

**PROACTIVE
ACTIONS**

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**WARDS
THE FUTURE**



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Forward looking statements

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

The most relevant is a Company which has time and again demonstrated a **proactive approach** in responding to **every challenge** that came in its way.

Known for its product quality and **innovativeness**, **Enkei Wheels (India) Limited** today is one of the **leading aluminium alloy wheels** manufacturers in India with a long term **successful track record** and **long-standing customer relationships**.



A fitting proxy for the globally renowned Enkei Corporation, a global leader in this segment.

At Enkei, our future-readiness represents the foundation of our sustainability.

This future readiness is demonstrated by...

... continuous capacity expansion to address prospective demand

... superior innovation and rationalisation of costs to stay ahead of the competition

... building strong relationship with our customers to emerge as a preferred supplier

... exploring the unexplored



KNOWING ENKEI WHEELS INDIA LIMITED

Who we are

Operating as a B2B company, Enkei Wheels (India) with its rich industry experience of more than six decades, has evolved to emerge as one of India's leading aluminium alloy wheels manufacturer in the two wheeler and four wheeler segment.

Established in 2009, Enkei Wheels (India) Limited is recognised and respected for the quality of its products, innovativeness, efficiency of its operations, technological advancements, customer satisfaction and the resulting goodwill. Today, the Company is one of the leading suppliers of aluminium alloy wheels to some of the renowned players in the Indian automotive industry and has been highly successful in building a multi-year relationship with them.

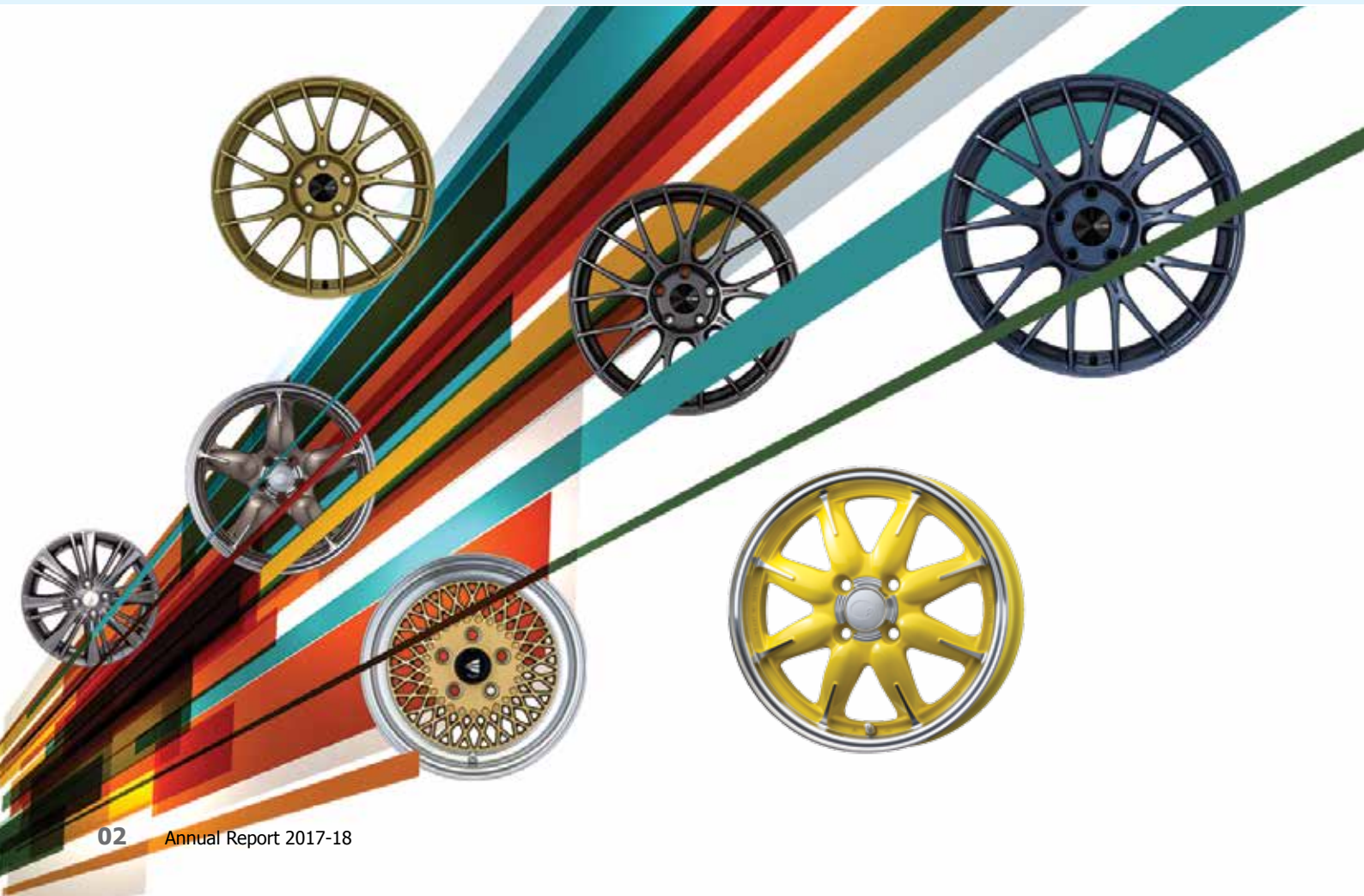
Formed owing to the demerger between Aicon Castalloy Ltd (formerly known as Enkei Castalloy Ltd.), the Company is now a part (overseas subsidiary) of the globally renowned Japanese multinational company, Enkei Corporation.

Where we are

With its corporate office at Gat No. 1425, Village Shikrapur, Taluka Shirur, Dist. Pune - 412 208, the Company has its state-of-the-art manufacturing facility located at Shirur in Pune (India).

What we do

With a deep rooted knowledge about the industry, the Company is involved in the business of manufacturing aluminium alloy wheels for two-wheeler and three-wheeler vehicles. Characterised by its quality, the Company's products empower its customers with top-of-the-line Japanese technology products.



Our capacity

With a production capacity of 1,08,000 pieces/month/line, the technologically advanced manufacturing facilities of the Company are able to produce world class products of top notch quality.

Our clientele

Enkei, today, is the preferred aluminium alloy wheel supplier for some of the biggest names in the Indian automobile industry like Maruti Suzuki India Ltd, Toyota Kirloskar Motor Pvt. Ltd., Honda Cars (India) Ltd. and Hindustan Motors Ltd. in the - four-wheeler segment whereas the two-wheeler segment includes names like Honda Motorcycle and Scooter India Private Limited and Suzuki Motorcycle among others.





OUR FINANCIAL PERFORMANCE

We believe in yielding incremental returns for our stakeholders by investing in long-term growth opportunities. Our aim is to build on our core values and principles so that we could sustain growth by focusing on profitable niches and offering innovative products. For Enkei, the equation is simple: operational excellence + cost leadership = customer satisfaction.



OUR GROWTH STORY IN NUMBERS

(Amt. in Millions ₹)

Particulars	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
Net Sales	3,200.1	3,839.3	3,854.9	4,067.2	4,638.1
Other Income	9.1	1.8	3.6	2.0	64.7
Material Cost	1,739.2	2,140.2	2,057.2	2,221.4	2,575.8
Other Expenses	1,141.4	1,318.9	1,521.9	1,511.0	1,653.2
Interest	86.4	81.2	51.5	30.5	47.5
Depreciation	235.5	281.8	256.5	217.3	233.0
Profit Before Tax	6.6	18.9	(28.6)	89.0	193.3
Income Tax Provision	1.3	(3.9)	26.1	46.9	85.5
Net profit after Tax	5.3	22.8	(54.7)	42.1	107.8
Share Capital	63.8	67.1	70.7	74.4	77.1
Reserves	96.5	116.0	(47.4)	240.0	729.1
Net worth	160.3	183.1	23.3	314.4	806.2
Basic Earnings per share () (Face Value of 5/-)	0.43	1.76	(4.03)	2.95	7.11
Basic Earnings per share () (Face Value of 5/-) (Excluding Extraordinary Income/Expense)	0.43	1.76	(4.03)	2.95	7.11
Book Value per Share ()*	12.6	13.6	1.6	21.1	52.3

* 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/-

CHAIRMAN'S MESSAGE



The year closed with a sale of 2.36 million wheels - (including both 2-wheeler and 4-wheeler segment) compared to previous year's 2.27 million wheels, thereby witnessing a growth of 4% which has been achieved owing to the process improvements undertaken during the year.

Dear Shareholder,

It gives me immense pleasure to share with you an update on the overall performance of the Company for FY18. I feel grateful for your continuous support towards Enkei Wheels (India) Limited.

Performance

In FY18 Enkei India made significant improvement towards achieving its goal. Owing to the sustained favourable market scenario we grew our order book significantly during the year. We achieved a capacity utilisation of 100% of the installed capacity during the year - the watchword for the year for Enkei being "produce more and sell more."

The year closed with a sale of 2.36 million wheels - (including both 2-wheeler and 4-wheeler segment) compared to previous year's 2.27 million wheels, thereby witnessing a growth of 4% which has been achieved owing to the process improvements undertaken during the year.

Whilst 4% was increase in sales volume, growth in terms of sales value was 14% which was achieved by enhancing the product mix, thereby enabling maximisation of revenue and delivered profit of AP 4.2 (Profit before tax Achieve Profit 4.2%).

Standardisation and optimisation

For Enkei India the slogan for FY18 was "Standardisation & Optimisation". Accordingly, Enkei India has successfully implemented many Enkei standardisation projects like new testing lab, CNC robotisation and converting MAP process to MAT process among others. These standardisation are expected to improve Enkei India's productivity and help meet the increasing orders from the customers.

Apart from this, Enkei India has also adopted the Group concept "Build strong operation without Labour cost Impact" and followed it up with further group guideline of "10% increased output without labour cost impacts." This meant increasing the overall Enkei Group target by 10% - yet with no corresponding increase in additional labour costs, emphasising the Company's increased focus on automation.

Proposed expansion

In FY18, the Board of Directors in their meeting held on 3rd August, 2017 has approved proposed expansion plan in the land adjacent to existing factory at Shikrapur. The expansion envisages 2 new MAT Lines (passenger cars wheels) & advanced paint shop with a completion target by December, 2019.

Post-expansion Enkei India will be in a position to produce wheels of bigger size, which are currently in high demand from customers. Production capacity will be nearly double for passenger cars wheels and with the advanced paint shop facility at Shikrapur should improve painting quality.

Our customer's market share in the Indian Market is increasing every day. With increase in capacity Enkei India will be able to fulfil customers demand.

Parent support and policy

A very strong point of Enkei India is the enriching experience of the Parent Company in the realm of research and development of aluminium alloy wheels and continuous support from ASEAN Companies for benchmarking.

By sharing its rich knowledge bank Enkei Corporation helps us to successfully maintain the leader position in the supply of alloy wheels to OEM supplier in the hybrid industry producing 2-wheeler and 4-wheeler aluminium alloy wheels for the Indian market. Moving forward, we remain committed to continue with the same growth strategies.

Challenges

The year 2017-18 was marked by a number of key structural initiatives in the Tax & Legal fields of India like implementation of GST and application of the new IND-AS among others. Currently, the economy seems to be on the path of recovery, with indicators of industrial production, stock market index, auto sales and exports having shown some uptick. India's economy is projected to grow 7.6% in FY19 from the 6.7% growth registered in FY18.

However, the increasing inflation, steep depreciation in Indian rupee against USD continues to hurt importers, Enkei India being no exception. During the year, due to US sanctions on Russia, LME prices of aluminium increased rapidly. Smooth supply of our raw material i.e. aluminium ingot was the biggest challenge for Enkei India.

With further preparation for the future and more contribution to the society we, Enkei India & Enkei group continue to be recognised for its reputation and a company to be relied on for quality and consistency in performance by following Safety First, Health First & Green First.

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 showing keen interest in the Company and extending continuous support to us and we hope to receive the same in future as well.

Looking forward

Vehicle pollution is a challenge for the automobile industry. Thus, since the year 2017 there is a change in environmental standard (BS3 to BS4, BS=Bharat Stage). This will continue and assist the government in defining the regulations on emissions and fuel efficiency, which can support EV adoption and focus on developing a supportive ecosystem. Considering the same, lighter wheels will be in demand. Further, bigger size alloy wheels trend with reface and multi-coloured wheels will be an attraction for the customers. Enkei India has the experience and capacity to deliver bigger size wheels with upgraded technology, so we are looking forward to new orders in the year to come. Enkei India, with estimated orders and production schedule set profit target over and above last year i.e. profit of AP6 (Achieve Profit before tax 6%).

In order to achieve AP6 and to align with our Enkei Group 2018 Company Policy "Build New Technology using Innovations", Enkei India will focus and upgrade the advanced technology for manufacturing the alloy wheels of passenger cars. The upgradation in production processes, smart factory, automation, robotization, installation of MAT technology and procuring latest equipment for testing laboratory for better quality control are the priority agendas for the year ahead.

Enkei India set a 2018 slogan: "Proactive Actions towards the Future". We will set clear targets in numbers and will continue and focus on improvement in daily income statement and break-even point management for robust control over process and further implement of 10% higher output and 10% reduction in fixed cost.

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

Kazuhiko Shimamura

Managing Director



CORPORATE INFORMATION

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

MUFG Bank Ltd
Mumbai

Mizuho Bank Ltd
Mumbai

Sumitomo Mitsui Banking Corporation
Delhi

Axis Bank Ltd
Pune

Kotak Mahindra Bank Ltd
Pune

State Bank of India
Pune

Auditors

Asit Mehta & Associates
Chartered Accountants, Mumbai

Registered Office & Works

Enkei Wheels (India) Limited,
CIN : L34300PN2009PLC133702
Gat no. 1425, Village Shikrapur,
Taluka Shirur, Dist. Pune - 412208.

Tel: (02137) 618700 , Fax: (02137) 618720

Email: secretarial@enkei.in

Website : www.enkei.in

Registrar & Share Transfer Agents

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Andheri, (East), Mumbai 400093.

Tel: 022-28207203-05/ 28257641

Email: info@unisec.in