.14%	1.75%	-85.6%

Ratios where there has been a significant change from FY 2018-19 (12 M) to FY 2019 (9 M).

Although figures are not directly comparable as current financial year of the Company ended on 31st December 2019 covering a period of nine months from 1st April 2019 to 31st December 2019 and previous period of twelve months from 1st April 2018 to 31st March 2019.

Significant changes (i.e change of 25% or more as compared to the FY 2018-19) is observed in:

- Inventory Turnover**
- Interest Coverage Ratio**

- Long-term Debt-Equity Ratio**
- Operating Profit Margin Ratio**
- Net Profit Margin Ratio and**
- Return on Net Worth**

Inventory Turnover: Ratio decreased compared to previous financial year because sales since the first quarter reduced as the trend of lower demand and slowdown in the industry began since Oct-2018. The continuous fall over expectation resulted in pile-up of inventory. Thus, inventory turnover ratio has decreased to 4.3 times compared with 13.4 times in the previous year.

Interest coverage ratio : During the financial year 2019 (9 months), although total interest cost is less compared to previous year (12 months) but the working capital facility requirement increased by ₹ 180 million due to which interest coverage ratio decreased from 1.0 to -4.9. Further, the sales demand has continuously declined and thus earnings declined by 44% compared to the previous year.

Debt-Equity Ratio : During the financial year 2019 (9 months), total debt has increased by 91% due to project expansion as well as working capital requirement increase due to less sales demand. The Debt-Equity ratio has increased from 0.40 in the previous year to 0.55.

Operating Profit Margin Ratio : During the financial year 2019 (9 months), Operating profit margin ratio has declined from 1.8% to -8.3%. The sales has reduced by 44% compared to the previous year.

Net Profit Margin Ratio : During the financial year 2019 (9 months), Net profit margin ratio has declined from 2.68% to 1.02%. The sales has reduced by 44% compared to the previous year.

Return on Net Worth: During the financial year 2019 (9 months), Net profit after tax margin has declined from 12.14% to 1.75% for the reasons of sales declined as explained above. Additionally, the net worth increased due to addition in share capital on account of preferential equity allotment of 853,500 shares.

Risk and concerns

Continuous development in technology is a risk to the Company. Risk identification and mitigation continues to pose challenges to the business houses. To overcome this, awareness, discipline, and commitment is required.

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

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

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

Internal control systems and their adequacy

Based on the periodic review of internal control systems and their adequacy by the Audit Committee and on its recommendation, the Company has developed its internal control system considering the size and complexity of the organisation. The corporate governance practices instituted by the Company are discussed in detail in the chapter on Corporate Governance which forms part of the Annual Report.

An independent agency has been appointed for auditing the internal control system in consultation with statutory auditors. Suggestions, improvements, concern points of internal auditors are considered by the Audit Committee, and are thereafter, implemented according to instructions of the Committee.

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

Human resources

The Company is well aware about the importance of Human Resources. To be more focussed on Human resources in the current year, the Company has adopted "Investing in people, Building our future" as its motto. During the year, more opportunities will be created for learning, developing effective communication, more use of technology, etc.

The management always ensures that the Company has adequate space, freedom, guidance to bring out the full potential of employees and create adequate opportunities for personal growth of employees within the organisation.

Continuous monitoring and periodic review keep the system updated and the reward policy ensures smooth functioning of the system.

As on 31st December 2019, there were 463 permanent employees on the payroll of the Company.

Cautionary statement

Certain statements in the Management Discussion & Analysis describing the Company's objectives, statistics, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, demand in market and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and other incidental factors.

Corporate Governance Report

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

a) Board Membership Criteria

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

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

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

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

Matrix setting out the core skills/ expertise/ competence of the Board of Directors:

Skill Area	Description	E (Essential) D (Desirable)	Matrix setting out the core skills/ expertise/ competence of the Board of Directors					
			Mr. Junichi Suzuki	Mr. Shailendrajit Rai	Mr. Kazuo Suzuki	Dr. Haresh Shah	Mr. Satyavara P. Garimella	Mrs. Shilpa Dixit
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of ENKEI's relevant policies and priorities.	E	Y	Y	Y	Y	Y	Y
Policy Development	Ability to identify key issues and opportunities for ENKEI and develop appropriate policies to define the parameters within which the organisation should operate.	E	Y	Y	Y	Y	Y	Y

Skill Area	Description	E (Essential) D (Desirable)	Matrix setting out the core skills/ expertise/ competence of the Board of Directors					
			Mr. Junichi Suzuki	Mr. Shailendrajit Rai	Mr. Kazuo Suzuki	Dr. Haresh Shah	Mr. Satyavara P. Garimella	Mrs. Shilpa Dixit
Governance, Risk and Compliance	Experience in the application of corporate governance principles in a commercial enterprise.	D	Y	Y	Y	Y	Y	Y
	Ability to identify key risks to ENKEI in a wide range of areas including legal and regulatory compliance.	D	Y	Y	Y	Y	Y	Y
	Experience in the appointment and evaluation of a CEO and Senior Executive Managers	D	Y	Y	Y	Y	Y	Y
Financial / Accounting Performance	Qualifications or experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> Analyse key financial statements; Critically assess financial viability and performance; Contribute to strategic financial planning; Oversee budgets and the efficient use of resources; Oversee funding arrangements and accountability 	E	Y	Y	Y	Y	Y	Y
Legal	Qualifications and experience in legal practice with emphasis on (Any one or More): <ul style="list-style-type: none"> Manufacturing Industry Employment law Corporate Law 	E	Y	Y	Y	Y	Y	Y
Sustainability	Qualifications and experience in sustainable development with emphasis on(Any one or More): <ul style="list-style-type: none"> Green Energy Environmental law 	D	Y	Y	Y	Y	Y	Y

b) Composition & Number of Companies or Committees in which the Director is a Director/Chairman:

Name of Director	Category	Relation with Other Directors	No. of other Directorship held*		Name of Listed / Public company in which person is director	Nature of directorship in Listed/ Public company	No. of Committees of other Companies in which Member	No. of Committees of other Companies in which Chairman	No. of Shares held in the Company as at 31.12.2019
			Public/	Private					
Mr. Kazuo Suzuki	Executive Managing Director	None	0	0	NA	NA	0	0	NIL
Mr. Junichi Suzuki	Promoter & Non Executive	None	1	0	Alicon Castalloy Limited	NED	1	0	NIL
Mr. Shailendrajit Rai	Non-Executive Director	None	3	3	<ul style="list-style-type: none"> Alicon Castalloy Limited. Silicon Meadows Engineering Services Limited Atlas Castalloy Limited 	CMD ED CMD	3	1	262,674

Name of Director	Category	Relation with Other Directors	No. of other Directorship held*		Name of Listed / Public company in which person is director	Nature of directorship in Listed/ Public company	No. of Committees of other Companies in which Member	No. of Committees of other Companies in which Chairman	No. of Shares held in the Company as at 31.12.2019
			Public/	Private					
Dr. Haresh Shah	Independent & Non-Executive Director	None	0	4	NA	NA	0	0	NIL
Mr. Satyavara P. Garimella	Independent & Non-Executive Director	None	0	0	NA	NA	0	0	NIL
Mrs. Shilpa Dixit	Woman & Independent Director	None	0	1	NA	NA	0	0	NIL

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

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

c) Board Meetings and Annual General Meetings :

During the year 2019, 6 (Six) meetings of the Board of Directors of the Company held on following dates:

01st April 2019, 08th May 2019, 28th May 2019, 30th July 2019, 07th November 2019, 27th November 2019,

The previous Annual General Meeting was held on 09th July 2019.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2019 are presented in the following table.

Name of Director	No. of Board Meetings Attended (Total Meetings held – 6)	Whether last AGM attended
Mr. Kazuo Suzuki	6/6	Yes
Mr. Junichi Suzuki	2/6	No
Mr. Shailendrajit Rai	5/6	No
Dr. Haresh Shah	6/6	Yes
Mr. Satyavara P. Garimella	6/6	Yes
Ms. Shilpa Dixit	5/6	Yes

d) Code of Conduct

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

e) Board Procedure

All the Directors on the Board are informed the date and venue of the each Board Meeting at least seven days in advance along with Agenda. Detailed Agenda folder is sent to each Director in advance of the Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director appraises to the Board the overall performance of the Company. The Board reviewed the strategy, business plan, annual operating and capital expenditure budgets, projections, compliance reports of all laws applicable to the Company as well as the steps taken to rectify instances of non-compliances, taking on record of unaudited quarterly/half yearly/annual results, minutes of the meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level including the Compliance Officer. The company is complying with the Secretarial Standards issued by Institute of Company Secretaries of India in this regard.

F) Certificate from practicing Company Secretaries

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

3. Board Committees

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

- I. Audit Committee
- II. Nomination & Remuneration Committee
- III. Stakeholders Grievance Committee
- IV. Share Transfer Committee
- V. Corporate Social Responsibility (CSR) Committee

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

(i) Audit Committee:

The Audit Committee comprises of Dr. Haresh Shah, Chairman of the Committee and Mr. Satyavara P. Garimella, both being Independent Directors and Mr. Kazuo Suzuki, Managing Director. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the SEBI (Listing Obligation & Disclosure) Regulations, 2015 and Section 177 of the Companies Act, 2013.

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

During the Financial Year 2019, 3 (Three) Audit Committee Meetings were held on following dates: 28th May 2019, 30th July 2019, 07th November 2019.

Particulars of attendance of Audit committee Members at the Audit committee Meetings held during the Financial Year 2019:

Name of Audit committee Member	Meetings Attended during Financial Year 2019 (Total Meetings held 3)
Dr. Haresh Shah	3/3
Mr. Kazuo Suzuki	3/3
Mr. Satyavara P. Garimella	3/3

The Brief terms of reference of Audit Committee:

- To oversight the financial reporting process and the disclosure of financial information to

ensure that the financial statement is correct, sufficient and credible.

- To recommendation for appointment, remuneration and terms of appointment of auditors
- To approve of payment to statutory auditors for any other services rendered by the statutory auditors.
- To review, with the management, the annual/quarterly financial statements and auditor's report thereon before submission to the board for approval.
- To approve related party transaction and oversight them.
- To consider, review, approve all allied matters that are specified by Companies Act 2013 and SEBI (LODR) 2015.

Powers of Audit Committee

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

(ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Dr. Haresh Shah, Chairman of the Committee, Mr. Shailendra Rai and Mr. Satyavara P. Garimella. Being all Non-Executive Directors of the Company. The composition is in conformity with the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure) Regulations, 2015.

During the Financial Year 2019, 2 (Two) Nomination and Remuneration Committee Meetings were held on following dates:

01st April 2019, 28th May 2019.

Name of Nomination and Remuneration Committee Member	Meetings Attended during Financial Year 2019 (Total Meetings held 2)
Dr. Haresh Shah	2/2
Mr. Satyavara P. Garimella	2/2
Mr. Shailendra Rai	2/2

The terms of reference of this committee are:

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

Criteria for performance evaluation of Independent Directors

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

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

Details of remuneration paid to Managing Director-

During the year 2019, the remuneration paid to the Managing Director is INR. 12,201,118 per annum.

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

Name of the Independent & Non – Executive Director	Sitting Fees (INR)
Dr. Hareesh Shah	65,000
Mr. GSV Prasad	70,000
Ms. Shilpa Dixit	35,000
Mr. Junichi Suzuki	10,000
Mr. Shailendrajit Rai	35,000

(iii) Stakeholder Grievance Committee

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

No complaints received from the shareholders during the Financial Year 2019.

- (i) During the Financial Year 2019, 1 (One) **Stakeholder Grievance Committee** was held on 18th December 2019 in which all the members were present.

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

Name and designation of Compliance Officer:
Mr. Shrikant Joshi, is Company Secretary and compliance officer of the company during the year 2019.

(iv) Share Transfer Committee

The Share Transfer Committee comprises of Mr. Satyavara P. Garimella, Chairman of the Committee, Dr. Hareesh Shah, and Mr. Kazuo Suzuki as members.

The Committee:

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

During the year under review no transmissions of shares taken place and no meeting of share transfer committee was held in FY 2019.

(v) Corporate Social Responsibility (CSR) Committee

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

A Brief outline of the Company's CSR policy:

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

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

CSR Committee, Roles And Responsibility:

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

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

During the Financial Year 2019, 1 (One) CSR Committee Meeting was held on 18th December 2019 in which all the members were present.

4. Separate Meeting of Independent Directors:

Pursuant to schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on Wednesday, 18th December 2019 to consider the business as required under the Companies Act, 2013. In which all the independent directors were present.

5. General Body Meetings:

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

Sr. No	Nature of Meeting	Date	Time	Venue	No. of Special Resolution Passed
1	AGM	09-July-2019	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	4
2	EGM	14-May-2019	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	3
3	AGM	02-Aug-2018	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	Nil
4	EGM	14-May-2018	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	1
5	AGM	19-Jul-2017	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	Nil
6	EGM	07-Jan-2017	3.00 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	1

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

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

7. Means of Communication:

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

8. General Shareholder Information:

(i) Annual General Meeting

Date and Time	:	Saturday, 18 th July 2020. 12.30 PM.
Venue	:	At the registered office of the Company at Gat No. 1425, Village Shikrapur, Taluka Shirur, District, Pune – 412208.

(ii) **Financial Year** : from 1st of January to 31st of December of every Calendar year. (Please refer note on change in FY in Directors Report)

Accordingly new schedule of compliance:

Sr. No	Quarter	Months of Quarter	Remark
1	First	January to March	First Quarter end.
2	Second	April to June	Second Quarter and Half Year end.
3	Third	July to September	Third Quarter and Nine Months end.
4	fourth	October to December	Fourth Quarter and Year end.

(iii) **Date of Book closure** : 11th July 2020 to 18th July 2020s (Both days inclusive)

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

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

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

(vii) **ISIN** : INE130L01014.

(viii) **Name & Address of the Stock exchange where Company's shares are listed** : BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Tel. No. (022) 2272 1233/34
Fax No. (022) 2272 1919

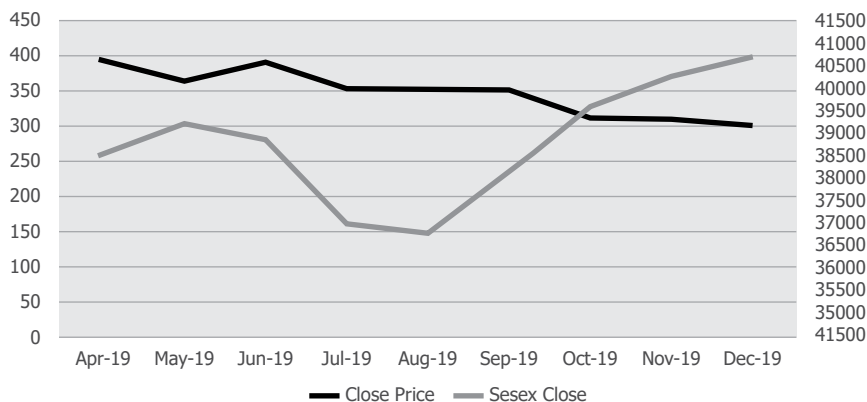
(ix) Market Price Data for the Year 2019:

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

Market Price Data:

EKIN					BSE SENSEX			
Month	High Price	Low Price	Close Price	Volume of Shares traded in month	Month	High	Low	Close
Apr-19	419	380	395	12651	Apr-19	39487	38460	39032
May-19	414	357	367	25663	May-19	40125	36956	39714
Jun-19	399	333	391	27445	Jun-19	40312	38871	39395
Jul-19	408	350	355	126237	Jul-19	40032	37128	37481
Aug-19	394	341	356	59307	Aug-19	37808	36102	37333
Sep-19	372	322	356	68103	Sep-19	39441	35988	38667
Oct-19	365	280	316	40762	Oct-19	40392	37416	40129
Nov-19	332	295	312	26789	Nov-19	41164	40014	40794
Dec-19	333	296	302	40844	Dec-19	41810	40135	41254

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



(x) Registrar and Transfer Agent

The Company has appointed M/s. Universal Capital Securities Private Limited as its Registrar and Transfer Agent (R & T Agent). Share Transfers, dematerialization of shares and all other investor related activities are attended and processed at the office of the R & T Agent at the following address:-

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

(xi) Share transmission System

Transmissions of shares are processed by the Share Transfer Agent and approved by the Share Transfer Committee which meets at frequent intervals. Share transmissions are registered and returned generally within 30 days from the date of receipt if the relevant documents are complete in all respects.

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

Distribution and Shareholding Pattern as on 31st December, 2019:

Share or Debenture Holding Nominal Value of	Shares		Shares Holdings	
	Number	% to Total	Number	% to Total
1	2	3	3	5
UPTO - 500	3464	83.65	479002	2.81
501 - 1000	321	7.75	251816	1.47
1001 - 2000	172	4.15	257438	1.51
2001 - 3000	58	1.40	148789	0.87
3001 - 4000	29	0.70	104090	0.61
4001 - 5000	15	0.36	69547	0.41
5001 - 10,000	42	1.01	302045	1.77
10,001 and above	40	0.97	15463468	90.56
Total	4141	100	17076195	100

(xii) Dematerialization of shares and liquidity

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

Particulars	No. of records (allottees)	No. of shares (Quantity)
(a) Electronic form - NSDL	1891	15589343
(b) Electronic form - CDSL	2067	1393600
(b) Physical form	270	93252
Total (A)	4228	17076195

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

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

(xiv) Commodity price risk or Foreign exchange risk and hedging activities:

- During the year 2019, the Company had managed the foreign exchange risk by hedging activities to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 35(d) of the Financial Statements.
- Risk management policy of the listed entity with respect to commodities including through hedging: Company does not have hedging policy for commodities, however no significant risk is assumed by the company as the final product price is adjusted with its input material price in regular interval.

- Exposure of the Company to commodity and commodity risks faced by the entity throughout the year:

- Total exposure of the listed entity to commodities in INR: Nil.
- Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity towards the particular commodity	% of such exposure hedged through commodity derivatives		Total
			Domestic market	International market	
			OTC Exchange	OTC Exchange	
NA	NA	NA	NA	NA	NA

(xv) Location of Plants

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

New Plant : Gat No. 1421-24, Village Shikrapur, Taluka Shirur, Pune- 412 208.

(xvi) Address for correspondence

- For transfer/dematerialization of shares, change of address of members and other queries relating to the shares of the Company:

M/s. Universal Capital Securities Private Limited
(Formerly known as Mondkar Computers Private Limited)

21, Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093.
Mail id: info@unisec.in

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

- Company Address for correspondence:

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

- SEBI Scores platform:

The Company is registered in SEBI Complaints Redressal System (SCORES). The investors can send their complaints through SCORES also. For this the investors has to visit <https://www.scores.gov.in>.

9. Other Disclosures:

- All material Related Party Transaction with Promoters i.e Enkei Corporation Japan are in Compliance with Companies Act 2013 and SEBI (LODR) 2015. There are no materially significant transactions made by

the Company with its Directors, Key Managerial Persons or their relatives etc. any related parties which have potential conflict with the interests of the Company at large.

2. There are no non-compliance by the Company, no penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

3. Vigil Mechanism:

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

4. Related party policy:

Board of Directors of the Company has approved the Related Party Policy of the Company which

is available on the website of the Company at <http://www.enkei.in/download/others/Related%20Party%20Policy.pdf>.

Non-Mandatory Requirements:

1. Shareholders Rights:

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

2. Reporting of Internal Auditor:

The Board of Directors of the Company has appointed M/s. Mrugendra Mandake & Associates, Chartered Accountants, Pune as the Internal Auditor of the Company. The quarterly reports provided by Internal Auditors are presented to the Audit Committee of the Company.

3. Modified opinion(s), if any in Audit Report:

The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company

Place: Pune

Date: February 27th, 2020

Declaration for the Compliance with Code of Conduct

Pursuant to Regulation 34(3) read with Schedule V Par D of SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015, I, Kazuo Suzuki, Managing Director of Enkei Wheels (India) Limited, hereby confirm that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct.

Place: Pune
Date: February 27th, 2020

Kazuo Suzuki
(Managing Director)
(DIN: 08350372)

Independent Auditors' Certificate on Compliance of conditions of Corporate Governance

To the Members of

Enkei Wheels (India) Limited

1. We, Kirtane & Pandit LLP, Chartered Accountants, the Statutory Auditors of Enkei Wheels (India) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the nine months' period ended on December 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the nine months' period ended December 31, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Suhrud Lele
Partner

Membership No. 121162
UDIN: 20121162AAAAAX5271

Pune, 27th February 2020.

CEO/CFO Certification to the Board

We, **Kazuo Suzuki, Managing Director and Jitendra Parmar, Chief Financial Officer** of the company, to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended on 31st December 2019 (9 M) and that based on our knowledge, belief and information:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee of:
 - i. There has been no change in the accounting policies followed by the Company during the year.
 - ii. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. We are not aware of any instance during the year of significant fraud with involvement therein, of the management or any employee having a significant role in the company's internal control system over financial reporting.

Place : Pune
Date : February 27th , 2020

Kazuo Suzuki
Managing Director
(DIN: 08350372)

Jitendra Parmar
Chief Financial Officer

Annexure A**Certificate of Non-Disqualification of Directors**

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

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

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

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

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Shilpa Kedar Dixit	00001761	14/08/2014
2	Shailendrajit Charanjit Rai	00050950	30/03/2009
3	Haresh Babulal Shah	00228471	15/07/2009
4	Junichi Suzuki	02628162	24/03/2010
5	Satyavara Prasad Garimella	05344245	24/07/2012
6	Kazuo Suzuki	08350372	01/04/2019

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

For **Shailesh Indapurkar & Associates**
Company Secretaries

CS Shailesh Indapurkar
Proprietor
Membership No: ACS17306
CP No: 5701
UDIN: A017306A000578702

Place : Pune
Date: Feb. 27th, 2020

Independent Auditor's Report

To,
The Members
Enkei Wheels (India) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Enkei Wheels (India) Limited** ("the Company"), which comprises the Balance Sheet as at 31st December 2019, the Statement of Profit and Loss (including Other Comprehensive Income) for the 9 months period from 1st April 2019 to 31st December 2019 ("the period"), the Statement of Changes in Equity, and the Statement of Cash Flows for the period then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. Key Audit Matter No.	Auditor's Response
<p>1 Revenue Recognition: Revenue from sale of goods is recognised when control of the products is transferred to the customer and when there are no unfulfilled obligations.</p> <p>The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms and conditions.</p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax.</p> <p>Revenue is only recognised to the extent that is highly probable a significant reversal will not occur.</p>	<p>Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing in respect of revenue recognition as follows:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the accounting policies related to revenue recognition, including those relating to price increase/decrease with reference to the applicable accounting standards. Testing the revenue transactions recognised during the year by verification of underlying documents on a sample basis. Inspecting key customer contracts/ purchase order on a sample basis to identify terms and conditions relating to goods acceptance and price adjustments.

Revenue recognition has been identified as a key audit matter since the management considers revenue as a key metric for evaluation of performance.

- Testing the supporting documents on a sample basis, for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period.
- Performing analytical procedures on current year revenue based on trends and where appropriate, conducting further enquiries and testing.

2 Accuracy and Completeness of Capital Expenditure

Capital Expenditure (“capex”) has been considered as a key audit matter in view of the complexity and volume of transactions, and the fact that it comprises a critical element of costs for the Company.

We assessed the Company’s process to verify the Capital Expenditure incurred during the year including significant additions to Capital Work-in-Progress related to new manufacturing facility being set up.

Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Review of capex business process, flow of documents/information and their controls effectiveness
- Substantive tests on random sampling basis for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the company’s policy and accounting standards
- Scrutiny of relevant general ledger accounts to assess if the expenditure has been appropriately segregated into revenue and capital expenditure
- Review of closing balances of Capital Work-in-Progress with a view to confirm that the same relates to such capital items which have not yet been put to use by the management
- Physical verification on test basis, review of physical verification carried out by the Management with respect to book records.
- Review of compliance done with respect to Companies Act, Income Tax Act, Customs duty, and GST Act, particularly for accounting of additions, deletions, depreciation and of carrying amounts thereof.

Other Matter

The financial statements of the Company for the year ended March 31, 2019 prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, were audited by another firm of Chartered Accountants under the Companies Act, 2013 who, vide their report dated May 28, 2019, expressed an unmodified opinion on those financial statements.

comprises the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report but does not include the financial statements and our auditor’s report thereon.

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

Information Other than the Financial Statements and Auditor’s Report thereon:

The Company’s Board of Directors is responsible for the preparation of the other information. The other information

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We

consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on December 31, 2019, and taken on record by the Board of Directors, none of the directors are disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 36.I.).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No.105215W/W100057

Suhrud Lele

Partner

Place: Pune

Membership No.: 121162

Date: February 27th, 2020

UDIN: 20121162AAAAW9258

Annexure A

to the Independent Auditor's Report

The annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Financial Statements for the period ended 31st December 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a program of physical verification of property, plant and equipment wherein the management verifies all the items at the year-end, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The Company has carried out physical verification during the period and no material discrepancies were noticed during the same.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties (comprising of freehold land) are held in the name of the Company as at the balance sheet date.
- (ii) According to the information and explanations given to us, the physical verification of inventory (including stock lying with third parties) has been conducted by the management at reasonable intervals. The discrepancies noticed on such physical verification of Inventory as compared to the book records were not material and have been properly dealt with in the Books of Account.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, made investments or given guarantees which are covered by the provisions of Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company
- (vi) According to the information and explanations given to us and in our opinion, maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 (1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 for the business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at December 31, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax and Value Added Tax which have not been deposited as on December 31, 2019 on account of disputes are given below: -

Name of the Statute	Nature of dues	Amount under dispute (Rs.)	Period for which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income taxes	3,07,55,873/-	FY 2015-16	Appeal filed with CIT(A)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not

defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan or borrowings from government and has not issued any debentures.

- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company had not raised money by way of further public offer (including debt instruments) during the period.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements, to the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the period.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance

with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of equity shares to Enkei Corporation, Japan during the year. The Company has complied with the requirement of section 42 of the Act and has used the amounts raised for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the period the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For Kirtane & Pandit LLP

Chartered Accountants
Firm Registration No.105215W/W100057

Suhrod Lele

Partner

Place: Pune
Date: February 27th, 2020

Membership No.: 121162
UDIN: 20121162AAAAAW9258

Annexure B

to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of Enkei Wheels (India) Limited ("the Company") as of 31st December 2019 in conjunction with our audit of the Financial Statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No.105215W/W100057

Suhrud Lele

Partner

Place: Pune

Membership No.: 121162

Date: February 27th, 2020

UDIN: 20121162AAAAAW9258

Balance Sheet

as at December 31, 2019

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

Particulars	Note No.	As at December 31, 2019	As at March 31, 2019
Assets			
1 Non-current assets			
Property, plant and equipment	3	1,315.53	1,262.28
Capital work-in-progress	3.a	1,014.01	553.67
Right-of-use assets		82.00	-
Financial assets			
Other financial assets	4	20.96	21.85
Deferred tax assets (net)	5	24.07	35.95
Non-current Income tax assets		48.27	28.46
Other non-current assets	6	320.98	192.75
Total - non-current assets		2,825.83	2,094.96
2 Current assets			
Inventories	7	705.53	517.30
Financial assets			
Trade receivables	8	211.83	436.36
Cash and bank balances	9	412.52	201.67
Other financial assets	10	0.32	0.22
Current tax assets	11	-	3.94
Other current assets	12	70.76	41.52
Total - Current assets		1,400.96	1,201.01
Total assets		4,226.79	3,295.97
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	85.38	81.11
Other equity	13.1	1,746.67	1,209.67
Total - equity		1,832.05	1,290.78
Liabilities			
1 Non-current liabilities			
Financial liabilities			
Borrowings	14	1,003.53	522.67
Trade payables	15	232.04	526.88
Lease Liabilities	16	52.60	-
Provisions	17	2.41	3.56
Total - non-current liabilities		1,290.57	1,053.11
2 Current Liabilities			
Financial liabilities			
Borrowings	18	380.00	200.00
Lease Liabilities	16	27.84	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19 (i)	0.25	0.03
Total outstanding dues of creditors other than small enterprises	19 (ii)	418.97	403.96
Other financial liabilities	20	248.12	287.27
Other current liabilities	21	16.22	58.23
Provisions	22	5.81	2.60
Current tax liabilities (net)	23	6.96	-
Total - current liabilities		1,104.17	952.08
Total equity and liabilities		4,226.79	3,295.97

The accompanying notes form part of these financial statements

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

Suhurud Lele
Partner
Membership No. : 121162

Place: Pune
Date: February 27, 2020

For and on behalf of the Board of Directors of

Enkei Wheels (India) Limited

Kazuo Suzuki
(Managing Director)
(DIN : 08350372)

Jitendra Parmar
(Chief Financial Officer)

Haresh Shah
(Director)
(DIN : 00228471)

Shrikant Joshi
(Company Secretary)
Membership No. : ACS 47346

Place: Pune
Date: February 27, 2020

Statement of Profit and Loss

for the period ended December 31, 2019

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

Particulars	Note No.	For the Year ended December 31, 2019	For the Year ended March 31, 2019
I Revenue from Operations	24	2,667.58	4,744.85
II Other Income	25	3.05	14.21
III Total Income (I + II)		2,670.63	4,759.06
IV EXPENSES			
Cost of materials consumed	26	1,435.49	2,852.15
Purchases of stock-in-trade	27	1.23	1.68
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(32.15)	(220.49)
Employee benefits expense	29	279.29	370.52
Finance Costs	30	44.79	45.22
Depreciation and amortisation expense	31	177.60	213.38
Other Expenses	32	1,030.14	1,492.90
Total Expenses (IV)		2,936.39	4,755.37
V Profit/(Loss) before exceptional items and Tax (III-IV)		(265.76)	3.69
VI Exceptional items- Expense/(Income)	33	(317.18)	(133.04)
VII Profit/(Loss) before tax (V-VI)		51.42	136.73
VIII Tax Expense:			
Current tax	34	(5.83)	16.05
Deferred tax/(Credit)	35	30.00	(6.64)
		24.17	9.41
IX Profit (Loss) for the year (VII-VIII)		27.25	127.33
X Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) gain/(loss) of defined benefit obligation		(3.11)	1.64
(ii) Income Tax relating to items that will not be reclassified to profit or loss		1.04	(0.55)
B (i) Items that will be reclassified to Profit or Loss			
(a) effective portion of gain/(loss) on hedging instruments in cash flow hedge		(15.77)	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		5.26	-
Total Other Comprehensive Income (A (i+ii) + B (i+ii))		(12.58)	1.09
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		14.68	128.42
XII Earning per Equity share			
(1) Basic (Face Value of ₹ 5/- each)		1.61	7.91
(2) Diluted (Face Value of ₹ 5/- each)		1.61	7.91
Company information and significant accounting policies	1 & 2		

The accompanying notes form part of these financial statements

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

Suhurud Lele
Partner
 Membership No. : 121162

Place: Pune
 Date: February 27, 2020

For and on behalf of the Board of Directors of

Enkei Wheels (India) Limited

Kazuo Suzuki
 (Managing Director)
 (DIN : 08350372)

Jitendra Parmar
 (Chief Financial Officer)

Haresh Shah
 (Director)
 (DIN : 00228471)

Shrikant Joshi
 (Company Secretary)
 Membership No. : ACS 47346

Place: Pune
 Date: February 27, 2020

Cash Flow Statement

for the period ended December 31, 2019

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the Year ended December 31, 2019	For the Year ended March 31, 2019
	Rupees	Rupees
A Cash Flow from operating activities		
Profit or (Loss) before tax for the year	51.42	136.73
Adjusted for :		
Fair valuation of long-term liabilities - realised	26.29	(21.76)
Interest cost - Fair valuation of long-term liabilities	11.92	10.92
Loss /(profit) on derivative transactions (net)	15.77	1.58
Fair valuation of defined benefit obligations	3.11	(1.64)
Depreciation and amortisation	177.60	213.38
Loss/(Profit) on sale of property, plant & equipment (net)	4.57	0.25
Finance cost (including towards lease liabilities)	44.79	34.29
Interest Income	(3.04)	(14.11)
Unrealised Foreign Exchange Loss (net)	97.03	74.38
Inventory written off	-	0.75
Unclaimed Balances written off/(back)	(289.71)	(131.66)
Operating profit / (loss) before working capital changes	139.76	303.13
Adjusted for :		
(Increase)/decrease in inventories	(188.23)	(243.39)
(Increase)/decrease in trade receivables	224.53	271.71
(Increase)/decrease in other financial assets (current)	(0.10)	0.18
(Increase)/decrease in other financial assets (non-current)	0.89	(0.09)
(Increase)/decrease in other non current assets	(0.03)	1.91
(Increase)/decrease in other current assets	(29.24)	(34.61)
Increase/(decrease) in trade payables (current)	(7.55)	126.02
Increase/(decrease) in trade payables (non-current)	(26.29)	(73.49)
Increase/(decrease) in other financial liabilities	(70.68)	135.41
Increase/(decrease) in provisions (current)	(3.01)	0.34
Increase/(decrease) in provisions (non-current)	(1.15)	(0.82)
Increase/(decrease) in other current liabilities	(42.01)	(40.10)
Cash generated from operations	(3.12)	446.20
Income tax (paid) / refund	(12.01)	(53.19)
Net cash flow from / (used in) operating activities (A)	(15.13)	393.01
B Cash flow from investing activities		
Purchase of Fixed Assets and Capital Expenditure	(677.35)	(751.37)
Capital Advances	(128.39)	24.60
Sale of Fixed Assets	0.57	0.55
Investment in Term deposits (not considered as cash & cash equivalent)	-	(0.05)
Interest Income	0.16	14.11
Net cash flow from / (used in) investing activities (B)	(805.01)	(712.16)

Cash Flow Statement (Contd.)

for the period ended December 31, 2019

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the Year ended December 31, 2019	For the Year ended March 31, 2019
	Rupees	Rupees
C Cash flow from financing activities		
Proceeds from issue of share capital	435.29	348.73
Proceeds from short term borrowings (net)	180.00	120.00
Proceeds from long term borrowings	550.62	123.24
Repayment of Long term borrowings	(69.76)	(133.39)
Payment of Lease Liabilities	(26.62)	-
Finance cost	(38.71)	(34.29)
Net cash flow from / (used in) financing activities (C)	1,030.81	424.28
Net increase / (decrease) in cash and cash equivalents (A+B+C)	210.67	105.13
Cash and cash equivalents at the beginning of the year	201.67	96.54
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	412.34	201.67
Reconciliation of cash and cash equivalents with the balance sheet :		
Cash and cash equivalents as per Balance Sheet (Refer Note 8)	412.34	201.67
* Comprises		
(a) Cash on Hand	0.13	0.16
(b) Balances with banks		
- in current accounts - Rupee accounts	59.21	78.27
- In deposit account	353.00	123.24

The accompanying notes form part of these financial statements

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

Suhurud Lele
Partner
Membership No. : 121162

Place: Pune
Date: February 27, 2020

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

Kazuo Suzuki
(Managing Director)
(DIN : 08350372)

Jitendra Parmar
(Chief Financial Officer)

Haresh Shah
(Director)
(DIN : 00228471)

Shrikant Joshi
(Company Secretary)
Membership No. : ACS 47346

Place: Pune
Date: February 27, 2020

Statement of Changes in Equity

for the period ended March 31, 2019

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

(a) Equity share Capital

Particulars	Amount
Balance at March 31, 2018	77.06
Changes in equity share capital during financial year 2018-19	4.06
Balance at March 31, 2019	81.11
Changes in equity share capital during financial year FY2019	4.27
Balance at December 31, 2019	85.38

(b) Other Equity

Particulars	Reserves & Surplus			Effective portion of cash flow hedge	Total
	Securities premium reserve	Retained earnings	Foreign Currency Translation Reserve		
Balance at March 31, 2018	683.24	140.12	(94.24)	-	729.11
Profit /(loss) for the year	-	127.33	-	-	127.33
Other comprehensive income (net of tax)	-	1.09	-	-	1.09
Total comprehensive income for the year	-	128.42	-	-	128.42
Additions (net of amortisations) during the year	-	-	29.22	-	29.22
Realised on fair value measurement on long-term liabilities	-	(21.76)	-	-	(21.76)
Premium on issue of shares on preferential basis	344.68	-	-	-	344.68
Balance at March 31, 2019	1,027.91	246.78	(65.02)	-	1,209.67
Profit /(loss) for the year	-	27.25	-	-	27.25
Other comprehensive income (net of tax)	-	(2.07)	-	(10.50)	(12.58)
Total comprehensive income for the year	-	25.18	-	(10.50)	14.68
Additions (net of amortisations) during the year	-	-	(32.01)	-	(32.01)
Deduction/Written off during the year	-	-	97.03	-	97.03
Realised on fair value measurement on long-term liabilities	-	26.29	-	-	26.29
Premium on issue of shares on preferential basis	431.02	-	-	-	431.02
Balance at December 31, 2019	1,458.93	298.24	-	(10.50)	1,746.67

The accompanying notes form part of these financial statements

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

Suhurud Lele
Partner
 Membership No. : 121162

Place: Pune
 Date: February 27, 2020

For and on behalf of the Board of Directors of

Enkei Wheels (India) Limited

Kazuo Suzuki
 (Managing Director)
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 (Chief Financial Officer)

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 (Company Secretary)
 Membership No. : ACS 47346

Place: Pune
 Date: February 27, 2020

Significant Accounting Policies

forming part of the financial statements

(CIN : L34300PN2009PLC133702)

1 Corporate information

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

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

2 Basis of Preparation, Measurement And Significant Accounting Policies

2.1 Basis of preparation of financial statements and measurement

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

- f) These financial statements are approved for issue by the Company's Board of Directors as per its resolution dated February 27, 2020.

2.2 Key Accounting Estimates and Judgements

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

Critical Accounting Estimates used in measurement of the following

- (a) Employee benefits - Defined benefit plans/ obligations - Note 2.3 (ix) (b)
- (b) Deferred tax assets - Note 2.3 (xiii) (d)
- (c) Impairment of Property, Plant & Equipment - Note 2.3 (xiv)
- (d) Provisions and contingent liabilities - Note 2.3 (xv)

2.3 Significant Accounting Policies

i) Inventories

- a) Inventories are valued at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.
- b) Cost of finished goods and work-in-progress comprises of all costs of direct material, conversion costs and other costs (net of recoverable taxes/ eligible credits) incurred in bringing the inventories to their respective present location and condition.

Significant Accounting Policies

forming part of the financial statements

- c) Cost of raw materials includes cost of purchase and other costs (net of recoverable taxes/eligible credits) incurred in bringing the inventories to their respective present location and condition. Costs are determined on weighted average basis.
- d) Cost of consumables, stores and spares, packing materials are determined on First In First Out basis.

ii) Depreciation and amortisation

- a) Depreciation on property, plant and equipment has been provided on Straight Line Method in the manner provided under Schedule II to the Companies Act, 2013 on the basis of the useful lives of the assets prescribed under Part C of Schedule II to the Companies Act, 2013. Freehold land is not depreciated.
- b) Depreciation on additions during the period has been provided on pro-rata basis from the date of acquisition or from the date(s) on which commercial production is obtained, particularly in case of plant and equipment with fair degree of regularity and not only on the basis of the assets which are ready to put to use, as the case may be.
- c) Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year. which shows useful lives which have been taken to be different from Schedule II. The estimated useful lives of property, plant and equipment as as follows.

Description of Asse	Useful Life Years
Building	3 to 30
Computers	3
Dies and Moulds	5
Electrical Installation	8
Factory Equipment	8
Furniture and Fixure	5
Motor Vehicles	8
Office Equipment	5
Plant and Machinery	8
Quality Control Equipments	8

iii) Revenue recognition

- a) Revenue from sale of goods is recognised on dispatch of goods and when the significant risks and rewards of ownership and substantial control over the goods

have been transferred to the buyer/customer, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably and it is reasonable to expect ultimate collection based upon price/(s) specified in contracts with the customers and agreed with them.

- b) Revenue is measured at fair value of the consideration received or receivable, after deducting/excluding any trade discounts and taxes or duties collected on behalf of the government such as goods and services tax. A receivable is recognised when the goods are despatched to the buyer/customer. The consideration receivable is not conditional as the buyer /customer is going to pay in all eventualities once the payment is due, as agreed and which in any case does not exceed a period of twelve months from the date the goods are delivered. Accordingly, adjustment of the transaction prices for the time value of money is unwarranted.
- c) Other operating revenue represents income earned from the Company's principal activities and is recognised when the income is accrued as per the terms agreed with the parties.

iv) Other income

Interest income

Other income primarily comprises of Interest income. Interest income is in respect of short-term deposits and Interest on Income Tax refund.

v) Expenditure

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

vi) Financial instruments

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

i) Financial Assets

A. Initial recognition and measurement

All financial assets are initially recognized at fair value except for trade receivables which are intially measured at transaction price. Its transaction costs are recognised in the Statement of Profit and Loss. Transaction costs that are directly attributable to

Significant Accounting Policies

forming part of the financial statements

the acquisition or issue of financial assets, which are not classified at fair value through profit or loss, are adjusted to the fair value on initial recognition.

B. Subsequent measurement"

a) Financial assets carried at amortised cost (AC)

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

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

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

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

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

C. Impairment of financial assets

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

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

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

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

ii) Financial Liabilities

A. Initial recognition and measurement

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

B. Subsequent measurement"

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

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

iii) Derecognition of Financial Instruments:

The Company derecognises a financial asset when the contractual rights to the cash flows from the

Significant Accounting Policies

forming part of the financial statements

financial asset expire, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

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

- iv)** The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables, short-term borrowings at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature. Loans have fair values that approximate to their carrying amounts, as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk, remaining maturities and other terms.

vii) Property, plant and equipment

- a) Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at cost, less accumulated depreciation and impairment, if any. The cost represents purchase price (net of recoverable of taxes) and all other direct attributable expenses (including borrowing cost in respect of acquisition or construction of qualifying asset) for the period up to the date of bringing the asset to its location and working condition / (the asset is ready for its intended use) necessary for it to be capable of operating in the manner intended by the Company's management.
- b) Subsequent expenditure relating to property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss in the period in which those are incurred.
- c) Advances paid for the acquisition of property, plant and equipment, that remained outstanding at each balance sheet date is classified as 'capital advances' under "non-current assets". The cost

of property, plant and equipment, net of income earned during the project development stage, which are not ready for intended use are shown under 'Capital work-in-progress'.

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

viii) Foreign currency transactions and translations

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

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

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

ix) Employee benefits

Employee benefits include provident fund, pension fund, gratuity fund, labour welfare fund, employees state insurance scheme, compensated absences and medical benefits.

Significant Accounting Policies

forming part of the financial statements

a) **Defined contribution plans**

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

b) **Defined benefit plans**

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

The costs of accruing employee benefits promised to employees over the period and the costs of individual events such as past/future service benefit changes and settlements are recognised under "Employee benefit expenses" in the statement of Profit and Loss. The actuarial gains and losses (excluding interest), any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the period to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently

not reclassified to the Statement of Profit and Loss.etc. The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Other Expenses' in the Statement of Profit and Loss.

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

c) **Short-term employee benefits :**

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

d) **Other Long-term employee benefits**

Compensated absences which are not expected to occur /settle within twelve months after the end of the period in which the employee renders the related services are recognised as a liability determined by the projected unit credit method under actuarial valuation, at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

x) **Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing

Significant Accounting Policies

forming part of the financial statements

of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

xi) Leases

a) The Company as a lessee

The Company’s lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

b) The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

c) The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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forming part of the financial statements

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

xii) Operating Segments

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

xiii) Taxes on income

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

using tax rates enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

- e) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

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

- a) The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, or impairment testing of asset or CGU is required, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.
- b) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- c) The impairment loss recognised in prior accounting period is reversed in the Statement of Profit and Loss, if there has been a change in the estimates used to determine the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount. Not it does exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

Significant Accounting Policies

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xv) Provisions , contingencies and commitments

- a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- b) If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- c) Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.
- d) Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

xvi) Statement of cash flows and cash and cash equivalents

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

Cash and cash equivalents in the balance sheets comprises of, cash at banks and cash on hand and

short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xvii) Fair value measurement

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

xviii) Derivative instruments and hedge accounting

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless

Significant Accounting Policies

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the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount

of the hedged item arising from the hedged risk is amortised to profit or loss from that date.”

ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss. Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a nonfinancial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/ losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss

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(CIN : L34300PN2009PLC133702)

Note : 3 Property, Plant and Equipment

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

(All amounts in ₹ million, unless otherwise stated)

Particulars	Freehold Land	Buildings	Plant and Machinery	Office Equipments	Computers and Fixture	Furniture and Fixture	Vehicles - Owned	Dies & Moulds	Total
Gross carrying value as at April 01, 2018	340.99	268.96	1,780.16	12.67	21.01	14.31	17.97	478.86	2,934.93
Additions	-	5.65	136.08	1.52	1.95	0.21	3.31	62.17	210.89
Deletions	-	-	5.14	-	-	-	2.59	-	7.73
Gross carrying value as at March 31, 2019	340.99	274.61	1,911.09	14.19	22.97	14.51	18.69	541.04	3,138.09
Additions	-	4.73	176.74	0.09	0.23	0.03	-	35.18	217.01
Deletions	-	-	98.31	2.02	0.51	5.86	0.05	72.96	179.71
Gross carrying value as at December 31, 2019	340.99	279.34	1,989.53	12.26	22.69	8.69	18.65	503.25	3,175.38
Accumulated depreciation as at April 01, 2018	-	86.81	1,261.02	10.08	16.74	12.08	6.48	276.15	1,669.36
Depreciation	-	11.05	119.47	0.83	2.22	0.71	2.19	76.91	213.38
Accumulated depreciation on deletions	-	-	4.88	-	-	-	2.05	-	6.94
Accumulated depreciation as at March 31, 2019	-	97.86	1,375.61	10.92	18.96	12.79	6.62	353.06	1,875.81
Depreciation	-	8.62	86.11	0.63	1.33	0.94	1.63	59.34	158.62
Accumulated depreciation on deletions	-	-	96.82	2.02	0.51	5.86	0.05	69.32	174.57
Accumulated depreciation as at December 31, 2019	-	106.48	1,364.90	9.53	19.78	7.88	8.21	343.09	1,859.85
Carrying value as at April 01, 2018	340.99	182.15	519.13	2.58	4.28	2.23	11.50	202.72	1,265.57
Carrying value as at March 31, 2019	340.99	176.75	535.49	3.27	4.01	1.72	12.08	187.98	1,262.28
Carrying value as at December 31, 2019	340.99	172.86	624.63	2.73	2.91	0.81	10.44	160.16	1,315.53

Note : 3.a Property, Plant and Equipment

Particulars	Opening CWIP	Addition	Capitalization	Closing CWIP
Gross carrying value as at December 31, 2019	553.67	583.40	123.07	1,014.01

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(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

Note : 4. Other financial assets (non-current assets)

(Unsecured and considered good, unless otherwise stated)

Sr. Particulars No	As at December 31, 2019	As at March 31, 2019
a Security deposits *	20.96	21.85
Total	20.96	21.85

* measured at amortised cost

Note : 5. Deferred tax assets (net)

Sr. Particulars No	As at December 31, 2019	As at March 31, 2019
Deferred tax assets	12.26	35.95
Mat credit entitlement	11.81	-
Total	24.07	35.95

The movement on the deferred tax account is as follows:

FY 2018-19	Opening Balance	(Expense)/ Income Recognized in profit or loss	(Expense)/ Income Recognized in OCI	Closing Balance
Deferred tax assets				
Property, plant and equipment and intangible assets	28.75	7.70	-	36.45
Cash flow hedges	-	-	-	-
Expenses deductible in future years	1.11	(1.06)	(0.55)	(0.50)
	29.86	6.64	(0.55)	35.95

FY 2019	Opening Balance	(Expense)/ Income Recognized in profit or loss	(Expense)/ Income Recognized in OCI	Closing Balance
Deferred tax assets				
Property, plant and equipment and intangible assets	35.34	(3.02)	-	32.32
Cash flow hedges	-	-	5.26	5.26
Expenses deductible in future years	0.61	1.09	1.04	2.74
	35.95	(1.93)	6.30	40.33
Deferred tax liabilities				
Right of use assets and lease liabilities	-	(0.52)	-	(0.52)
Long term trade payables	-	(27.55)	-	(27.55)
	-	(28.07)	-	(28.07)
Net Deferred Tax assets	35.95	(30.00)	6.30	12.26

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(All amounts in ₹ million, unless otherwise stated)

Note : 6. Other non-current assets

(Unsecured and considered good, unless otherwise stated)

Sr. No	Particulars	As at	As at
		December 31, 2019	March 31, 2019
a	Capital advances - considered good	319.16	190.77
b	Balances with government authorities	1.83	1.83
c	Term deposit with bank - Margin money	-	0.15
	Total	320.98	192.75

Note : 7. Inventories

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

Sr. No	Particulars	As at	As at
		December 31, 2019	March 31, 2019
1	Raw materials	310.12	113.51
2	Finished goods	358.85	363.90
3	Work-in-progress	0.08	5.93
4	Traded goods -Accessories	0.12	0.12
5	Stores,spares & consumables	34.98	31.65
6	Fuel & gas	1.37	2.19
	Total	705.53	517.30

Note : 7. Inventories (contd.)

Details of inventories

Sr. No	Particulars	As at	As at
		December 31, 2019	March 31, 2019
1	Raw materials		
	Alluminium ingots	275.94	113.51
2	Finished goods (lower of cost and net realisable value)		
a	Wheels - Two wheelers	176.99	156.30
b	Wheels - Four wheelers	181.87	164.55
		358.85	320.86
3	Work-in-progress		
a	Wheels - Two wheelers	0.04	0.02
b	Wheels - Four wheelers	0.05	5.91
		0.08	5.93
4	Traded goods		
a	Wheels - Four Wheelers:		
a	Accessories	0.12	0.12
		0.12	0.12
5	Stores, spares & consumables	34.04	31.65
6	Fuel & gases	1.37	2.19

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(All amounts in ₹ million, unless otherwise stated)

Note : 7. Inventories (contd.)

Sr. Particulars No	As at December 31, 2019	As at March 31, 2019
7 Inventory includes in transit inventory of :		
Alluminium Ingot	34.18	-
Stores, spares & consumables	0.95	-
Finished goods	-	43.04
Total	705.53	517.30

Note : 8. Trade Receivables

Sr. Particulars No	As at December 31, 2019	As at March 31, 2019
Unsecured - considered good	211.83	436.36
- considered doubtful	-	-
Provision for Expected Credit Loss	-	-
Total	211.83	436.36
Age of receivables		
Within the credit period	211.23	433.11
1-90 days past due	0.45	1.16
91-180 days past due	0.15	0.52
More than 180 days past due	-	1.57
Total	211.83	436.36

Note : 9. Cash & cash equivalents

Sr. Particulars No	As at December 31, 2019	As at March 31, 2019
Cash & cash equivalents		
1 In current accounts	59.21	78.27
2 Deposits having maturity upto 3 months	353.00	123.24
3 Cash in hand	0.13	0.16
Other bank balances		
4 Deposits having maturity of more than 3 months	0.18	-
Total	412.52	201.67

Note : 10. Other financial assets (current assets)

(Unsecured and considered good, unless otherwise stated)

Sr. Particulars No	As at December 31, 2019	As at March 31, 2019
1 Interest accrued on term deposits	0.21	0.22
2 Derivative asset in respect of derivative contract	0.11	-
Total	0.32	0.22

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(All amounts in ₹ million, unless otherwise stated)

Note : 11. Current tax assets (net)

Sr. Particulars No	As at	
	December 31, 2019	March 31, 2019
1 Advance Income Tax and TDS	-	3.94
Total	-	3.94

Note : 12. Other current assets

Sr. Particulars No	As at	
	December 31, 2019	March 31, 2019
Unsecured, Considered Good :		
i) Advances against expenses	0.08	0.16
ii) Prepaid expenses	3.40	6.05
iii) Balances with government authorities	65.43	31.68
iv) Advance to suppliers	1.75	3.63
v) Others	0.10	-
Total	70.76	41.52

Note : 13. Equity Share capital

Sr. Particulars No	As at		As at	
	December 31, 2019	March 31, 2019	December 31, 2019	March 31, 2019
	Number of shares	Amount	Number of shares	Amount
1 AUTHORISED :				
(i) Equity shares of ₹ 5/- each	52,000,000	260.00	52,000,000	260.00
(ii) Compulsorily Convertible Preference shares of ₹ 10/- each	14,000,000	140.00	14,000,000	140.00
	66,000,000	400.00	66,000,000	400.00
2 ISSUED, SUBSCRIBED & PAID UP				
Equity shares of ₹ 5/- each fully paid up	17,076,195	85.38	16,222,695	81.11
Total	17,076,195	85.38	16,222,695	81.11

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

Sr. Particulars No	As at		As at	
	December 31, 2019	March 31, 2019	December 31, 2019	March 31, 2019
	Number of shares	Amount	Number of shares	Amount
(i) Shares outstanding at the beginning of the year	16,222,695	81.11	15,411,695	77.06
(ii) Add : Shares issued during the year	853,500	4.27	811,000	4.06
	17,076,195	85.38	16,222,695	81.11
(iii) Shares outstanding at the end of the year	17,076,195	85.38	16,222,695	81.11

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(All amounts in ₹ million, unless otherwise stated)

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

Sr. Particulars No	As at	
	December 31, 2019	March 31, 2019
	No. of Equity shares	No. of Equity shares
Equity Shares		
Lock-in of equity shares held by the Promoters		
Enkei Corporation, Japan	12576195	2796335

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

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

Sr. Class of shares / Name of shareholder No	As at		As at	
	December 31, 2019		March 31, 2019	
	Number of shares held	Percentage (%) held	Number of shares held	Percentage (%) held
(i) Equity shares				
a Enkei Corporation, Japan	12576195	73.65	11722695	72.26

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

Sr. Particulars No	As at		As at	
	December 31, 2019		March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
(i) Equity shares				
a Enkei Corporation, Japan	12576195	62.88	11722695	58.61

Note : 13.1 Other equity

Particulars	As at	
	December 31, 2019	March 31, 2019
Securities premium account		
As per last Balance sheet	1,027.91	683.24
Add: Additions during the year	431.02	344.68
Balance at the end of year	1,458.93	1,027.91
Retained earnings		
As per last Balance sheet	246.78	140.12
Add/(Less):Adjustments	26.29	(21.76)
Profit for the year	27.25	127.33
Other Comprehensive Income for the year, net off income tax relating to defined contribution plans	(2.07)	1.09
Balance at the end of year	298.24	246.78

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(All amounts in ₹ million, unless otherwise stated)

Note : 13.1 Other equity (contd.)

Particulars	As at December 31, 2019	As at March 31, 2019
Cash flow hedging reserve		
As per last Balance sheet	-	-
Recognized/(released) during the year	(15.77)	-
Income tax related to above	5.26	-
Balance at the end of year	(10.50)	-
Less:		
Foreign Currency Monetary Item Translation Difference		
As per last Balance sheet	65.02	94.24
Add: Adjustment/Accumulation during the year	32.01	35.80
	97.03	130.04
Less: Amortisation during the year	97.03	65.02
Balance at the end of year	-	65.02
Total	1,746.67	1,209.67

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for the cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the hedging of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedging item.

Note : 14. Borrowings

Particulars	As at December 31, 2019	As at March 31, 2019
Unsecured		
(A) Term Loans- Foreign Currency Loans (ECBs) (Repayable over a period of five years with first repayment date as given below)	1,003.53	522.67
Total	1,003.53	522.67

Note : 14. Borrowings (contd.)

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

Particulars	As at December 31, 2019	As at March 31, 2019					
Unsecured							
Foreign Currency Loans from Banks							
External Commercial Borrowings							
Sr. No.	Bank	Loan Principal	Interest Rate	Repayment amount	Repayment term		
1	The MUFG Bank Ltd.	1,060,000,000	1.515%	106,000,000 (10 installment)	Half yearly starting from September 2018	1,142.58	655.21
2	The MUFG Bank Ltd.	200,000,000	1.175%	33,333,333 (6 installment)	Half yearly starting from September 2021		
3	The MUFG Bank Ltd.	300,000,000	1.175%	50,000,000 (6 installment)	Half yearly starting from September 2021		
4	The MIZUHO Bank Ltd	200,000,000	1.200%	33,333,333 (6 installment)	Half yearly starting from December 2021		
5	The MIZUHO Bank Ltd	300,000,000	1.200%	50,000,000 (6 installment)	Half yearly starting from December 2021		
Sub-Total						1,142.58	655.21

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Note : 14. Borrowings (contd.)

(All amounts in ₹ million, unless otherwise stated)

Particulars	As at	As at
	December 31, 2019	March 31, 2019
Less: Current maturities of long-term borrowings	139.05	132.54
Total	1,003.53	522.67
Total Long -term Borrowings	1,003.53	522.67

There has been no breach of covenants mentioned in the loan agreements during the reporting period. Holding company Enkei Corporation has given guarantee to respective banks in respect of above borrowings.

Note : 15. Trade payables -(non-current liabilities)

Particulars	As at	As at
	December 31, 2019	March 31, 2019
Trade payables- Related parties	232.04	526.88
Total	232.04	526.88

Note : 16. Lease Liabilities

Particulars	As at	As at
	December 31, 2019	March 31, 2019
Lease Liabilities (non-current liabilities)	52.60	-
Lease Liabilities (current liabilities)	27.84	-
Total	80.44	-

Please refer note 36 q for transition details.

Note : 17. Long term Provisions

Particulars	As at	As at
	December 31, 2019	March 31, 2019
Provision for employee benefits:		
Provision for compensated absences	2.41	3.56
Total	2.41	3.56

Please refer note 36 i for details of Defined Benefit plans.

Note : 18. Borrowings -(current liabilities)

Particulars	As at	As at
	December 31, 2019	March 31, 2019
Unsecured		
Working Capital Demand Loans		
- From Banks	380.00	200.00
Total	380.00	200.00

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(All amounts in ₹ million, unless otherwise stated)

Note : 18.1 Short-term Borrowings -(current liabilities) (contd.) Details of applicable rate of interest, security wherever provided etc.

Particulars	As at December 31, 2019	As at March 31, 2019
Unsecured		
Security		
Financing against sales invoice of Customers		
Working Capital Demand Loans from Banks		
(1) MUFG Bank Ltd.	110.00	-
Security		
Corporate guarantee by holding Company, Enkei Corporation, Japan		
Repayment		
From time to time, nevertheless payable on demand. (rollover arrangements are entered with the bank with the same terms)		
(2) Mizuho Bank Ltd.	200.00	-
Security		
Letter of guarantee by holding Company, Enkei Corporation, Japan		
Repayment : Repayable on demand		
From time to time, nevertheless payable on demand. (rollover arrangements are entered with the bank with the same terms)		
(3) Sumitomo Mitsui Banking Corporation	70.00	200.00
Security		
Letter of guarantee by holding Company, Enkei Corporation, Japan		

There has been no breach of covenants mentioned in the loan agreements during the reporting period.

Note : 19. Trades payables -(current liabilities)

Particulars	As at December 31, 2019	As at March 31, 2019
Total outstanding dues of Micro, Small & Medium Enterprises	0.25	0.03
Total outstanding dues of Creditors other than Micro, Small & Medium Enterprises	418.97	403.96
Total	419.22	403.99

Please refer note 36 b for more details.

Note : 20. Other financial liabilities - (current liabilities)

Particulars	As at December 31, 2019	As at March 31, 2019
Financial liabilities carried at amortised cost		
Current maturities of long-term debt	139.05	132.54
Payables on purchase of Property, Plant and Equipments	53.72	137.96
Employee dues	35.86	14.20
Interest accrued but not due	3.63	0.71
Advance from customers	0.10	0.28
Derivative liability in respect of derivative contract	15.77	1.58
Total	248.12	287.27

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(All amounts in ₹ million, unless otherwise stated)

Note : 21. Other current liabilities

Particulars	As at December 31, 2019	As at March 31, 2019
Statutory dues payable	16.14	57.89
Advance from customers	0.08	0.34
Total	16.22	58.23

Note : 22. Short-term provisions

Particulars	As at December 31, 2019	As at March 31, 2019
Provision for employee benefits		
Provision for retirement allowance	4.13	1.82
Provision for compensated absences	1.68	0.78
Total	5.81	2.60

Please refer note 36 i for details of Defined Benefit plans.

Note : 23. Current tax liabilities

Particulars	As at December 31, 2019	As at March 31, 2019
Provision for Income Tax (Current Year)	6.96	-
Total	6.96	-

Note : 24. Revenue from operations

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Sale of products	2,632.15	4,685.09
Other operating revenues	35.43	59.76
	2,667.58	4,744.85

Note : 24.1 Particulars of sale of products

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Manufactured goods		
Wheels - Two wheelers	1,184.71	1,648.43
Wheels - Four wheelers	1,446.08	3,034.59
Total - Sale of manufactured goods	2,630.78	4,683.02
Traded goods		
Wheels - Four wheelers:		
Accessories	1.37	2.07
Total - Sale of traded goods	1.37	2.07
Total - Sale of products	2,632.15	4,685.09

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(All amounts in ₹ million, unless otherwise stated)

Note : 25. Other income

Particulars	For the year ended	
	December 31, 2019	Year ended March 31, 2019
Interest on term deposits	0.01	10.63
Profit on sale of property, plant and equipment	0.01	0.10
Miscellaneous income	-	0.01
Interest on income tax refund	2.89	-
Interest on others	0.15	3.48
Total	3.05	14.21

Note : 26. Cost of materials consumed

Particulars	For the year ended		Year ended	
	December 31, 2019		March 31, 2019	
Raw material inventory at the beginning of year	113.51		98.85	
Add: Purchases during the year	1,632.09		2,866.82	
	1,745.60		2,965.66	
Less: Raw material inventory at the end of year	310.12		113.51	
Cost of materials consumed	1,435.49		2,852.15	

Particulars	For the year ended		Year ended	
	December 31, 2019		March 31, 2019	
	%	Value	%	Value
Raw materials				
Imported	88.3	1,441.94	81.06	2,323.73
Indigenous	11.7	190.15	18.94	543.09
Total	100.0	1,632.09	100.00	2,866.82

Note : 27. Purchases of stock-in-trade

Particulars	For the year ended		Year ended	
	December 31, 2019		March 31, 2019	
Purchase of Accessories	1.23		1.68	
Total	1.23		1.68	

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

Particulars	For the year ended		Year ended	
	December 31, 2019		March 31, 2019	
	%	Value	%	Value
Traded Goods				
Indigenous Accessories	100.0	1.23	100.00	1.68
Total	100.0	1.23	100.00	1.68

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(All amounts in ₹ million, unless otherwise stated)

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

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Opening balances		
Finished goods manufactured	320.86	95.62
Work-in-Progress	5.93	10.50
Stock-in-trade	0.12	0.29
	326.91	106.42
Closing balances		
Finished goods manufactured	358.85	320.86
Work-in-Progress	0.08	5.93
Stock-in-trade	0.12	0.12
	359.06	326.91
Total	(32.15)	(220.49)

Note : 29. Employee benefits expenses

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Salaries and wages	237.20	315.09
Contribution to Provident and other Funds	14.95	16.36
Staff welfare expenses	27.14	39.06
Total	279.29	370.52

Please refer note 36 i gives details of Defined Benefit plans and Defined Contribution plans.

Note : 30. Finance costs

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Interest on term loans - Foreign Currency Loans (ECB)	6.24	10.05
Interest on Working Capital Demand Loan	18.04	24.24
Unwinding of interest on remeasurement of trade payables & defined benefit obligations	11.92	10.92
Other borrowing costs	8.59	0.01
Total	44.79	45.22

Note : 31. Depreciation & amortisation expense

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Depreciation on property, plant and equipment	158.62	213.38
Depreciation on right of use assets	18.98	-
Total	177.60	213.38

Notes

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(All amounts in ₹ million, unless otherwise stated)

Note : 32. Other expenses

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Manufacturing Expenses		
Consumption of stores & spares	269.36	437.77
Power and fuel	242.03	376.43
Processing charges- Remelting	45.77	83.07
Contract Labour	54.75	80.65
Royalty	39.12	62.27
Others	58.38	87.36
Sub total	709.41	1,127.54
Exchange variation on foreign currency transactions(net)	106.48	92.29
Administrative Expenses		
Legal and Professional Fees	58.82	15.50
Corporate Social Responsibility Expenses (refer note 36j)	2.94	1.75
Loss on sale of property, plant and equipment	4.58	0.34
Others	45.49	89.36
Sub total	111.83	106.96
Selling & Distribution Expenses		
Transportation expenses	93.75	151.05
Others	8.67	15.06
Sub total	102.43	166.11
Total	1,030.14	1,492.90

Note : 32.1 Consumption - Stores & Spares

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Opening Stock	31.65	23.03
Add: Purchases	272.69	446.39
	304.34	469.41
Less: Closing Stock	34.98	31.65
Cost of stores & spares consumed	269.36	437.77

Note : 33. Exceptional Items

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Related Party Liabilities (old) written back	289.71	133.04
Government Grant (PSI Scheme)	27.47	-
Total	317.18	133.04

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 34. Current Tax

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Current Tax - Current year	18.91	29.46
MAT credit entitlement	(11.81)	-
Current Tax - Prior period (Excess provisions of earlier years)	(12.92)	(13.42)
Total Current Tax Expense recognised in the statement of profit and loss	(5.83)	16.05

Note : 35. Deferred Tax

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Deferred Tax - Current Year (for temporary timing differences including reversals thereof)	30.00	(6.64)
Total	30.00	(6.64)

Note : 36. Additional information to the financial statements

Note	Particulars	As at December 31, 2019	As at March 31, 2019
a	Share Capital		
	During the year, the Company has allotted 853500 equity shares issued on preferential basis to its promoter & holding Company ENKEI CORPORATION, Japan after receiving the requisite approvals from the regulatory authorities.		
b	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.25	0.03
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	(iv) The amount of interest due and payable for the year	-	-
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

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

Amount of loan and advances in nature of loans outstanding from subsidiaries :

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

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

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

	As at December 31, 2019	As at March 31, 2019
	in Foreign currency	in Foreign currency
Forward Contracts against Imports		
- In million US Dollars Number of contracts (3)	0.81	1.78
- In million Japanese Yen Nil Number of contracts (Nil)	-	-
	0.81	1.78
	In Indian Rupees	In Indian Rupees
- Equivalent million Indian Rupees	57.60	123.01

e Details of CSR Expenditure : -

	For the year ended December 31, 2019	For the year ended March 31, 2019
Gross Amount to be spent during the year	2.81	1.69
a. Construction/acquisition of any asset		
b. Purpose other than (a) above	2.94	1.75
Amount spent during the year	2.94	1.75
Balance amount unspent as at close of the financial year	-	-

f Auditors Remuneration

	For the year ended December 31, 2019	For the year ended March 31, 2019
Statutory Audit	1.40	1.55
Certification Fees	0.10	0.02
Limited Reviews	0.15	0.15
Out of Pocket Expenses	0.03	0.21
Total	1.68	1.93

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

g **Contingent liabilities and commitments (to the extent not provided for)**

	As at December 31, 2019	As at March 31, 2019
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts -		
Disputed tax liabilities under the Income Tax Act	30.76	38.56
Disputed tax liabilities under MVAT and CST	2.82	2.34
Disputed tax liabilities under Central Excise Act	41.90	-
Disputed tax liabilities under Service Tax	0.77	-
(b) Guarantees issued by the banks	1.50	1.50
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets	890.99	770.18
(b) Other Commitments	-	-

Note :

- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities
- The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.

h **Earning per Share as computed in accordance with Ind AS 33**

	For the year ended December 31, 2019	For the year ended March 31, 2019
Net profit / (loss) for the year	27.25	127.33
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	27.25	127.33
Weighted average number of equity shares for calculation of Basic EPS	16.90	16.10
Weighted average number of equity shares for calculation of Diluted EPS	16.90	16.10
Face value per share	₹ 5/-	₹ 5/-
Earnings per share - Basic	1.61	7.91
Earnings per share - Diluted	1.61	7.91

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

i Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

1 Defined contribution plan - Provident fund

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised the following amounts in its Statement of Profit and Loss.

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Contributions to employee provident fund	9.39	10.40
Contribution to employee state insurance	0.73	0.91

2 Defined benefit plan

- i) The defined benefit plan comprises gratuity and compensated absences which are funded.
- ii) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Gratuity

Changes in present value of defined benefit obligation	For the year ended December 31, 2019	Year ended March 31, 2019
Present value of defined benefit obligation at the beginning of the year	26.13	24.06
Current service cost	2.06	3.14
Interest cost	1.51	1.78
Actuarial loss / (Gain) recognised in other comprehensive income		
a) Financial (Gain)/Loss on plan liabilities	2.30	(0.67)
b) Demographic (Gain)/Loss on plan liabilities	-	-
c) Experience (Gain)/Loss on plan liabilities	0.79	(1.00)
Past service cost	-	-
Benefits paid	(0.74)	(1.20)
Present value of defined benefit obligation at the end of the year	32.04	26.13

Change in the fair value of plan assets	For the year ended December 31, 2019	Year ended March 31, 2019
Fair Value of plan assets at the beginning of the period	24.31	23.43
Interest Income	1.49	1.75
Return on plan assets, excluding interest income	(0.03)	(0.03)
Contributions	3.00	0.50
Mortality charges and taxes	(0.12)	(0.15)
Benefit paid	(0.74)	(1.20)
Fair Value of plan assets at the end of the period	27.91	24.31

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Analysis of defined benefit obligation	For the year ended December 31, 2019	Year ended March 31, 2019
Present value of obligation as at the end of the year	32.04	26.13
Fair Value of Plan Assets at the end of the Period	27.91	24.31
Net (asset) / liability recognized in the Balance Sheet	4.13	1.82
Bifurcation of liability as per Schedule III		
Current Liability	4.13	1.82
Non-Current Liability	27.91	24.31
Net (asset) / liability recognized in the Balance Sheet	4.13	1.82
Components of employer expenses/remeasurement recognized in the statement of Profit and Loss	For the year ended December 31, 2019	Year ended March 31, 2019
Current service cost	2.06	3.14
Net Interest Cost	0.02	0.03
Past Service Cost	-	-
Mortality charges and taxes	0.12	0.15
Expenses recognized in the Statement of Profit and Loss	2.20	3.32
Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	For the year ended December 31, 2019	Year ended March 31, 2019
Actuarial loss / (gain)	3.09	(1.67)
Return on plan assets, Excluding interest income	0.03	0.03
Net (income)/expense recognized in the OCI	3.11	(1.64)
Analysis of defined benefit obligation	For the year ended December 31, 2019	Year ended March 31, 2019
Net opening provision in books of accounts	1.82	0.64
Employee Benefit Expense	2.20	3.32
Amounts recognized in Other Comprehensive Income	3.11	(1.64)
Contributions	(3.00)	(0.50)
Net (asset) / liability recognized in the Balance Sheet	4.13	1.82
Composition of the plan assets	For the year ended December 31, 2019	Year ended March 31, 2019
Policy of insurance	100%	100%
Total	100%	100%
Actuarial Assumptions:	For the year ended December 31, 2019	Year ended March 31, 2019
Discount rate	7.20%	7.80%
Salary Escalation	6.00%	6.00%

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Withdrawal rates per annum	For the year ended December 31, 2019	Year ended March 31, 2019
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 36 to 45 years	3.00%	3.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

- a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Projected benefit obligation on current assumptions	For the year ended December 31, 2019		Year ended March 31, 2019	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	30.11	34.15	24.56	27.84
Future salary growth (0.5 % movement)	34.01	30.22	27.74	24.64
Attrition rate (0.5% movement)	32.26	31.81	26.41	25.83

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	For the year ended December 31, 2019	Year ended March 31, 2019
1st Following year	1.92	1.55
2nd Following year	1.37	1.36
3rd Following year	1.48	1.34
4th Following year	2.20	1.46
5th Following year	1.72	2.20
Sum of years 6 to 10	14.04	11.15

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Weighted average assumptions used to determine net periodic benefit cost

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Number of active members	424	431
Per month salary cost for active members	6.27	6.01
Average monthly salary	14,798	13,934
Average age (years)	36.22	35.62
Weighted average duration of the projected benefit obligation (years)	9.51 years	8.3 years
Average expected future service (years)	15.34	15.63
Prescribed contribution for next year (12 Months)	1.50	2.00

Compensated Absences

Changes in present value of defined benefit obligation	For the year ended December 31, 2019	Year ended March 31, 2019
Present value of defined benefit obligation at the beginning of the year	14.50	12.79
Current service cost	1.52	3.26
Interest cost	0.83	0.95
Actuarial loss / (Gain)		
a) Financial (Gain)/Loss on plan liabilities	0.74	(0.23)
b) Demographic (Gain)/Loss on plan liabilities	0.78	-
c) Experience (Gain)/Loss on plan liabilities	0.60	-1.71
Past service cost	-	-
Benefits paid	(0.78)	(0.55)
Present value of defined benefit obligation at the end of the year	18.19	14.50

Change in the fair value of plan assets	For the year ended December 31, 2019	Year ended March 31, 2019
Fair Value of plan assets at the beginning of the period	16.39	12.91
Interest Income	0.96	1.08
Return on plan assets, excluding interest income	(0.09)	(0.18)
Contributions	-	3.00
Mortality charges and taxes	(0.03)	(0.04)
Benefit paid	(0.13)	(0.37)
Fair Value of plan assets at the end of the period	17.10	16.39

Analysis of defined benefit obligation	For the year ended December 31, 2019	Year ended March 31, 2019
Present value of obligation as at the end of the year	18.19	14.50
Fair Value of Plan Assets at the end of the Period	17.10	16.39
Net (asset) / liability recognized in the Balance Sheet	1.08	(1.90)
Bifurcation of liability as per Schedule III		
Current Liability	1.08	-
Non-Current Liability	17.10	14.50
Net (asset) / liability recognized in the Balance Sheet	1.08	-1.90

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Components of employer expenses/remeasurement recognized in the statement of Profit and Loss	For the year ended December 31, 2019	Year ended March 31, 2019
Current service cost	1.52	3.26
Net Interest Cost	(0.13)	(0.13)
Remeasurement Cost/ (Credit) for the year	2.21	(1.77)
Past Service Cost	-	-
Mortality charges and taxes	0.03	0.04
Expenses recognized in the Statement of Profit and Loss	3.63	1.41

Analysis of defined benefit obligation	For the year ended December 31, 2019	Year ended March 31, 2019
Net (asset) / liability recognized in the Balance Sheet	(1.90)	(0.12)
Employee Benefit Expense	(3.63)	(1.41)
Benefits directly paid by the company	0.65	0.18
Contributions	-	3.00
Net (asset) / liability recognized in the Balance Sheet	1.08	1.90

Composition of the plan assets	For the year ended December 31, 2019	Year ended March 31, 2019
Policy of insurance	100%	100%
Total	100%	100%

Actuarial Assumptions:	For the year ended December 31, 2019	Year ended March 31, 2019
Discount rate	7.2%	7.8%
Salary Escalation	6.0%	6.0%

Withdrawal rates per annum	For the year ended December 31, 2019	Year ended March 31, 2019
- 25 years and below	5.0%	5.0%
- 26 to 35 years	4.0%	4.0%
- 36 to 45 years	3.0%	3.0%
- 46 to 55 years	2.0%	2.0%
- 56 years and above	1.0%	1.0%

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(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

- The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Projected benefit obligation on current assumptions	For the year ended December 31, 2019		Year ended March 31, 2019	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	17.56	18.85	13.94	15.09
Future salary growth (0.5 % movement)	18.77	17.63	15.03	13.99
Attrition rate (0.5% movement)	18.44	17.92	14.77	14.21

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	For the year ended December 31, 2019	Year ended March 31, 2019
1st Following year	1.23	0.95
2nd Following year	0.59	0.60
3rd Following year	0.59	0.52
4th Following year	0.65	0.52
5th Following year	0.57	0.59
Sum of years 6 to 10	3.93	2.89

Weighted average assumptions used to determine net periodic benefit cost

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Number of active members	424	431
Total Monthly leave encashment salary in Rupees	13	12
Total Monthly leave availment salary in Rupees	17	16
Average age (years)	36.22	35.62
Total Leave Balances in days:		
Privilege Leave	16,148	15,315
Average past services in years	9.5	8.8

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

j Related Party Disclosures

Details of related parties:

Parent Company	Fellow subsidiaries *	Key Managerial Personnel	Entities over which Key Managerial Personnel of the company are able to exercise significant influence *	Others
Enkei Corporation	Enkei Audit & Computer Services Ltd.	Managing Director	Alicon Castalloy Ltd.	Enkei Wheels India Ltd. Employees group gratuity scheme
(with 73.65% shareholding in Company)	Enkei Thai Co. Ltd.	Kazuhiko Shimamura	Chemetall India Pvt. Ltd.	
	Enkei Thai Mouldings Ltd.	(up to 31.03.2019)	(upto 25-09-2018)	
	Enkei Asia Pacific Co. Ltd.	Kazuo Suzuki	HU Consultancy Pvt. Ltd.	
	Enkei Vietnam Co. Ltd.	(from 01.04.2019)	GSV Prasad & Co.	
	Enkei (Malaysia) Sdn. Bhd.	Other Directors	MRM & Associates	
	Enkei Phillipins Inc	Junichi Suzuki		
	PT Enkei Indonesia	Shailendrajit Rai		
		Haresh Shah		
		GSV Prasad		
		Shilpa Dixit		
		Chief Financial Officer		
		Jitendra Parmar		
		Company Secretary		
		Omkar Kaulgud		
		(upto 30.06.2018)		
		Shrikant Joshi -		
		(From 02.08.2018)		

* Only entities with whom transactions taken place

Related Party Transactions :

(Aggregate of the transactions)

Particulars	Parent Company	Entities over which Key Managerial Personnel of the parent company are able to exercise significant influence	Key Managerial Personnel	Entities over which Key Managerial Personnel of the company are able to exercise significant influence	Others	Total
Sale of Goods	CY	0.25	-	-	-	0.25
	PY	2.24	-	-	-	2.24
Purchase of stores & spares	CY	14.07	1.32	-	7.29	22.68
	PY	15.09	1.35	-	17.80	34.24

Notes

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(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Particulars		Parent Company	Entities over which Key Managerial Personnel of the parent company are able to exercise significant influence	Key Managerial Personnel	Entities over which Key Managerial Personnel of the company are able to exercise significant influence	Others	Total
Purchase of property and other assets	CY	228.77	33.36	-	-	-	262.13
	PY	140.03	66.77	-	-	-	206.80
Receiving of services	CY	2.75	5.18	-	27.16	-	35.10
	PY	16.14	4.58	-	35.22	-	55.94
Salaries & other reimbursements - paid	CY	45.02	0.48	-	-	-	45.50
	PY	12.22	-	-	-	-	12.22
Rent paid	CY	-	-	-	14.63	-	14.63
	PY	-	-	-	18.15	-	18.15
Expense reimbursements - received	CY	-	-	-	-	-	-
	PY	-	0.05	-	-	-	0.05
Compensation to Key Managerial Personnel	CY	-	-	15.25	-	-	15.25
	PY	-	-	12.70	-	-	12.70
Royalty paid	CY	39.12	-	-	-	-	39.12
	PY	62.27	-	-	-	-	62.27
Write back of liabilities	CY	-	289.71	-	-	-	289.71
	PY	-	133.04	-	-	-	133.04
Issue of shares	CY	435.29	-	-	-	-	435.29
	PY	348.73	-	-	-	-	348.73
Contributions	CY	-	-	-	-	3.00	3.00
	PY	-	-	-	-	0.50	0.50
TOTAL	CY	765.28	330.06	15.25	49.08	3.00	1,162.66
TOTAL	PY	596.72	205.79	12.70	53.01	0.50	868.72

Note: Related Party Transactions are shown at gross amount

Balances with related parties at the end of the period December 31, 2019

Nature of Balances with related parties		Holding Company	Entities over which Key Managerial Personnel of the parent company are able to exercise significant influence	Key Managerial Personnel	Entities over which Key Managerial Personnel of the company are able to exercise significant influence	Others	Total
Trade payable	CY	56.83	317.25	-	3.91	-	377.99
	PY	167.53	527.60	-	5.40	-	700.53
Trade receivables	CY	0.13	-	-	-	-	0.13
	PY	0.48	-	-	-	-	0.48

Notes

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(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Nature of Balances with related parties	Holding Company	Entities over which Key Managerial Personnel of the parent company are able to exercise significant influence	Key Managerial Personnel	Entities over which Key Managerial Personnel of the company are able to exercise significant influence	Others	Total
Capital Advances	CY	-	5.61	-	-	5.61
	PY	-	-	-	-	-
Guarantee/Letter of Comfort (Given by parent company)	CY	2,777.21	-	-	-	2,777.21
	CY	2,717.40	-	-	-	2,717.40
Capital Commitments	CY	30.34	5.55	-	-	35.89
	PY	27.56	5.13	-	-	32.69

Note: Figures in CY relates to the year FY 2019 and PY relates to the year 2018-19

Compensation to key managerial personnel :

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Short-term employee benefits	14.90	12.20
Post-employment benefits	0.13	0.16
Sitting Fees	0.22	0.34
Total	15.25	12.70

k Segment information

The Company operates in single segment, manufacture and sale of Alloy Wheels.

The revenues from customers attributed to the Company's country of domicile amount to ₹ 2,668 million (9 Months) (Previous Year ₹ 4,745 million) and revenues attributed to all foreign countries amount to ₹ 0.24 million (9 months) (Previous ₹ 1.04 million).

During the year one customer (previous year : one customer) of the Company contributed to more than 10% of the total Revenues amounting to ₹ 967.7 million (9 months) (previous year ₹ 1,297.7 million).

l Net debt reconciliation

Position of net debt

Particulars	As at December 31, 2019	As at March 31, 2019
Borrowings		
Non-current borrowings	1,003.53	522.67
Current borrowings	380.00	200.00
Current maturities of long term loans	139.05	132.54
	1,522.58	855.21
Less		
Cash & cash equivalents	412.52	201.67
Net debt	1,110.06	653.54

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Movement in net debt

Particulars	As at December 31, 2019	As at March 31, 2019
Opening net debt	653.54	635.79
Cash flows	404.20	(7.20)
Foreign exchange adjustment-loss /(gain)	52.32	24.95
Interest accrued but not due at the beginning of the year	0.71	0.22
Interest accrued but not due as at end of the year	(3.63)	(0.71)
Interest expense	24.28	34.29
Interest paid	(21.36)	(33.80)
Closing net debt as at 31st December 2019	1,110.06	653.54

m In the opinion of the board, current assets have a value on realisation, in the ordinary course of the Company's business, equal to the amount at which these are stated.

n Figures of the previous year have been regrouped, reclassified & restated wherever necessary to correspond with the current year classification /disclosure.

o **The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:**

Particulars	As at December 31, 2019	As at March 31, 2019
Profit before tax	51.42	136.73
Tax at the Indian Tax Rate	0.33	0.35
Expected tax expense	18.00	48.00
Effect of expenses that are not deductible in determining taxable profit	1.74	(18.32)
Total	19.74	29.68
Adjustments recognised in the current year in relation to the current tax of prior years	(12.92)	(13.42)
Adjustments recognised in the current year in relation to the current tax of prior years MAT	(11.81)	-
Total tax expense	(4.99)	16.27

p Financial Instruments

i) Financial Instruments by category

The carrying value of financial instruments by categories as on December 31, 2019 are as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Trade receivables	211.83	-	-	211.83
Cash and cash equivalents	412.52	-	-	412.52
Other balances with banks	-	-	-	-
Other financial assets	21.17	0.11	-	21.28
Total Assets	645.52	0.11	-	645.63

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Liabilities				
Borrowings	1,383.53	-	-	1,383.53
Trade payables	651.26	-	-	651.26
Other financial liabilities	232.35	-	15.77	248.12
Lease liabilities	80.44	-	-	80.44
Total Liabilities	2,347.58	-	15.77	2,363.35

The carrying value of financial instruments by categories as on March 31, 2019 are as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Trade receivables	436.36	-	-	436.36
Cash and cash equivalents	201.67	-	-	201.67
Other balances with banks	0.15	-	-	0.15
Other financial assets	22.07	-	-	22.07
Total Assets	660.25	-	-	660.25
Liabilities				
Borrowings	722.67	-	-	722.67
Trade payables	930.88	-	-	930.88
Other financial liabilities	285.69	1.58	-	287.27
Total Liabilities	1,939.23	1.58	-	1,940.81

ii) Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, deposits, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short-term nature of such assets and liabilities.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on December 31, 2019:

Particulars	As at December 31, 2019	Fair value measurement as at		
		Level 1	Level 2	Level 3
Derivative financial asset	0.11	-	0.11	-
Derivative financial liability	15.77	-	15.77	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2019 :

Particulars	As at December 31, 2019	Fair value measurement as at		
		Level 1	Level 2	Level 3
Derivative financial asset	-	-	-	-
Derivative financial liability	1.58	-	1.58	-

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Valuation technique and significant unobservable inputs:

- Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. Company does not value any financial instruments under Level 1.
- Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts.
- Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Financial Instruments measured/carried at amortised cost :

The management believes that the fair value of financial assets and financial liabilities, both current and non-current, measured at amortised cost is not materially different from carrying amount.

iii) Financial risk management

The Company's activities exposes it various financial risks, such as market risk (including currency risk, interest rate risk and price risk), credit risks and liquidity risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company's management have overall responsibility for the establishment and oversight of the Company's risk management framework. Derivatives are used for hedging of foreign currency liabilities and not as a trading or speculative purposes.

The Company has exposure to the following risks arising from financial instruments :

a. Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. It arises primarily from the Company's receivables from customers, bank balances and cash deposits. To manage this, the Company periodically assesses the balances of its trade receivables. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss, if any.

The carrying amount of trade and other receivables and other financial assets represents the maximum credit exposure.

i. Trade receivables

The management has established the policies under which customer accounts are regularly reviewed and monitored. The Company has a dedicated sales team which is responsible for reviewing, monitoring customer accounts and collecting dues from them within the credit period. Anyhow, almost all its customer base are OEMs and the Company does not have make follow ups for the collections.

Trade receivables that were not impaired

Particulars	Carrying amount (Rupees)	
	As at December 31, 2019	As at March 31, 2019
Less than six months old from due date	0.60	1.68
Not due as at balance sheet date	211.23	433.11
More than 180 days from due date	-	1.57
Total	211.83	436.36

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Movement in allowance for credit impairment

Particulars	
As at April 01, 2018	-
Provided during the year	-
Amount written off during the year	-
As at March 31, 2019	-
Provided during the year	-
Amount written off during the year	-
As at December 31, 2019	-

ii. Financial instruments and Cash deposits

Credit risk from bank balances bank deposits, derivative financial instruments are considered immaterial in view of the creditworthiness of the banks the Company works with. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. The company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both, in normal and exceptional conditions. In this respect, the Company' strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility through the availability of committed credit lines.

The Company has a view of maintaining liquidity and to take minimum possible risk for which company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position at each reporting date is given below:

Particulars	As at December 31, 2019	As at March 31, 2019
Cash and cash equivalents	412.52	201.67
Other balances with banks	-	0.15
Total	412.52	201.82

The following are the remaining contractual maturities of financial liabilities as on 31 December 2019.

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings - non-current	-	139.05	1,003.53	1,142.58
Borrowings - current	380.00	-	-	380.00
Trade payables -non-current	-	-	232.04	232.04
Trade payables -current	-	419.22	-	419.22
Other financial liabilities	-	109.07	-	109.07
Lease liabilities	-	27.84	52.60	80.44

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

The following are the remaining contractual maturities of financial liabilities as on March 31, 2019.

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings - non-current	-	132.54	522.67	655.21
Borrowings - current	200.00	-	-	200.00
Trade payables -non-current	-	-	526.88	526.88
Trade payables -current	-	403.99	-	403.99
Other financial liabilities	-	154.73	-	154.73

c. Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises three types of risks, interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables and deposits with banks.

i. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (INR) and in other foreign currencies such as USD and JPY. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where purchases (about 80 % of total purchases) is denominated in a foreign currency. The Company manages its foreign currency risk by hedging some part of its foreign currency liabilities loan using foreign currency forward contracts . The Company negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

The details of foreign currency exposures that have not been hedged by derivative instruments at the Balance Sheet date are provided in Note 36 (d) of the financial statements. The same is reproduced here.

Nature of exposure	Currency	December 31,2019		March 31,2019	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
External Commercial Borrowings	JPY	1,742.00	1,142.58	1,048.00	655.21
Payable towards Property, Plant and Equipment	JPY	11.21	7.35	156.22	97.67
	EURO	(0.11)	(8.68)	0.04	2.78
Trade Payables	USD	5.68	324.26	9.56	593.58
	JPY	21.69	14.23	(32.88)	(20.64)
Total Liabilities			1,479.73		1,328.60
Less : Trade Receivables and others	JPY	-	-	0.76	0.48
Net liabilities / (assets)			1,479.73		1,328.12

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Foreign currency sensitivity on unhedged exposure

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax	Effect on pre-tax equity
For the year ended December 31, 2019	USD	+5%	16.21	16.21
		-5%	(16.21)	(16.21)
	JPY	+5%	58.21	58.21
		-5%	(58.21)	(58.21)
For the year ended March 31, 2019	USD	+5%	29.68	29.68
		-5%	(29.68)	(29.68)
	JPY	+5%	36.59	36.59
		-5%	(36.59)	(36.59)

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate profile at the reporting date, the Company's interest bearing financial instruments are follows:

Particulars	As at December 31, 2019	As at March 31, 2019
Borrowings:		
Fixed rate instruments		
Foreign Currency Loan -External Commercial Borrowings	1,142.58	655.21
Variable rate instruments		
Working Capital Demand Loans	380.00	200.00

The sensitivity analysis below has been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest rate sensitivity on fixed rate instruments

Particulars	As at December 31, 2019	As at March 31, 2019
Impact on profit before tax		
Increase by 50 basis points	-	-
Decrease by 50 basis points	-	-

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Interest rate sensitivity on variable rate instruments

Particulars	As at December 31, 2019	As at March 31, 2019
Impact on profit before tax		
Increase by 50 basis points (0.5%)	(2.00)	(1.00)
Decrease by 50 basis points (0.5%)	2.00	1.00

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company maintains healthy capital gearing ratio by keeping debts to the minimum possible and infusion of funds from shareholders by the preferential allotments.

No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2019 and March 31 2019.

q Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 97.00/- million and a lease liability of ₹ 97.00/- million. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

The incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%

Following are the changes in the carrying value of right of use assets for the nine months ended December 31, 2019:

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Balance at the beginning	-	-
Additions	100.98	-
Deletions	-	-
Depreciation	18.98	-
Balance at the end	82.00	-

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense.

The following is the break-up of current and non-current lease liabilities as at December 31, 2019

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Current lease liabilities	27.84	-
Non-current lease liabilities	52.60	-
Total	80.44	-

The following is the movement in lease liabilities during the three months and nine months ended December 31, 2019:

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Balance at the beginning	-	-
Additions	100.98	-
Finance cost accrued during the period	6.08	-
Deletions	-	-
Payment of lease liabilities	26.62	-
Balance at the end	80.44	-

The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2019 on an undiscounted basis:

Notes

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 36. Additional information to the financial statements (contd.)

Particulars	For the year ended December 31, 2019	Year ended March 31, 2019
Less than one year	33.89	35.55
One to five years	57.70	82.70
More than five years	-	-
Total	91.59	118.25

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The accompanying notes form part of these financial statements

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

Suhurud Lele
Partner
Membership No. : 121162

Place: Pune
Date: February 27, 2020

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

Kazuo Suzuki
(Managing Director)
(DIN : 08350372)

Jitendra Parmar
(Chief Financial Officer)

Haresh Shah
(Director)
(DIN : 00228471)

Shrikant Joshi
(Company Secretary)
Membership No. : ACS 47346

Place: Pune
Date: February 27, 2020



Enkei Wheels (India) Limited

CIN : L34300PN2009PLC133702

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

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

Attendance Slip

I / We record my / our presence at the 'ELEVENTH ANNUAL GENERAL MEETING' of the Company to be held on **Saturday, 18th July 2020** at **12.30 p.m.** at the registered office of the Company at Gat no. 1425, Village Shikrapur, Taluka Shirur, Pune - 412208.

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

No. of Share held

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

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

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



Enkei Wheels (India) Limited

CIN : L34300PN2009PLC133702

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

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Proxy Form

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

1. Name:

Address:

Email Id: Signature: or failing him;

2. Name:

Address:

Email Id: Signature: or failing him;

3. Name:

Address:

Email Id: Signature: or failing him;

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 11th Annual General Meeting of the Company scheduled to be held on Saturday, 18th July 2020 and at any adjournment thereof, in respect of following resolutions.

ORDINARY BUSINESS:

Item No. 1 - To receive, consider and adopt the audited financial statements of the company for the financial year ended on 31st December 2019 (9 months) and the reports of the Board of Directors and Auditors thereon.

Item No.2 - To appoint a Director in place of Mr. Junichi Suzuki (Din: 02628162), who retires by rotation, and being eligible, seeks reappointment.

SPECIAL BUSINESS:

Item No. 3 - Issue of equity shares on preferential basis.

Signed this day of 2020

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

Signature of Proxy Holder



Note:

1. This proxy form in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 11th Annual General Meeting.



Enkei Wheels (India) Limited

CIN : L34300PN2009PLC133702

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Ballot Form (In lieu of E-voting)

1. Registered Folio Number / DP ID No. / Client ID No.
2. Name(s) & Registered Address
3. Name(s) of the Joint holder(s), if any
4. Number of Ordinary Share(s) held
5. I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the Eleventh Annual General Meeting (AGM) of the Company to be held on Saturday, 18th July 2020 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below :

Item No.	Description of Resolution	No. of ordinary Shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31 st December 2019 (9 months) and the reports of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Junichi Suzuki (Din: 02628162), who retires by rotation, and being eligible, seeks reappointment.			
3.	Issue of equity shares on preferential basis.			

Date :
Place :

Signature of Shareholder

Note : Please read the instructions printed overleaf before filling the form, valid Ballot form received by the scrutinizer by IST 5.00 p.m. on 17th July, 2020 shall only be considered.



INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. Shailesh Indapurkar, Practising Company Secretary, Unit: Enkei Wheels (India) Limited. C/o. Universal Capital Securities Pvt. Ltd., 21/25 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, so as to reach by IST 5.00 p.m. of 17th July, 2020. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Universal Capital Securities Pvt. Ltd. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DPID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
10. The Ballot Form is also placed on the website of the Company.

MAP FOR AGM VENUE



Notes

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Notes

A series of horizontal dotted lines for writing notes.



ENKEI WHEELS (INDIA) LIMITED

CIN : L34300PN2009PLC133702

Registered Office :

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

Tel. : (02137) 618700

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Website : www.enkei.in