



3<sup>rd</sup> Annual Report  
2011-2012

**ENKEI WHEELS (INDIA) LTD.**

An ISO / TS 16949 Company



*Be innovative and continue  
to challenge each other*

**BOARD OF DIRECTORS**

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

**BANKERS :**

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

**AUDITOR :**

M/s Asit Mehta & Associates

**Contents****COST AUDITOR:**

M/s F.X. Nelson Leo & Associates

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

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

**SHARE TRANSFER AGENTS :**

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

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## MD'S MESSAGE

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

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

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



**Masakatsu Uchiyama**  
Managing Director

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

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

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

**Masakatsu Uchiyama**  
Managing Director

Date: 24<sup>th</sup> July 2012

Dear Member,

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

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

Truly yours



**MASAKATSU UCHIYAMA**  
Managing Director

*Encl: Notice*

**NOTICE**

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

**ORDINARY BUSINESS:**

**Item No 1 Adoption of accounts**

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

**Item No 2 Re-appointment of Mr. Tetsuro Masui**

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

**Item No 3 Re-appointment of Mr. Dhananjay Jhaveri**

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

**Item No 4 Re-appointment of Mr. Sandeep Shah**

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

**Item No 5 Appointment of Auditors**

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

**SPECIAL BUSINESS:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**MASAKATSU UCHIYAMA**  
(Managing Director)

Place : Pune

Date : 24<sup>th</sup> July 2012

**NOTES**

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



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

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

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

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

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

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

**Item No.7**

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

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

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

**II. Perquisites, Benefits and Allowances**

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

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

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

**Other material terms**

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

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

**I. General Information:**

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

( ₹ in Millions)

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

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

**II. Information about appointee:**

**1. Background:**

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