

**Standardization and Optimization.**



**Maximize numbers using  
Innovations.**



**ENKEI WHEELS (INDIA) LIMITED**

An ISO/TS 16949:2009 ISO14001:2004 BS OHSAS 18001:2007 Company



#### **BOARD OF DIRECTORS:**

Mr. Kazuhiko Shimamura	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. Omkar Kaulgud

#### **BANKERS:**

Bank of Tokyo Mitsubishi UFJ 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
ICICI Bank Ltd.	-	Pune

#### **AUDITORS:**

Asit Mehta & Associates  
Chartered Accountants, Mumbai

#### **REGISTERED OFFICE & WORKS:**

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

#### **REGISTRAR & SHARE TRANSFER AGENTS:**

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

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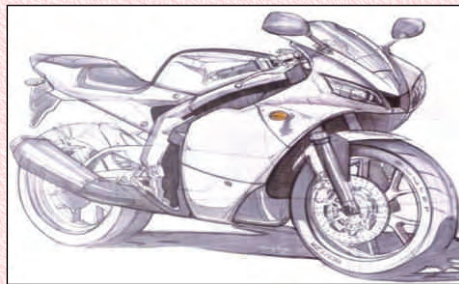
# PRODUCT PROFILE

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## PASSENGER CAR WHEELS



## MOTORCYCLE WHEELS





## MESSAGE FROM MD's DESK

*In order to embrace opportunities of favorable Indian automobile market and implement Diversity & Sustainability, Enkei India will enhance capacity of plant facility in the coming year and plan to increase production capacity.*



### Dear Shareholders,

It gives me an immense pleasure to share with you an update on the overall performance of the Company. I feel grateful for your continuous support towards Enkei Wheels (India) Limited.

### Performance

In the financial year, 2016-17 Enkei India made significant way towards the goal. The Indian government's move to ban high value notes (demonetization) on November 8, 2016 slowed down the market. Consequently orders for 2W segment took hit to some extent in 3Q however were recovered immediately. On the other hand, 4W segment was blessed with the favorable Indian market situation and thus Enkei India went for maximum orders & production numbers. Overall we landed with the 2.27 million wheels including 2W & 4W during the year. As against last year, Enkei India posted 6% growth in terms of sales volume as well as sales value - and delivered profit of AP 2.2 (Profit before tax Achieve Profit 2.2%).

### External Scenario

In case of 4W there are many new models being launched by our customers. It was a favorable market for the sale of sedan car & SUV car than ever. Since there was diversified car sale in domestic market, mounting rate of alloy wheel also went up which is the reason to boost the sales of 4W. For the first time in history, the automobile sale of Indian domestic market went beyond estimated number and achieved the sale of 3 million passenger cars (incl. UV & Van) which was up by 9.2% (3,046,727 Cars) and 2W segment witnessed the growth of 6.9% (17,589,511 Cars) in FY 2016-17.

### Internal Controllers

Internally, we continue to adopt & inculcate Enkei DNA, Enkei Ownership & 7 Efforts and try to Level & Label up of employees with the help of fundamentals like 5S activities & improve the loyalty of employees towards the company.

We also have been continuously practicing the BEP (Break Even Point) Management and Daily Income Statement (DIS), that is:

1. Increase Value Added Ratio (Implementation of 3B)
2. Reduce Fixed Cost (FCR Activity: Fixed Cost Reduction activity)
3. Increase Sales Amount (Adoption of Product Mix strategy)

Enkei India also makes use of CFT Activity (Cross Functional Team activity) for better problem solving, Enhancement of communication and motivational activities, Compliance of world standards (Certification of ISO/TS16949, ISO14001 & OHSAS18001) for environmental compliance and with the diversity in cars, Enkei India will have diversity in wheels as well, and in order to adjust to different designs of different models, Enkei India will undertake the process change, initiatives for new paint shades, thorough control over the process from development to final product stage including quality maintenance of large diameter wheels.

### Parent Support & Policy

It is our accomplishment that we have strengthened 66 years of vast experience of Enkei Group in the field of research & development and manufacturing of aluminum alloy wheels. The technical assistance & cultural exchange from Japan and other ASEAN group companies of

Enkei, help us to successfully uphold the No.1 position for OEM supplier in the hybrid industry producing 2W & 4W aluminum alloy wheels of India and we remain committed to continue the same growth.

### Looking Forward

Since 1st April 2017 there is a change in environmental standard (BS3 to BS4, BS=Bharat Stage) however it is expected that Enkei India's orders will not be much affected. Enkei India is looking forward for new orders & has set production target as "10% Higher Output" in the year to come. Enkei India, with orders & production along with maximum efforts, has set target over & above last year i.e profit of AP5. (Achieve Profit) In order to align with our Enkei Group 2017 Company Policy "INO BESHON DE SUUJI WO TSUKURU: Maximize numbers using innovations", Enkei India will set clear targets in numbers. We believe in the Enkei India 2017 slogan: "Standardization and Optimization". In order to align with our group standards, Enkei India will undertake Enkei standardization of production processes (smart factory, automation, robotization and installation of new technology),

- set up of testing lab for better quality control,
- improvement in DIS & BEP management for management control and
- implementation of the concept "**Build strong operations without labor cost impacts**", to reduce fixed cost.

In order to embrace opportunities of favorable Indian automobile market and implement Diversity & Sustainability, Enkei India will enhance capacity of plant facility in the coming year and plan to increase production capacity.

### Challenges

Currently India's growth rate is very high in the world however it is also addressing many issues like environmental challenges, introduction of GST, further compliances and huge transformations.

Each of them has different challenges and thus we will overcome them with the fundamental approach of proactive action (Be positive, Positive thinking), and also adhere to those policies and promote good production & exercise healthy management.

To adhere to the same, we will

- Follow upcoming GST laws & IND-AS (IFRS Converged Standards)
- Comply with health & safety standards, environmental management system

"ANZEN DAIICHI: Safety First,  
KENKOU DAIICHI: Health First,  
KHANKYOU DAIICHI: Green First".

With further preparation for the future and more contribution to the society we, Enkei India & Enkei group evolving to be a reliable company will ensure to prove its reason for existence in the society.

At the end of this communication, I would like to thank to all our stakeholders, shareholders, customers, suppliers, vendors, employees, union, our group companies, the Governments and regulatory agencies around the world for taking keen interest in the company and extending continuous support to us and we hope to receive the same in future as well.

**Kazuhiko Shimamura**  
Managing Director



## 7 YEARS AT A GLANCE

(Figures in Million)

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Net Sales	2389.2	2792.1	2863.4	3200.1	3839.3	3854.9	4067.2
Other Income	9.0	3.7	11.9	9.1	1.8	3.6	2.0
Material Cost	1353.3	1613.0	1545.7	1739.2	2140.2	2057.2	2221.4
Other Expenses	828.7	1038.6	1049.4	1141.4	1318.9	1521.9	1511.0
Interest	76.3	50.1	63.6	86.4	81.2	51.5	30.5
Depreciation	137.2	146.5	159.6	235.5	281.8	256.5	217.3
Profit Before Tax	2.7	-52.4	57.0	6.6	18.9	-28.6	89.0
Income Tax Provision	0.0	0.9	13.5	1.3	-3.9	26.1	46.9
Net profit after Tax	2.7	-53.3	43.5	5.3	22.8	-54.7	42.1
Net worth	222.5	77.9	121.4	160.3	183.1	261.2	444.7
Basic Earnings per share (₹) (Face Value of ₹ 5/-)	0.25	(4.78)	(3.86)	0.43	1.76	(4.03)	2.95
Basic Earnings per share (₹) (Face Value of ₹ 5/-) (Excluding Extraordinary Income/Expense)	0.25	(4.78)	(3.86)	0.43	1.76	(4.03)	2.95
Book Value per Share (₹)*	5.4	4.8	9.5	12.6	13.6	18.5	29.9
Debt Equity Ratio	8.40	8.69	7.05	5.39	3.411	2.40	1.38

**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/-

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ENKEI WHEELS (INDIA) LIMITED WILL BE HELD ON WEDNESDAY THE 19<sup>TH</sup> DAY OF JULY 2017 AT 12.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT GAT NO. 1425, VILLAGE SHIKRAPUR, TALUKA SHIRUR, PUNE-41220 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 31<sup>st</sup> March 2017 and the Reports of the Board of Directors and Auditors thereon.

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

**ITEM NO. 3** - Ratification of Appointment of Statutory Auditors.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s Asit Mehta & Associates, Chartered Accountants (Firm's Registration No. 100733W), as Auditors of the Company for the term of five years i.e. till the conclusion of the Tenth Annual General Meeting (AGM), to be held in calendar year 2019 subject to ratification at every AGM, be and is hereby ratified to hold office till the conclusion of Ninth AGM of the Company to be held in calendar year 2018 at such remuneration plus service tax, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

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



**Kazuhiko Shimamura**  
(Managing Director)  
(DIN: 05129816)

**Place : Pune**  
**Date : 25<sup>th</sup> May, 2017**

**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) Pursuant to SS-2 i.e. Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India, the route map for reaching the Meeting venue is given on page no. 86 of this Annual Report. Further, the Company has uploaded the above route map on its website at [www.enkei.in](http://www.enkei.in).
- 3) 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.





- 4) The Registrar of Members and Share Transfer Books of the Company will be closed from 13<sup>th</sup> July 2017 to 19<sup>th</sup> July 2017 (both days inclusive).
- 5) Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
- 6) Following are the details of director seeking appointment/re-appointment at Annual General Meeting.

Sr. No.	Particulars	Description
1.	Name of Director	Shailendrajit Rai
2.	Father's Name	Charanjit Rai
3.	Relationship with other Directors	NIL
4.	Date of Birth	01 / 02/ 1956
5.	Date of Appointment	30 / 03 / 2009
6.	Qualifications	Chartered Accountant
7.	Expertise	Management & Finance
8.	List of outside directorships Held (Public Limited Co.)	1. Alicon Castalloy Limited 2. Silicon Meadows Engineering Services Limited 3. Silicon Meadows Design Limited 4. Atlas Castalloy Limited
9.	Member of the Committees in other companies in India	02
10.	Shareholding in the Company	262,674

- 7) In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and in terms of Regulation 44 of Listing Regulations, 2015 all the businesses i.e. Ordinary and Special may be transacted through electronic voting system (remote e-voting), which is being provided by the Company or by ballot paper. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the remote e-voting facility. The instructions for remote e-voting are given herein below.

**The instructions for shareholders voting electronically are as under :**

- (i) The voting period begins on 16<sup>th</sup> July, 2017 at 9.00 a.m. (IST) and ends on 18<sup>th</sup> July, 2017 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 12<sup>th</sup> July, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID,
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

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





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

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

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

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




**DIRECTORS' REPORT**

To,  
The Members,  
We are delighted to present the Eighth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2017:

**Financial Highlights:**

The Company's financial performance during the year 2016-17, as compared to the previous year 2015-16 is summarized below:

Particulars	(₹ In Million)	
	For the Year ended March 31,2017	For the Year ended March 31,2016
Net Sales	<b>4,067.17</b>	3,854.86
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)	<b>336.82</b>	400.45
Less : Depreciation	<b>217.33</b>	256.47
Less : Financial Expenses	<b>30.48</b>	51.50
Profit / (Loss) before exceptional and extraordinary items and tax	<b>89.01</b>	92.49
Less : Exceptional and Extraordinary items	—	(121.09)
Profit / (Loss) before Tax	<b>89.01</b>	(28.60)
Less : Provisions for Taxes	<b>46.89</b>	26.11
Profit/(Loss) after Tax	<b>42.12</b>	(54.71)

**REVIEW OF OPERATIONS:**

In the financial year, 2016-17 your Company has made significant way towards the goal of productivity up. Due to Demonetization announced by Central government on 8th November, 2016 overall 2 wheeler market slowed down. Therefore Company's 2 Wheeler wheels orders took hit to some extent in third quarter however those were recovered immediately in the fourth quarter. On the other hand, Company's orders for 4 Wheeler was blessed with the favorable Indian market situation and thus Company went for maximum orders & production numbers. Overall your Company landed with the sales of total 2.27 million wheels during the year under review. Your Company had posted 6% growth in terms of sales volume as well as sales value in year under review as compared to last year.

**TURNOVER**

During the year under review, the Company has recorded Gross Sales of ₹5216.58million (net Sales of ₹ 4067.17) in current financial year as compared to Gross Sales of ₹5175.56 million (net sales of ₹3854.86 million) last financial year. There was a increase of 6% in sales of the Company as compared to last year. Despite of Demonetization in third quarter your Company has managed to maintain the growth in year under review mainly due to good orders from 4 wheeler manufactures.

**CAPITAL**

During the year under review, Company has allotted 743,835 Equity Shares on Preferential basis on 16th January 2017 against share application money of ₹ 14,13,28,650 at ₹ 190 (including the premium of ₹185) each received from its Holding Company i.e. Enkei Corporation, Japan after obtaining requisites approvals from all competent authorities.