



Be Innovative & Continue to Make
More Effort than 2013

ENKEI WHEELS (INDIA) LIMITED

An ISO/TS 16949 ISO14001 Company

**ENKEI**

ENKEI WHEELS (INDIA) LTD.

BOARD OF DIRECTORS:

Mr. Masakatsu Uchiyama	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
Mr. Kazuhiko Shimamura (upto 14th August 2014)	Alternate Director to Mr. Junichi Suzuki
Ms. Shilpa Dixit (w. e. f. 14th August 2014)	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:

M/s Asit Mehta & Associates
Chartered Accountants, Mumbai

COST AUDITORS:

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

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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ALLOY WHEELS 2W



ALLOY WHEELS 4W





Masakatsu Uchiyama
Managing Director

MESSAGE FROM MD's DESK

'The biggest strength of Enkei Wheels (India) Limited, is the 62 years of rich experience of the Enkei Group in the field of research & development and Manufacturing of aluminum alloy wheel.'

I would like to begin by expressing my appreciation to all of you for extending your continuous support towards Enkei Wheels (India) Limited.

REVIEW FOR THE YEAR GONE BY

In the year 2013-14, we brought MAP4 production line into operation and could make the aim "capacity up" come true.

However, the external environment surrounding us, continued to become tough. We could not secure the order quantity that we had planned in Business Plan due to continuance of rupee devaluation in foreign exchange market, downturn of Indian Economy, stagnation in an automobile market etc.

To reason it with, the Indian automobile industry had to witness negative ▼ 6.1% growth for passenger cars (incl. UV & Van) as a result in 2013-14 (domestic sale) against the previous fiscal year. Whereas the 2 wheeler segment faced 7.3% positive growth but still it has fallen below forecast and remained in the low growth exchange.

ENKEI MANAGEMENT POLICY TO SURVIVE THROUGH

We remained cognizant of the importance of maintaining Financial strength and thus, we adopted following measures in order to surmount such tough and difficult situation.

1. Practice of BEP (Break Even Point) Management

We have been practicing

- ① Increase Value Added Ratio
- ② Reduce Fixed Cost
- ③ Increase Sales Amount

2 Also implemented Shrink Balance (Keeping the damage to minimum by deploying Manufacturing capacity aligning with orders) immediately.

3 We have been practicing Product Mix as well. When orders for 4W reduced, we ensured maximum orders, maximum production, and Maximum sales for 2W. At the same time, ensured the job security of employees.

FINANCIAL FIGURES FOR THE YEAR UNDER REVIEW

As a result of all this, the sale was posted 11.8% up as compared

to previous fiscal year, and we could achieve the overall sale of INR 3600 Million (incl. excise duty) in the reporting year. Also, we could land up with positive result with the enormous co-operation extended by our Enkei Group. In the coming years also, we will keep increasing the target level and will put our best efforts towards achieving it.

The biggest strength of Enkei Wheels (India) Limited, is the 62 years of rich experience of the Enkei Group in the field of research & development and manufacturing of aluminum alloy wheel. The strong technical support & cultural exchange from Japan and other ASEAN group companies of Enkei, help us to continue the No.1 position for aluminum wheels OEM supplier at present in India. And we commit to sustain the same growth.

THE NEXT LEVEL STRATEGY

In the present fiscal year also, on the basis of our Enkei Group Management principle, we will continue to practice Enkei DNA, exercise 5S Activity & Daily Income Statement, and use 3 Basics of Manufacturing. We will also develop various improvement activities to the maximum level, intended to implement with purpose in order to improve quality and aim at acquisition of more new orders and stable production.

ENKEI ON THE POLITICAL FRONT OF INDIA

India has new political administration system in 2014-15, and the sale of many new models of cars has been started by our customers. Even for Indian automobile Industry, the environment has started building on the momentum which was absent earlier. Even we will ride on this favorable wind, and along with accepting orders and production activities, we have strong intention to put our best efforts towards making more profit than the previous financial year.

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

Masakatsu Uchiyama
Managing Director



Date: 14th August 2014

Dear Member,

You are cordially invited to attend the Fifth Annual General Meeting of the members to be held on Thursday the 25th day of September 2014 at 12.30 p.m. at the registered office of the Company at Gat No. 1425, Village Shikrapur, Taluka Shirur, Pune-412208.

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

Very truly yours

For **Enkei Wheels (India) Limited**

Masakatsu Uchiyama
Managing Director
(DIN: 05239285)

Encl: Notice

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ENKEI WHEELS (INDIA) LIMITED WILL BE HELD ON THURSDAY THE 25TH DAY OF SEPTEMBER 2014 AT 12.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT GAT NO. 1425, VILLAGE SHIKRAPUR, TALUKA SHIRUR, PUNE-412208 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM NO. 1 - ADOPTION OF ACCOUNTS

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 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 DIRECTOR

To appoint a director in place of Junichi Suzuki (DIN: 02628162), who retires by rotation, and being eligible, seeks reappointment.

ITEM NO. 4 - APPOINTMENT OF AUDITORS

To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Asit Mehta & Associates, Chartered Accountants (Firm Registration no. 100733W), be and are hereby re-appointed as Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of Tenth Annual General Meeting to be held in Calendar Year 2019 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

ITEM NO. 4 - ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION AS PER COMPANIES ACT, 2013.

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

"RESOLVED THAT consequent to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of the Articles of Association of the Company in the form and manner as per the draft Articles of Association placed before the meeting and annexed to this Notice as Annexure A, be and is hereby approved and adopted and the same shall be in substitution for, and to the entire exclusion of the existing set of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

ITEM NO. 5 - APPOINTMENT OF INDEPENDENT DIRECTOR

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 Sections 149, 152 and read with Schedule IV and other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Haresh Shah (DIN 00228471), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the

Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years upto the conclusion of the 10th Annual General Meeting of the Company to be held in the calendar year 2019 subject to Dr. Haresh Shah satisfying the criteria of independence in terms of the Companies Act 2013, Rules made thereunder and the Listing Agreement, and shall not be liable to retire by rotation. "

ITEM NO. 6 - APPOINTMENT OF INDEPENDENT DIRECTOR:

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 Sections 149, 152 and read with Schedule IV and other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Satyavara Prasad Garimella (DIN 05344245), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years upto the conclusion of the 10th Annual General Meeting of the Company to be held in the calendar year 2019 subject to Mr. Satyavara Prasad Garimella satisfying the criteria of independence in terms of the Companies Act 2013, Rules made thereunder and the Listing Agreement, and shall not be liable to retire by rotation."

ITEM NO. 7 - APPOINTMENT OF INDEPENDENT DIRECTOR:

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

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Shilpa Dixit (DIN 00001761), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years for a term upto the conclusion of the 7th Annual General Meeting of the Company to be held in the calendar year 2016, subject to Ms. Shilpa Dixit satisfying the criteria of independence in terms of the Companies Act 2013, Rules made thereunder and the Listing Agreement, and shall not be liable to retire by rotation."

ITEM NO. 8 - TO APPROVE BORROWING LIMIT:

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

"RESOLVED THAT in supersession of the resolution passed under Section 293(1)(d) of the Companies Act, 1956, at an Extra-Ordinary General Meeting held on 11th January 2011 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, the consent of the Company be and is hereby accorded to the Board of Directors to borrow monies from time to time for the purpose of the business of the Company, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate of the paid up Capital of the Company and its free reserves, that is to say reserve not set apart for any specific purposes provided however that the total amount up to which monies may be borrowed shall not to exceed ` 2,00,00,00,000 (Rupees Two Hundred Crores Only)."

ITEM NO. 9 - MORTGAGE / CHARGE OF ASSETS

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

"RESOLVED THAT the approval of the Company be and is hereby accorded under Section 180 (1)(a) of the Companies Act, 2013, for mortgaging and/ or charging by the Board of Directors of the Company, all or any of the movable or immovable properties wherever situate, both present and future or the whole or substantially the whole of the undertaking or the undertakings of the Company for the purpose of securing any loan obtained or proposed to be obtained from any financial institution or person(s) together with interest, costs, charges, expenses and any other money payable by the Company not exceeding ` 2,00,00,00,000 (Rupees Two Hundred Crores Only)."

ITEM NO. 10- TO APPROVE THE REMUNERATION OF COST AUDITOR:

To approve the remuneration of the Cost Auditors for the Financial Year ending 31st March, 2015 and in this regard 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. F. X. Nelson Leo & Associates, the Cost Auditors, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

For & On Behalf of the Board of Directors

Masakatsu Uchiyama
(Managing Director)
(DIN: 05239285)

Place : Pune

Date : 14th August 2014

Registered Office

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

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY IN NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.THE BLANK PROXY FORM IS ENCLOSED.
- 2) An explanatory statement as required under Section 102(1) of the Companies Act, 2013 is annexed herewith and forms part of the Notice.
- 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 16th September 2014 to 25th September 2014 (both days inclusive).
- 5) Details pursuant to clause 49 of the Listing agreement with the stock exchanges in respect of directors seeking appointment/re-appointment at Annual General Meeting forms part of Corporate Governance Report.
- 6) 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.
- 7) Members are requested to notify immediately any change of their address.
- 8) Members/ proxies should bring their attendance slip duly filled in for attending the meeting along with copy of the notice. Corporate shareholders intending to send their authorised representative to attend the meeting are requested to send a certified copy of Board Resolution authorising their representatives to attend and vote on their behalf in the meeting.
- 9) The Company has appointed M/s. Universal Capital Securities Pvt. Ltd., to act as Registrar and Share Transfer Agents of the Company. The members are requested to send all share transfers and other correspondence to M/s. Universal Capital Securities Pvt. Ltd., at the following address:
M/s. Universal Capital Securities Pvt. Ltd.,
Unit: Enkei Wheels (India) Limited,
CIN : L34300PN2009PLC133702
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East),
Mumbai - 93, Tel 022-28207203-05
Email : - info@unise.in
- 10) The Company is pleased to offer E-Voting facility for its Members to enable them to cast their votes electronically with the help of Central Depository Services (India) Limited (CDSL). For conducting this e-voting activity in a fair and transparent manner, the Board of Directors has appointed M/s. Shailesh Indapurkar & Associates, Practising Company Secretaries as Scrutinizers.
- 11) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
- 12) The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (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 8 digits of the Sequence number which is mentioned in address Label affixed on Annual Report, 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If 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.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 19th September 2014 at IST 9.00 a.m. and ends on 21st September 2014 at IST 6.00 p.m. The e-voting module shall be disabled by CDSL for voting thereafter.

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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

MEMBERS WHO WISH TO VOTE USING BALLOT FORM:

In terms of Clause 35B of the Listing Agreement members may fill in the Ballot Form which is the part of this annual report 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 6.00 p.m. of 21st September, 2014. 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. The ballot form is also available on the website of the Company at www.enkei.in

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 physical ballot form would be ignored.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013.**Item No. 4:**

The major part of the Companies Act, 2013 and rules made thereunder are now in force. The new Companies Act, 2013 has been replace the existing Companies Act, 1956.

On 12th September, 2013 the Ministry of Corporate Affairs ('MCA') had notified 98 Sections for implementation. Subsequently, on 26th March, 2014, MCA notified most of the remaining Sections.

The substantive sections of the Act dealing with the operations and management of companies have been notified. The existing Articles of Association of the Company based on the Companies Act, 1956 and some regulations in the existing Articles of Association may not, therefore, be in conformity with the Act. In view of above, it is proposed to amend the existing Articles of Association of the Company to fall in line with the Companies Act, 2013. This will facilitate the harmony in decisions of the Company and The Companies Act, 2013.

The proposed new set of Articles of Association of the Company is attached as Annexure A to this Notice of the Annual General Meeting for perusal by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out in Item No. 4 of the Notice, except to the extent of their shareholding in the Company.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5:

Dr. Haresh Shah is a Non -Executive (Independent) Director of the Company. He joined the Board in 15-07-2009. He is liable to retires by rotation in Annual General Meeting under the provisions of erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, he being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Dr. Haresh Shah for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Dr. Haresh Shah:

- (i) consent in writing to act as director in Form DIR - 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013,
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013

The resolution seeks the approval of members for the appointment of Dr. Haresh Shah as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the

rules made thereunder. He is not liable to retire by rotation.

Following is the Brief Profile of Dr. Haresh Shah:

Sr. No.	Particulars	Description
1.	Name of Director	Haresh Shah
2.	Father's Name	Babulal Shah
3.	Relationship with other Directors	NIL
4.	Date of Birth	06 / 05 / 1957
5.	Date of Appointment	15 / 07 / 2009
6.	Qualifications	Chartered Accountant, Ph. D. in Mergers and Acquisitions
7.	Expertise	Finance & Corporate Restructuring
8.	List of outside directorships held	HU mergersindia.com Private Limited Nirsau Consultancy Private Limited Anvil Share And Stock Broking Private Limited Revelation Portfolio Managment Private Limited HU Consultancy Private Limited
9.	Member of the Committees in other companies in India	Nil
10.	Shareholding in the Company	Nil

In the opinion of the Board of Directors, Dr. Haresh Shah, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Dr. Haresh Shah as an Independent Director.

No director, key managerial personnel or their relatives, except Dr. Haresh Shah, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No. 6:

Mr. Satyavara Prasad Garimella is a Non -Executive (Independent) Director of the Company. He joined the Board in 24-07-2012. He is liable to retire by rotation in Annual General Meeting under the provisions of erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, he being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Satyavara Prasad Garimella for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Satyavara Prasad Garimella:

- (i) consent in writing to act as director in Form DIR - 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013,
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013

The resolution seeks the approval of members for the appointment of Mr. Satyavara Prasad Garimella as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

Following is the Brief Profile of Mr. Satyavara Prasad Garimella:

Sr. No.	Particulars	Description
1.	Name of Director	Satyavara Prasad Garimella
2.	Father's Name	Venkata Narayana Garimella
3.	Relationship with other Directors	Nil
4.	Date of Birth	27 / 08 / 1959
5.	Date of Appointment	24 / 07 / 2012
6.	Qualifications	Chartered Accountant
7.	Expertise	Audit, Taxation, Strategic Planning & Implementation
8.	List of outside directorships held	Nil
9.	Member of the Committees in other companies in India	Nil
10.	Shareholding in the Company	Nil

In the opinion of the Board of Directors, Mr. Satyavara Prasad Garimella, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Satyavara Prasad Garimella as an Independent Director.

No director, key managerial personnel or their relatives, except Mr. Satyavara Prasad Garimella, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

Item No. 7:

Ms. Shilpa Dixit is a Non -Executive (Independent) Director of the Company. She joined the Board in 14-08-2014. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, she being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of two years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Ms. Shilpa Dixit for the office of an Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Shilpa Dixit:

- (i) consent in writing to act as director in Form DIR - 2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013,
- (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013

The resolution seeks the approval of members for the appointment of Ms. Shilpa Dixit as an Independent Director of the Company up to March 31, 2016 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. She is not liable to retire by rotation.

Following is the Brief Profile of Ms. Shilpa Dixit:

Sr. No.	Particulars	Description
1.	Name of Director	Ms. Shilpa Dixit
2.	Husband's Name	Mr. Kedar Dixit
3.	Relationship with other Directors	Nil
4.	Date of Birth	23 / 01 / 1977
5.	Date of Appointment	Not Applicable
6.	Qualifications	Bcom., Company Secretary & LLB
7.	Expertise	Corporate Laws
8.	List of outside directorships held	Nil
9.	Member of the Committees in other companies in India	Nil
10.	Shareholding in the Company	Nil

In the opinion of the Board of Directors, Ms. Shilpa Dixit, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the rules made thereunder and she is independent of the management.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. Shilpa Dixit as an Independent Director.

No director, key managerial personnel or their relatives, except Ms. Shilpa Dixit, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

Item No. 8:

This item relates to the borrowing powers of the Company. The members of the Company at an Extra-Ordinary General Meeting held on 11th January 2011, had approved borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained) in excess of the paid up capital of the Company and its free reserves subject to total outstanding amount so borrowed not exceeding ` 200 Crores at any point of time in pursuance of Section 293(1)(a) and Section 293(1)(d) of the Companies Act, 1956.

The approval of the Members is sought by way of a Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013, to authorise the Board of Directors to raise or borrow from time to time at its discretion from the Lending Agencies on such terms and conditions as to repayment, interest or otherwise as it thinks fit up to an amount not exceeding ₹ 200 Crore in excess of paid up capital and free reserves of the Company and to charge the assets of the Company in favour of the Lending Agency on such terms and conditions as Board may think fit for the purpose of aforesaid borrowings.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested in the resolution. The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

Item No. 9:

This item related to Loan by way of mortgage on the Companies movable and immovable properties in favour of financial institution. Section 180(1) (a) of the Companies Act, 2013, provides that the Board of Directors of a company shall not without consent of members in the in general meeting sell lease or otherwise dispose off the whole or substantially whole of the undertaking of the Company.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested in the resolution. The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

Item No. 10:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. FX. Nelson Leo & Associates, the Cost Auditors, to conduct the audit of the cost records of the Company for the Financial Year 2014-15 on a remuneration of ₹ 2,50,000/- plus applicable Government Taxes plus Travelling and out of pocket expenses at actual.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the Members.

For & On Behalf of the Board of Directors

Place : Pune

Date : 14th August 2014.

Masakatsu Uchiyama
(Managing Director)
(DIN: 05239285)

Registered Office

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

DRAFT
THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)
ARTICLES OF ASSOCIATION OF
ENKEI WHEELS (INDIA) LIMITED,

PRELIMINARY

Application of Table F

1. The regulations contained in Table F of First Schedule to the Companies Act, 2013, shall be excluded except in so far as the same are contained or expressly made applicable by these Articles or by the said Act.

INTERPRETATION

2.
 - I. In the interpretation of these Articles, the following words and expressions shall, unless repugnant to the subject or context, have the meanings hereby respectively assigned to them.
 - (i) "The Act" shall mean "The Companies Act, 2013" or any statutory modification or re-enactment thereof for the time being in force.
 - (ii) The "Company" or "This Company" shall mean ENKEI WHEELS (INDIA) LIMITED.
 - (iii) "The Articles" shall mean these Articles of Association as originally framed or as altered from time to time by Special Resolution.
 - (iv) "Auditors" Shall means and includes those persons appointed as such for the time being of the Company.
 - (v) "Beneficial Owner" shall mean a person whose name is recorded as such with a Depository.
 - (vi) "Board Meeting" shall mean a meeting of Directors duly convened and constituted, or as the case may be, the Directors assembled at the Board of the Company collectively.
 - (vii) "Board of Directors or Board" means the collective body of the directors of the Company which includes committee thereof
 - (viii) "Common Seal" shall mean the common seal for the time being of the Company.
 - (ix) "Debenture" includes Debenture-Stock, bonds or other securities of the Company evidencing a debt whether constituting a charge on the assets of the Company or not.
 - (x) "Debenture holders" shall mean the duly registered holders from time to time, of the debentures of the Company and shall include in case of debentures held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.
 - (xi) "Depositories Act" shall mean the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.
 - (xii) "Depository" shall mean a company formed and registered under the Companies Act, 1956, and which has been

granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992;

- (xiii) "Directors" shall mean the directors for the time being of the Company.
- (xiii) "Dividend" includes final or interim dividend.
- (xv) "Extraordinary General Meeting" shall mean an extraordinary meeting of the Members duly called and constituted, and any adjourned meeting thereof.
- (xvi) "General Meeting" shall mean general meeting of the Members duly called and constituted and any adjourned meeting thereof.
- (xvii) "In Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
- (xviii) "Member" shall mean the duly registered holder from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company, as well as every person whose name is entered as Beneficial Owner in the records of the Depository.
- (xix) "Month" shall mean a calendar month.
- (xx) "Office" shall mean the registered office for the time being of the Company.
- (xxi) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.
- (xxii) "Participant" shall mean a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.
- (xxiii) "Persons" include body corporate, firms, corporations as well as individuals.
- (xxiv) "Proxy" includes an attorney duly constituted under a Power-of-Attorney.
- (xxv) "Record" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.
- (xxvi) "Register of Members" shall mean the Register of Members to be kept in pursuance of the Act.
- (xxvii) "Registered Owner" shall mean a Depository whose name is entered as such in the records of the Company.
- (xxviii) "Rules" shall mean rules made in pursuance of provisions of the Act.
- (xxix) "SEBI" shall mean the Securities and Exchange Board of India;
- (xxx) "Secretary" shall mean a Company Secretary within the meaning of clause (C) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed to perform the functions of a company secretary under this Act.
- (xxxi) "Security" shall mean such security as may be specified by SEBI from time to time.
- (xxxii) "Section" shall mean a section of the Companies Act, 2013.

- (xxxiii) "Share" shall mean share in the Share Capital of the Company and includes Stock.
- (xxxiv) "Share Capital" shall mean the Share Capital for the time being raised or to be raised by the Company.
- (xxxv) "Stock" shall mean the aggregate of fully paid Shares legally consolidated, portions of which aggregate may be Transferred or split up into fractions of any amount, without regard to the original nominal amount of the Share.
- (xxxvi) "The Registrar" shall mean the Registrar of Companies of the State / Union Territory in which the Registered Office of the Company is for the time being situated.
- (xxxvii) "Transfer" shall mean (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Securities, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein, or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any Shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.
- (xxxviii) "Tribunal" shall mean the National Company Law Tribunal constituted under Section 408 of the Act.
- (xxxix) "Writing" and "Written" shall mean and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.
- (xl) "Year" shall mean the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Save as aforeside, any words or expression defined in the act shall, if inconsistent with the subject or context, bear the same meaning of Articles.

SHARE CAPITAL

3. Authorised Share Capital

The Authorised Share Capital of the Company is as per Clause V of the Memorandum of Association.

4. Shares at the Disposal of the Directors

Subject to the provisions of Section 62 of the Act and these Articles, the Shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion, and on such terms and conditions, and either at a premium or at par, and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be deemed to be fully paid Shares. Provided the option or right to call of Shares shall not be given to any person or Persons without the sanction of the Company in the General Meeting.

5. Increase of Capital

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the Capital by the creation of new Shares. Such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. The new Shares shall be issued on such terms and conditions and with such rights

and privileges annexed thereto as the resolution shall prescribe, and in particular, such Shares may be issued with a preferential or qualified right to Dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 64 of the Act.

6. Reduction of Capital

The Company may, subject to the provisions of Sections 52, 55, 66 and other applicable provisions of the Act from time to time, by Special Resolution reduce its Capital and any Capital Redemption Reserve Account or Securities Premium Account in any manner for the time being authorised by law, and in particular, the Capital may be paid off on the footing that it may be called up again or otherwise.

7. Sub-division and Consolidation of Shares

Subject to the provisions of Section 61 of the Act, the Company in General Meeting, may by an Ordinary Resolution from time to time

- a) divide, sub-divide or consolidate its Shares, or any of them, and the resolution whereby any Share is sub-divided, may determine that as between the holders of the Shares resulting from such sub-division, one or more of such Shares have some preference of special advantage as regards Dividend, Capital or otherwise, as compared with the others. Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal.
- b) cancel Shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

8. New Capital part of the existing Capital

Except so far as otherwise provided by the conditions of the issue or by these presents, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

9. Power to issue Shares with differential voting rights

The Company shall have the power to issue Shares with such differential rights as to Dividend, voting or otherwise, subject to the compliance with any law as may be applicable.

10. Power to issue preference shares

Subject to the provisions of Section 55 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption.

11. Variation of shareholders rights

If at any time the Share Capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

12. Further Issue of Shares

Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, either out of unissued Capital or out of increased Share Capital, then such further Shares shall be offered

- (i) to the Persons who at the date of the offer, are holders of the equity Shares of the Company in proportion as near as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions.
 - a. The offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.
 - b. the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in sub clause (b) hereof shall contain a statement of this right.
 - c. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.
- (ii) to employees under a scheme of employees' stock option, subject to a Special Resolution passed by the Company and subject to such conditions as may be prescribed.
- (iii) to any persons, if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (i) or clause (ii), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

13. Buy Back of Shares

Notwithstanding anything contained in these Articles, but subject to the provisions of The Act and all other applicable provisions of the Law as may be in force at any time and from time to time, the Company may acquire or purchase any of its fully paid or redeemable Shares and may make payment out of funds at its disposal for and in respect of such acquisition / purchase on such terms and conditions at such times as the Board may in its discretion deem fit, and such acquisition / purchase shall not be construed as reduction of Share Capital of the Company.

14. Issue of sweat equity shares

Subject to the terms and conditions prescribed in Section 54 of the Act and the rules and regulations prescribed in this connection, the Board of Directors may offer, issue and allot Shares in the Capital of the Company as sweat equity shares.

15. Issue of equity shares under employee stock options schemes

Subject to the terms and conditions prescribed in Section 62 of the Act and the rules and regulations prescribed in this connection, the Board of Directors may offer, issue and allot Shares in the Capital of the Company under employee stock options schemes of the Company.

16. Consideration for Allotment

The Board of Directors may allot and issue Shares of the Company as payment or part-payment for any property purchased by the Company, or in respect of goods sold or Transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and or in the conduct of its business; and any Shares which may be so allotted may be issued as fully / partly paid up Shares and if so issued shall be deemed as fully / partly paid up Shares.

17. Rights to convert loans into Capital

Nothing contained in these Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company

- (i) to convert such Debentures or loans into Shares in the Company; or
- (ii) to subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in General Meeting.

Notwithstanding anything contained in this Article and subject to provisions of Section 62(4) of the Act, where any debentures have been issued or loan has been obtained from any Government by a Company, and if that Government considers it necessary in the public interest to do so, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

UNDERWRITING

18. Commission for placing Shares, Debentures

Subject to the provisions of the Act and the Rules, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares, Debentures, or Debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or Debenture-stock of the Company.

LIEN

19. Company's lien on Shares / Debentures

The Company shall have a first and paramount lien upon all the Shares / Debentures (other than fully paid up Shares / Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such Shares / Debentures, and no equitable interest in any Shares shall be created except upon the footing and condition that this Article is to have full effect and such lien shall extend to all Dividends and interest from time to time declared in respect of such

Shares / Debentures. Unless otherwise agreed, the registration of a Transfer of Shares / Debentures shall operate as a waiver of the Company's lien if any, on such Shares / Debentures. The Directors may at any time declare any Shares / Debentures wholly or in part to be exempt from provisions of this Article.

20. Enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their Members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived and until a notice in writing of the intention to sell has been served on such Member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

21. Application of sale proceeds

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

CALLS ON SHARES

22. Board to have right to make calls on Shares

The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or Persons and the Member(s) and place(s) appointed by the Board. A call may be made to be paid by installments.

Provided that the Board shall not give the option or right to call on Shares to any person except with the sanction of the Company in general meeting.

23. Notice for call

Fourteen days' notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the Person or Persons to whom such call be paid.

24. Call when made

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined, a call shall be deemed to have been made at the date when the resolution authorising such call was passed at the meeting of the Board.

25. Liability of joint-holders for a call

The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

26. Board to extend time to pay call

The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such

time to all or any of the Members. The Board may be fairly entitled to grant such extension, but no Member shall be entitled to such extension, save as a matter of grace and favour.

27. Calls to carry Interest

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 10% per annum or such lower rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

28. Dues deemed to be calls

Any sum, which as per the terms of issue of a Share becomes payable on allotment or at a fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

29. Partial payment not to preclude forfeiture

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any Shares, nor any part-payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any Shares either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of such money shall preclude the forfeiture of such Shares as herein provided.

30. Proof of dues in respect of Share

At the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered appears entered on the Register of Members as the holder at, or subsequently to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the Member or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

31. Payment in anticipation of call may carry interest

The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% per annum, unless the Company in the General Meeting shall otherwise decide, as the Member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

32. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

FORFEITURE OF SHARES

33. Board to have right to forfeit Shares

If a Member fails to pay any call or installment of a call or any other sum or sums on the Shares due and payable by such Member, on or before the last day appointed for the payment thereof, the Board may at any time thereafter during such time as the call or any part of such call or installment of sums remain unpaid, serve a notice on him or on the person (if any) entitled to Shares by transmission requiring payment of so much of the amount as is unpaid together with any interest which may have accrued thereon.

34. Notice of forfeiture of Shares

The notice shall name the place or places on and at which, and a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made. The notice shall detail the amount which is due and payable on the Shares and shall state that in the event of non-payment at or before the time appointed the Shares will be liable to be forfeited.

35. Effect of forfeiture

If the requirements of any such notice as aforesaid are not complied with, any of the Shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or installment, interest and expenses or other money due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends and bonus declared in respect of the forfeited Shares and not actually paid before the forfeiture.

36. Notice to Member after forfeiture of Shares

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

37. Forfeited Share to be the property of the Company

A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit.

38. Member to be liable even after forfeiture

Any Member whose Shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other moneys owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, at such rate as the Board may determine, and the Board may enforce the payment of the whole or a portion thereof if they think fit, but shall not be under any obligation to do so.

39. Claims against the Company to extinguish on forfeiture

The forfeiture of a Share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the Shares and all other rights incidental to the Share, except only such of those rights as by these Articles expressly saved.

40. Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director or Manager or Secretary of the Company, and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

41. Effecting sale of Shares

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of Transfer of the Shares sold, cause the purchaser's name to be entered in the register in respect of the Share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such Shares, the validity of the sale shall not be impeached by any person.

42. Certificate of forfeited Shares to be void

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and have no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or Persons entitled thereto.

43. Board entitled to cancel forfeiture

The Board, may at any time before any Shares are so forfeited, have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

44. Register of Transfers

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every Transfer or transmission of any Shares.

45. Directors may refuse to register Transfer

The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

- a. any transfer of shares on which the Company has a lien. The Board may decline to recognise any instrument of transfer, unless the instrument of transfer is in the form as prescribed in the rules made under sub-section (1) of Section 56 of the Act;
- b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- c. the instrument of transfer is in respect of only one class of shares.

On giving not less than seven days' previous notice in accordance with Section 91 of the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than thirty days at one time or for more than forty-five days in the aggregate in any year.

46. Endorsement of Transfer

In respect of any Transfer of Shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the Transfer and the name of the transferee and other particulars on the existing share certificate and authorise any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate in lieu of and in cancellation of the existing certificate in the name of the transferee.

47. Instrument of Transfer

Subject to the provisions of Section 56 of the Act, the instrument of Transfer of any Share in the Company shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all Transfers of Shares and registration thereof.

The said instrument shall be duly executed by the transferor and the transferee; and the transferor shall be deemed to remain holder of the Shares until the name of the transferee is entered in the Register of Members in respect thereof. The instrument of Transfer shall be presented in the manner prescribed under Section 56 of the Act or any statutory modification thereof. Company shall not charge any transfer fee for registering Transfer of Shares. The Company shall use a common form of Transfer for all classes of Shares.

48. Instrument of Transfer to be stamped

Every instrument of Transfer shall be presented within a period of 60 days from execution to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to Transfer the Shares, and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board.

49. Closing Register of Transfers and of Members

The Board shall be empowered, on giving not less than seven days' notice or such less period as may be specified by SEBI, by advertisement in a newspaper circulating in the district in which the Registered Office is situated, to close the Transfer Books, the Register of Members, the Register of Debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each Year, as it may seem expedient.

50. Transfer of partly paid shares

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

51. Title to Shares of deceased Members

The executors or administrators or holders of a Succession Certificate, or the legal representatives of a deceased Member (not being one or two joint-holders) shall be the only person recognised by the Company as having any title to the Shares registered in the name of such Member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of

Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased Member as a Member

52. Transfers not permitted

No Share shall in any circumstances be Transferred to any infant, insolvent or person of unsound mind, except fully paid Shares through a legal guardian.

53. Transmission of Shares

Subject to the provisions of these presents, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a Transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either by registering himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of Transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the Shares.

54. Rights on Transmission

A person entitled to a Share by transmission shall, subject to the Directors right to retain such Dividends or money as hereinafter provided, be entitled to receive and may give discharge for any Dividends or other moneys payable in respect of the Share.

55. Share Certificates to be surrendered

Before the registration of a Transfer, the certificate or certificates of the Share or Shares to be Transferred must be delivered to the Company along with (save as provided in Section 56 of the Act) properly stamped and executed instrument of Transfer.

56. No fee on Transfer or Transmission:

No fee shall be charged for registration of Transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or other similar document.

57. Company not liable to notice of equitable rights

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any Transfer of Shares made, or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said Shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

DEMATERIALISATION OF SHARES

58. The Company shall be entitled to admit securities issued by the Company to any Depository and to offer securities in a dematerialised form in pursuance to the Depositories Act, 1996. Every person subscribing to securities offered by the Company, and every Member, Debenture Holder or Debenture Stock Holder shall have the option to either hold the securities in the form of security certificates or to hold the securities with a Depository. Where any Member or Debenture Holder or Debenture Stock Holder surrenders his certificate of securities held in the Company in accordance with Section 6 of the Depositories Act, 1996, and the Securities & Exchange Board of India (Depositories and Participants) Regulations, 1996, the Company shall cancel the certificate and substitute in its records the name of the relevant Depository and inform the Depository accordingly. The Company shall maintain a record of certificates of securities that have been so dematerialised. Such persons who hold their securities with a Depository can at any time opt out of the Depository, if permitted by the law, and the Company shall in such manner and within such time as prescribed by law, issue to such persons the requisite certificates of securities.
60. If a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Security.

SHARES AND SHARE CERTIFICATES

61. Issue of share certificate by the Company at any time shall be in accordance with the provisions of the Act and the Rules made thereunder.
62. Allotment on application to be acceptance of Shares
- Any application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the register, shall, for the purpose of these articles, be a Member.
63. Returns on allotments to be made or Restrictions on Allotment
- The Board shall observe the restrictions as regards allotment of Shares to the public contained in Section 39 of the Act and as regards return on allotments, the Directors shall comply with Section 39 of the Act.
64. Money due on Shares to be a debt to the Company
- The money (if any) which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any Shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such Shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
65. Members or heirs to pay unpaid amounts
- Every Member or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share or Shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.
66. The Company shall keep a Register and Index of Members in accordance with the provisions of Section 88 of the Act.
67. Register and Index of Beneficial owners

The Registers and Index of Members and Debenture Holders shall be deemed to include the Registers and Index of Beneficial owners maintained under the Depositories Act, 1996, by every Depository in respect of securities issued by the Company

68. The Company shall be entitled to keep in any state or country outside India a branch Register of Members resident in that state or country.
69. The Shares shall be numbered progressively according to their several denominations. Every forfeited Share shall continue to bear the same number by which the same was originally distinguished.
70. Subject to the provisions of the Act and these Articles, Shares may be registered in the name or names of any person or Persons, Company or other body corporate.
71. Shares held jointly
 - a. Where two or more persons are registered as the holders of any Share, they shall be deemed to hold the same jointly with benefits of survivorship subject to the provisions contained in these Articles.
 - b. The Company shall be entitled to decline to register more than three persons as the holders of any Share.
 - c. The joint-holders of any Share shall be liable, severally as well as jointly, for and in respect of all calls and other payments which ought to be made in respect of such Shares.
 - d. On the death of any such joint-holder, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the Share, but the Directors may require such evidence of deaths as they may deem fit and nothing herein contained shall be taken to release the estate on the deceased joint-holder from any liability on Shares held by him jointly with any other person.
 - e. Any such joint-holders may give effectual receipts for any Dividends or other moneys payable in respect of such Shares.
 - f. Only the person whose name stands in the Register of Members as the first of the joint-holders of any Shares shall be entitled to delivery of the certificate relating to such Share or to receive notices from the Company, and any notice given to such person shall be deemed proper notice to all joint-holders.
 - g. Any one of two or more joint-holders may vote at any meeting personally or by Proxy in respect of such Shares as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by Proxy, the holder whose name stands first or higher (as the case may be) on the Register of Members in respect of such Share shall alone be entitled to vote in respect thereof.

PROVIDED always that a person present at any meeting personally shall be entitled to vote in preference to a person present by Proxy.

72. A certificate under the Common Seal of the Company, specifying any Shares held by any Member shall be prima facie evidence of title of the Member to such Shares.
73. Responsibilities to maintain Records

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates.

74. Limitation of time for issue of Certificates

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of Transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the Common Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate; and delivery of a certificate of Shares to one or several joint-holders shall be a sufficient delivery to all such holders.

75. A. Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of Transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued on payment of fees of ₹ 20.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to Debentures of the Company.

B. Renewal of Share Certificate

When a new Share certificate has been issued in pursuance of clause (A) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of Share certificate No..... sub-divided / replaced on consolidation of Shares.

- C. When a new certificate has been issued in pursuance of clause (A) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of Share certificate No..... The word 'Duplicate' shall be stamped or punched in bold letters across the face of the Share Certificate and when a new certificate has been issued in pursuance of clauses (A), (B) and (C) of this Article, particulars of every such Share Certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the Persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

- D. All blank forms and share certificates shall be printed only on the authority of a resolution duly passed by the Board.

76. Subject to Section 46 of the Act and the rules made thereunder and subject to all other applicable provisions, guidelines on the subject and the listing agreement that the Company may enter into with one or more stock exchange or stock exchanges, where any Share / Debenture under the powers of the Company in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such Share / Debenture, the Board may issue a new certificate for such Share / Debenture distinguishing it in such manner as it may think fit from the certificate not so delivered up.

NOMINATION FACILITY

77. a) Every holder of Shares in, or holder of Debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his Shares in, or Debentures of, the Company shall vest in the event of his death.
- b) Where the Shares in or Debentures of, the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint-holders.
- c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in, or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of, the Company, the nominee shall, on the death of Shareholder or holder of Debentures of the Company or, as the case may be, on the death of the joint-holders become entitled to all the rights in the Shares or Debentures of the Company or as the case may be, all the joint-holders, in relation to such Shares in, or Debentures of the Company to the exclusion of all the other Persons, unless the nomination is varied or cancelled in the prescribed manner.
- d) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures, to make the nomination and to appoint, in the prescribed manner, any person to become entitled to Shares in or Debentures of the Company, in the event of his death, during the minority.
- e) Any person who become a nominee by virtue of the provisions of Section 72 of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either
- i. To be registered himself as holder of the Share or Debenture, as the case may be, or
 - ii. To make such Transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case may be, could have made.
- f) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share or Debenture, himself as the case may be, he shall deliver or send to the Company notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- g) All the limitations, restrictions and provisions of this Act relating to the right to Transfer and registration of Transfers of Shares or Debentures shall be applicable to any such notice or Transfer as aforesaid as if the death of the Member had not occurred and the notice or Transfer were signed by that shareholder or debenture holder, as the case may be.
- h) A person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Shares or Debenture, except that he shall not, before registering a Member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.
- i) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to Transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may thereafter, withhold payment of all Dividends, bonuses or other monies payable in respect of the Share or Debentures, until the requirements of the notice have been complied with.
- j) A depositor may, in terms of Sections 73 and 76 of the Act, at any time, make a nomination and the above provision shall, as far as may be apply to the nomination made under the sub-section.

78. Copies of Memorandum and Articles to be sent to Members

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Member at his request, within seven days of the request on payment of such sum as may be prescribed.

DEBENTURE

79. Term of Issue of Debenture

Any Debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Share and attending (but not voting) at General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into Shares shall be issued only with the consent of the Company in General Meeting accorded by a special resolution.

80. Assignment of Debentures

Such Debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

81. Debenture Directors

Any Trust Deed for securing Debentures or Debenture-stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of Debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of Debentures or Debenture-stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director shall mean a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification Shares, shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

82. The provisions herein contained relating to Transfer and transmission shall also apply to Debentures in the same manner as they apply to Shares.

83. Register of Charges

The Directors shall cause a proper register to be kept, in accordance with the Act, of all charges registered under the Act and shall duly comply with the requirements of the Act in this regard to the registration of mortgages and charges therein specified.

84. Subsequent assigns of uncalled capital

Where any uncalled capital of the Company is charged, all Persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

GENERAL MEETINGS

85. Annual General Meetings

The Company shall, in addition to any other meetings, hold a General Meeting which shall be called as the Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

86. Extraordinary General Meetings

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

87. Extraordinary Meetings on requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 100 of the Act.

88. Notice for General Meetings

All General Meetings shall be convened by giving not less than clear twenty- one days' notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting, and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 102 of the Act. Notice shall be given to all the shareholders and to such Persons as are under Act and / or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member shall not invalidate the proceedings of any General Meeting.

89. Shorter Notice admissible

With the consent of 95 percent of the Members entitled to vote at the General Meeting, any General Meeting may be convened by giving a shorter notice of less than clear twenty one days.

90. Special and Ordinary Business

- a. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also that is transacted at an Annual General Meeting, with the exception of the consideration of the financial statements and the reports of the Board of Directors and Auditors, declaration of Dividend the appointment of Directors in place of those retiring by rotation and the appointment of and fixing up of the remuneration of the auditors.
- b. In case of special business as aforesaid, an explanatory statement as required under Section 102 of the Act shall be annexed to the notice of the meeting.

91. Quorum for General Meeting

Such number of Members as prescribed under Section 103 of the Act, entitled to be personally present depending upon the number of Members of the Company from time to time, shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

92. Adjournment for want of quorum

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of Members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine, and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum.

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days' notice to the Members either individually or by publishing an advertisement

in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

93. Chairman of General Meeting

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

94. Election of Chairman

If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman, the Directors present shall choose among themselves another Director as Chairman, and if no Director is present, or if all the Directors decline to take the chair, then the Members present shall choose from themselves to be the Chairman for that meeting.

95. Adjournment of Meeting

The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

96. Voting at Meeting

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

- (a) on a show of hands, every Member present in person shall have one vote; and
- (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

Votes casted by the shareholders through e-voting shall be conclusive. A poll (before or on the declaration of the result of the e-voting) can be demanded in accordance with the provisions of Section 109 of the Act by the shareholder, provided that he has not voted on all or certain specific resolution through e-voting method. Unless a poll is so demanded, a declaration by the Chairman that the resolution, through e-voting has been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

97. Decision by poll

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs, and the results of the e-voting and poll together shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

98. Casting vote of Chairman

In case of equal votes, whether under e-voting only or a poll followed thereby, the Chairman of the meeting shall be entitled to a casting vote in addition to the vote or votes to which he may be entitled to as a Member.

99. Poll to be immediate

- a. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand, as the Chairman of the meeting directs.
- b. A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.

100. Passing resolutions by Postal Ballot

- a. Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.
- b. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time.

VOTE OF MEMBERS

101. Voting rights of Members

- a. On a poll, every Member holding equity Shares therein shall have voting rights in proportion to his Shares.
- b. On a poll, a Member having more than one vote, or his Proxy or other Persons entitled to vote for him, need not use all his votes in the same way.
- c. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act, and shall vote only once.

102. Voting by joint-holders

In the case of joint-holders, the vote of the first named joint-holder, who tenders a vote whether in person or by Proxy, shall be accepted to the exclusion of the votes of other joint-holders.

103. Voting by Member of unsound mind

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by Proxy.

104. No right to vote unless calls are paid

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has exercised any right of lien.

105. Proxy

On a poll, votes may be given either personally or by Proxy.

106. Instrument of Proxy

The instrument appointing a Proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of Proxy shall not be treated as valid.

107. An instrument appointing a Proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.

108. Validity of Proxy

A vote given in accordance with the terms of an instrument of Proxy shall be valid, notwithstanding the previous death of or insanity of the principal, or the revocation of the Proxy or of the authority under which the Proxy was executed or the Shares in respect of revocation or Transfer, shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the Proxy is used.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the Proxy is used.

109. Corporate Members

Any Corporation which is a Member of the Company may, by resolution of its Board of Director or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the said person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that Corporation could have exercised if it were an individual Member of the Company.

DIRECTORS

110. Until otherwise determined by a General Meeting, the number of Directors shall not be less than three and shall be not more than fifteen, including all kinds of Directors.

111. A Director shall not be required to hold any qualification shares.

112. The Board of Directors shall have power at any time, and from time to time, to appoint one or more Persons as Additional Directors, provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An Additional Director so appointed shall hold office upto the date of the next Annual General Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

113. Subject to the provision of 161 and 152 of the Act, the Board shall have power at any time, and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if it had not been vacated by him.

114. In accordance with the provisions of the Act, the Board of Directors may appoint any individual, not being a person holding any alternate directorship for any other Director in the Company to be an Alternate Director for any Director of the Company during his absence for a period of not less than three months from India; provided such appointee whilst he holds office as an alternate director shall be entitled to notice of all the meetings of the Board, and to attend and vote thereat and on all resolutions proposed by circulation.

Provided that no person shall be appointed as an alternate Director for an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act.

115. Equal power to all the Directors

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION AND RETIREMENT OF DIRECTOR

116. One-third of Directors to retire every year

At the Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Independent Directors appointed under Section 149 of the Act shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

117. Retiring Directors eligible for re-election

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

118. Retirement of Director

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

119. Retiring Director to remain in office till successors appointed

Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the Retiring Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up, shall be deemed to have been reappointed at the adjourned Meeting

120. The Company may from time to time, in General Meeting increase or reduce the number of Directors subject to approval by the shareholders by special resolution in case of an increase over the limit prescribed by Section 149 of the Act.

121. Power to remove Director by ordinary resolution

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

122. Right of persons other than retiring Directors to stand for Directorship

A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other Member intending to propose him as a Director not less than 14 days before the meeting has left at the Registered Office of the Company, a notice in writing under his hand signifying his candidature as a the Director or the

intention of such Member to propose him as a candidate as a Director as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such Member if the person succeeds in getting elected as Directors or gets more than 25% of total valid votes cast either as show of hands or on poll on such resolution.

123. Directors not liable for retirement

Subject to the applicable provisions of the Act, the Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company, and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

124. The Board shall be entitled to appoint any one or more of them as Technical / Financial / Managing / Special / Executive / Whole-Time Director / such other Designated Whole-Time Directors whose terms of appointment shall be as may be as decided by the Board, subject to the provisions of the Act.

125. Nominee Director

In case the Company enters into any agreement with the Central Government or State Government or Financial Institution or with any Institution for providing financial assistance by way of loan, subscription to Debentures, providing any guarantee or underwriting or subscription to Shares of the Company, subject to the provisions of Section 152 of the Act, such agreement may contain a clause that such Government or Financial Institution or Institutions shall have the right to appoint or nominate, by notice in writing addressed to the Company, one or more Directors on the Board of Directors of the Company, till the period of satisfaction of debt and upon such conditions as may be mentioned in the agreement and such Director/s shall be liable to retire by rotation however, would not be required to hold any qualification Shares.

POWERS AND DUTIES OF BOARD OF DIRECTORS

126. The business of the Company shall be managed by the Board, who may exercise all such powers of the Company as are not, by the Act or any statutory modifications thereof for the time being in force or by these Articles, require to be exercised by the Company in General Meeting subject nevertheless to any regulation of these Articles or to the provision of the said Act and so such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meetings, shall invalidate any prior act of the Board which would have been valid if the regulation had not been made.

Any branch or kind of business which by the Memorandum of Association of the Company or by these presents is expressly or by implication authorised to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit, and further may be kept by them in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

128. Subject to Section 179 of the Act, the Board may delegate all or any of its powers with respect to clause (d), (e) and (f) of Section 179(3) of the Act, to any Directors jointly or severally, or to any one Director or a Committee of Directors, or to any other principal officer of the Company.

129. The Board may appoint at any time and from time to time by a power of attorney under the Company's Common Seal, any person to be the attorney of the Company for such purposes and with such authorities and discretions not exceeding those vested in or exercisable by the Board in these Articles, and for such period and subject to such conditions as the Board may from time to time think fit and any such Power of Attorney may contain such provisions for the protection and convenience of Persons dealing with such Attorney as the Board may think fit.

PROCEEDINGS OF BOARD OF DIRECTORS

130. Meetings of the Board

- a. The Board of Directors shall hold at least four meetings every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board.
- b. The Managing Director may, at any time summon a meeting of the Board, and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

131. Quorum

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, and participation of the Directors by video conferencing or audio visual shall also be counted for the purpose of quorum. Provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

132. Decisions of the Board

- a. Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- b. In case of an equality of votes, the Chairman shall have casting vote in addition to his vote as a Director.

133. Right of continuing Directors when there is no quorum

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

134. Election of Chairman of Board

- a. The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.
- b. If no such Chairman is elected, or at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one among themselves to be the Chairman of the Meeting.

135. Delegation of Powers

- a. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such Members of its body as it thinks fit.

- b. Any Committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may be imposed on it by the Board

136. Election of Chairman of Committee

- a. If the Chairman of the Board is a Member of the Committee, he shall preside over all meetings of the Committee, if the Chairman is not a Member thereof, the Committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Members present may choose one among themselves to be the Chairman of the Meeting.
- b. The quorum of a Committee may be fixed by the Board of Directors.

137. Decisions at the Committee meetings

- a. A Committee may meet and adjourn as it thinks proper.
- b. Questions arising at any meeting of a Committee shall be determined by the sole Member of the Committee or by a majority of votes as the Members present as the case may be and in case of an equality of vote the Chairman shall have a casting vote, in addition to his vote as a Member of the Committee.

138. Validity of acts done by Board or a Committee

All acts done by any meeting of the Board, of a Committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors, or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

139. The Members of the Board or any Committee of the Board may participate in any Board Meeting or Committee Meeting, by means of audio-visual or video-conference facilities or any other modern communication equipment, by means of which all Persons participating in the meeting can hear each other at the same time and participation by such means, subject to the provisions of the Act, shall constitute presence in person at such meeting and hence shall also count for the purpose of quorum.

140. Resolution by Circulation

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the Members of the Committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

MANAGING / WHOLE TIME DIRECTOR

141. Subject to the provisions of Sections 2(54), 2(94) and other applicable Sections, if any, of the Act, or as per Schedule V of the Act the Company by ordinary resolution or special resolution and / or the Board may from time to time appoint one or more of the Directors to be Managing Directors, Executive Directors or whole-time Directors of the Company for a term not exceeding five years at a time and may from time to time and subject to provisions of any contract between him or them and the Company, remove or dismiss him or them from office and appoint another or others in his or their place of places.

142. Subject to Section 152 of the Act, Managing Directors, Executive Director or Whole-time Director shall not be liable to retirement by rotation as long as he holds office of Managing Director, Executive Director or whole time director of the Company.
143. If Managing Director, Executive Director or Whole-time Director ceases to hold office of Director, he shall, ipso facto and immediately, cease be a Managing Director, Executive Director or Whole-time Director, as the case may be.
144. The Managing Directors, Executive Director / whole-time director shall have subject to the supervision, control and discretion of the Board, the management of the whole of the business of the Company and of all its affairs.

Subject to the provisions of the Act and in particular to the prohibitions and restrictions in Section 179 of the Act, the Board may, from time to time, entrust to and confer upon a Managing Director, Executive Director or Whole-time Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions (if any) as it thinks expedient, and if may confer such powers, either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board, in that behalf and may from time to time delegate, revoke, withdraw, alter or vary all or any of such powers.

REMUNERATION TO DIRECTORS

145. Subject to the provisions of Section 2(78), 2(94), 197 and Schedule V of the Act, the Board of Directors may, on the recommendations of the Compensation and Remuneration Committee or by such other name as may be called, constituted by the Board, determine the remuneration payable to the Managing Director, the Executive Directors or the Whole Time Directors as the case may be, in any manner they may deem fit. The remuneration may be in the form of a monthly salary or a commission based on profits or partly in one way and partly in another as the Board may deem fit.
146. The Directors may, in addition to the remuneration referred to in the preceding clause, provide the Managing Director, the Executive Directors or Whole Time Director as the case may be, such allowances, amenities, benefits and facilities as they may deem fit from time to time with such sanction as may be necessary.
147. The Managing Director, the Executive Directors or Whole Time Director as the case may be, shall be entitled to be reimbursed all his or their out-of-pocket expenses incurred by him or them in connection with the business of the Company.
148. Subject to the provisions of Section 197 of the Act, the Directors of the Company may be paid remuneration by way of commission at such percentage as they deem fit of the net profits of the Company computed in the manner referred to in Section 198 of the Act, to be shared and distributed amongst the Directors inter-se in such proportions or proportions as they deem fit.
149. The Directors for the time being of the Company may be paid a sitting fee as may be decided by the Board from time to time subject to the ceiling provided by the Act, for every meeting of the Board or of a Committee of the Board attended by them in addition to all traveling expenses by rail, road or air as the case may be and such other allowances as the Board may decide from time to time in respect of halting and other expenses incurred by them in attending and returning from such meeting of the Board or of any Committee of the Board and also for other visits made by Director for the Company's business subject to the provisions of the Act.
150. If any Director is appointed to advise the Board as an expert or be called upon to perform extra services to make special exertion for any of the purposes of the Company, the Board may subject to and in accordance with the provisions of the Act and in particular Sections 197 and 188 of the Act, pay to such Director/s such special remuneration as they may think fit which remuneration may be in the form of salary and / or commission and / or percentage of profits and may either be in addition to or in substitution of the remuneration specified in the last preceding Article.

CHIEF EXECUTIVE OFFICER, MANAGER, SECRETARY OR CHIEF FINANCIAL OFFICER

151. A Chief Executive Officer, Manager and/or Secretary and/or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager or Secretary and Chief Financial Officer, so appointed may be removed by means of resolution of the Board.
152. A Director may be appointed as Chief Executive Officer, Manager, or Secretary or Chief Financial Officer.

THE COMMON SEAL

153. The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Common Seal in lieu thereof. The Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or Executive Director or the Secretary, if there is one.
154. The Board shall provide for the safe custody of the Common Seal.
155. The Common Seal shall not be affixed on any instrument except by the authority of resolution of the Board or of a Committee of the Board authorised in that behalf.
156. The Common Seal shall be affixed in presence of a Director, and the Company Secretary or such other person(s) as the Board may authorise in this behalf, from time to time.
157. The Company can have an official Common Seal abroad.

CAPITALISATION OF PROFITS

158. The Company in General Meeting may, upon the recommendation of the Board, resolve-
- a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - b. that such sum be accordingly set free for distribution in the manner specified in Article 175 amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
159. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 176, either in or towards -
- a. paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
 - b. paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
 - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
160. A Securities Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.
161. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

162. Whenever such a resolution as aforesaid is passed, the Board shall -

- i. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
- ii. generally do all acts and things required to give effect thereto

163. The Board shall have power -

- a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and
- b. to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares; 164. Any agreement made under such authority shall be effective and binding on all such Members.

DIVIDEND

165. Dividend

Subject to the provisions of the Act, the Dividend should be paid out of profits at the rate declared at the General Meeting but not exceeding as recommended by the Board, in proportion to the Capital paid up on Shares after providing for depreciation.

166. Reserve

Before recommending any Dividend, the Board may set aside certain amount of profits as Reserves, which shall be applied in the manner as may be from time to time decided by the Board. The Board may carry forward the profits without declaring Dividend.

167. Deduction of arrears

The Board may deduct from any Dividend payable to any Members, all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the Shares of the Company.

168. Adjustment of Dividends against calls

Any general meeting declaring a Dividend may make a call on the Members as such amount as the meeting fixed, but so that the call on each Member shall not exceed the Dividend payable to him and so that the call be made payable at the same time as the Dividend and the Dividend may, if so arranged between the Company and the Members be set off against the call.

169. Notice of Dividends

Notice of any Dividend that may have been declared shall be given to the Persons entitled to Share thereto in the manner mentioned in the Act.

170. Dividends not to bear interest

No Dividends shall bear interest against the Company

171. Transfer of Shares not to pass right to Dividends

Subject to the provisions of Section 126 of the Act, any Transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the Transfer.

172. Mode of payment of Dividend

Dividend shall be paid by cheque or warrant or through electronic payment mechanism to the Members whose name appears on the Register of Members on a particular day, as may be decided by the Board.

173. Unpaid or Unclaimed Dividend

- a. Where the Company has declared a Dividend but which has not been paid or claimed or the Dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any Shareholder entitled to the payment of the Dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Enkei Wheels (India) Limited" and transfer to the said account the total amount of Dividend which remains unpaid or in relation to which no Dividend warrant has been posted.
- b. Any money Transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to Investors Education and Protection Fund.
- c. No unclaimed or unpaid Dividend shall be forfeited by the Board and the Directors shall comply with provisions of Section 124 of the Act, as regards unclaimed Dividends.

ACCOUNTS

174. The books of accounts shall be kept at the Registered Office of the Company or subject to the provisions of Section 128 of the Act at such other place or places as the Directors think fit, and shall be open to inspection by the Directors during business hours.

175. The accounts of the Company shall be audited by the auditors appointed as per the provisions of the Act.

Subject to the provisions of the Act, the accounts when audited and approved at the Annual General Meeting shall be conclusive.

176. The Directors shall, subject to the provisions of Section 128 of the Act, from time to time determine whether and to what extent and at what times and places, and under what conditions or regulations the accounts and books of the Company of any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

177. As per the provisions of the Act, Board shall arrange to prepare and place before the Company in the Annual General Meeting, audited Balance Sheet and profit and loss account, copy of which should be sent to all Members entitled thereto.

INSPECTION

178. Where under any provisions of the Act or any agreement with the Company, any person, whether a Member of the Company or not is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 2 p.m. to 4 p.m. on any working day unless otherwise determined by the Company in General Meeting.

SERVICE OF DOCUMENTS AND NOTICE

179. Manner of serving notice or document on the Company A document may be served on the Company or an officer, by sending it to the Company or officer at Registered Office of the Company by post under a certificate of posting or by Registered Post or by courier service, or by leaving it at the Registered Office or by means of such electronic or other mode, as may be prescribed, subject to where the securities are held with the Depository, the records of the Beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.

180. Manner of serving notice on Members

- a. A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to any Member either personally or by sending it by post or by registered post or speed post or by courier or by delivering at his office to his registered address or (if he has no service of notice to him or by such electronic or other mode as may be prescribed. Where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs. The Company shall use the records provided by the Depository for service notice on Members either personally or by sending it by post or by registered post or speed post or by courier or by delivering at his office to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him or by such electronic or other mode as may be prescribed.
- b. All notices shall, with respect to Shares held by persons jointly, be given to such person who is named as first holder in the Register of Members and the notice so given shall be sufficient notice to all the holders of such Share.
- c. Where a document is sent by post
 - (i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a Member has intimated to the Company in advance that documents should be sent to him by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and
 - (ii) Unless the contrary is provided, such service shall be deemed to have been effected
- a. In the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted; and
- b. In any other case, at the time at which the letter would be delivered in ordinary course of post.

181. Members to notify address in India

Each registered holder of Shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place or residence.

182. Service on Members having no registered address

If a Member has no registered address in India, and has not supplied to the Company an address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly served to him on the day of which the advertisement appears.

183. Service on Persons acquiring Shares on death or insolvency of Members

A document may be served by the Company on the Persons entitled to a Share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them, by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

184. Persons entitled to notice of General Meetings

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given

- (i) to the Members of the Company as provided by these presents;
- (ii) to the Persons entitled to a Share in consequence of the death or insolvency of a Member; and
- (iii) to the Auditors for the time being of the Company; in the manner authorised by as in the case of any Member or Members of the Company.

185. Notice by advertisement

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

186. Members bound by document given to previous holders

Every person, who by the operation of law, Transfer or other means whatsoever, shall become entitled to any Shares shall be bound by every document in respect of such Share which, previously to his name and address being entered in the register, shall have been duly served on or sent to the person from whom he derived his title to such Share.

187. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

188. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Whole Time / Executive Director, the Manager, the Chief Financial Officer, the Secretary or an authorised officer of the Company and need not be under its Common Seal.

WINDING UP

189. Subject to the provisions of Chapter XX of the Act and rules made thereunder-

- a. If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Members shall be compelled to accept any Shares or other securities whereon there is any liability.

INDEMNITY OF RESPONSIBILITY

190. Subject to the provisions of the Act, the Directors, key managerial person, auditors or every other officer for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against all suits, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective office of trust, except such (if any) as they shall incur or sustain by or through their own willful neglects or defaults respectively and no such officer or trustee shall be answerable for the Acts, repairs, neglects or defaults of any other officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any bankers or other Persons with whom any monies of effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency, deficiency of any security upon

which any monies of the Company shall be invested for any other loss or damage due to any such causes as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such officer or trustee.

SECRECY

191. Secrecy

Every Director (Executive / Non-Executive), Chief Financial Officer, Secretary, auditor or any other officer or employee of the Company shall if so required by the Directors, before entering upon duties, sign a declaration pledging to observe a strict secrecy respecting all the affairs of a Company.

192. Secrecy Restriction

- a. Subject as conferred by law no Member not being a Director shall be entitled to visit or inspect any accounts, books, documents or works of the Company without the permission of the Director or require discovery of any of Company's trade secrets process or any other matter which would in the opinion of the Directors be expedient in the interest of the Company not to disclose.
- b. Subject as conferred by law no Member not being a Director shall be entitled to visit or inspect any accounts, books, documents or works of the Company without the permission of the Director or require discovery of any of Company's trade secrets process or any other matter which would in the opinion of the Directors be expedient in the interest of the Company not to disclose.

We, the several persons whose names, addresses, descriptions are hereunder subscribed are desirous of formed into a Company in accordance with and in pursuance of these Articles of Association:

Sr No	Name, address, description and occupation of each Name,	Signature of subscriber	Signature, subscriber address, description and occupation of witness
1.	<p>Enkei Castalloy Ltd, having its registered office at Gat No 1426, Village Shikrapur, Tal Shirur, Dist Pune-412 208</p> <p>Represented by its authorised representative</p> <p>Mr. Shailendrajit Rai vide</p> <p>Board Resolution date 31st Jan, 2009, No 11</p> <p>Mr Shailendrajit Rai, S/o Charanjit Rai, ADD: G5, Farrjeste, Boat Club Road, Pune, 411001</p> <p>Occupation: Business</p>	Sd/-	<p>WITNESS TO ALL Haresh B Shah S/o Babulal Shah, 411009 Add : 401, Revanjali, Plot 62, Mitrandal Colony, Pune Occupation Chartered Accountant M.no: 32208</p>
2.	<p>Mr Shailendrajit Rai, S/o Charanjit Rai, ADD: G5, Farrjeste, Boat Club Road, Pune, 411001</p> <p>Occupation: Business</p>	Sd/-	
3.	<p>Niraj Haresh Shah, S/o Haresh B Shah, ADD: 5/371. Adinath Society, Pune- 411037</p> <p>Occupation: Business</p>	Sd/-	
4	<p>Nitin M Gutka, S/o Manilal Gutka, Add: A/5, 6 Mahavir Prasad Society, Subashnagar Estates, 390 , N M Joshi Marg, Delisle Road, Mumbai- 400011</p> <p>Occupation: Chartered Accountant</p>	Sd/-	
5	<p>Mukul S Mitkari, S/o Subhash Mitkari, Add: Flat No 9, D Wing, Mansi Apartments, Suvarnanagari, Bibwewadi, Pune-411037</p> <p>Occupation: Service</p>	Sd/-	

Sr No	Name, address, description and occupation of each Name,	Signature of subscriber	Signature, subscriber address, description and occupation of witness
6	Kisan Rajpurohit, S/o Nathusingh Rajpurohit Add: G-422/A, Ubhabazar, Sawantwadi-416510, Sindhudurg, Maharashtra Occupation: Service	Sd/-	
7	Virag R Shah, S/o Rohitbhai Vadilal Shah, Add: Plot No 62, Revanjali, Mitramandal Colony, Parvati, Pune 411009 Occupation: Service	Sd/-	WITNESS TO ALL Haresh B Shah S/o Babulal Shah, Add : 401, Revanjali, Plot 62, Mitrandal Colony, Pune 411009 Occupation Chartered Account M.no: 32208

Date: 18th March, 2009

Place: Pune

DIRECTORS' REPORT

To,
The Members,

We are delighted to present the Fifth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014:

Financial Highlights:

The Company's financial performance during the year 2013-14, is summarized below:

Particulars	(` In Million)	
	For the Year ended March 31,2014	For the Year ended March 31,2013
Gross Sales	3,597.42	3,215.09
Net Sales	3,200.11	2,869.57
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)	212.12	215.42
Less: Depreciation	235.52	191.90
Less: Financial Expenses	86.40	63.57
Add: Other Income	9.12	6.31
Profit / (Loss) before exceptional and extraordinary items and tax	(100.68)	(33.74)
Less: Exceptional and Extraordinary items	(107.33)	(90.76)
Profit/(Loss) before Tax	6.64	57.01
Provisions for Taxes	1.34	13.51
Profit/(Loss) after Tax	5.30	43.50

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

(A) REVIEW OF OPERATIONS:

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

Turnover

During the year under review, the Company has recorded Gross Sales of ` 3,597 millions (net Sales of ` 3,200 million) in current fiscal year as compared to Gross Sales of ` 3,215 millions (net sales of ` 2,869 million) last fiscal year. The Company has recorded the sales growth around 12% as compared to last year.

DIVIDEND

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

CAPITAL

During the year under review, Company has received the share application money of ` 33,550,000 from its Holding Company i.e. Enkei Corporation, Japan towards the issue of 6,71,000 Equity Shares. The Company has already obtained the

shareholders approval for this issue in the Extra-Ordinary General Meeting held on 13th December 2013. The said shares will be issued with the approval of competent authority.

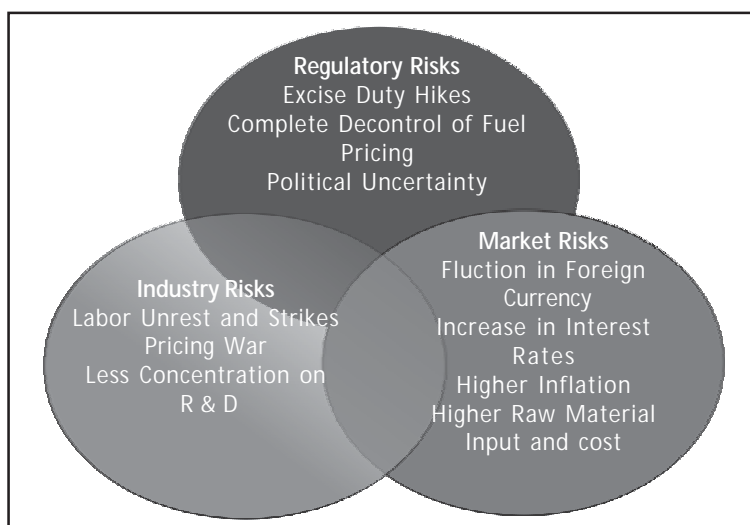
(B) INDUSTRY STRUCTURE AND DEVELOPMENT:

Financial Year 2013-14 was undoubtedly one of the most challenging ones for the automobile industry. The Indian economy grew at 4.7% in Financial Year 2013-14, it was the second successive year of below 5% growth. However long-term prospects for the Indian economy, continue to remain bright, due to political stability and positive approach towards liberalization.

DOMESTIC SALES

Domestic unit sales of the automobile industry fell 6%, which was highest ever year-on-year decline in a decade. The share of diesel vehicles in total industry sales came down from 58% in 2012-13 to 53% during the year. Sales of petrol vehicles, after declining for two years, turned positive and grew by 4% in 2013-14. The Two Wheeler segment posted growth of 7% as compared to last year however, it missed the forecast.

Following are some reasons for the negative growth of domestic Automobile Industry.



EXPORTS

Overall Exports of Automobile Industry grew by 16.7% to ` 61,487 crores from ` 52,690 crores in 2012-13. Europe is the leading marketplace with 38% contribution, while the US topped the list of top export destinations. However, negative growth & political instability affected overall export sales.

(C) OPPORTUNITIES/OUTLOOK FOR THE COMPANY:

Indian automobile market is one of the most competitive market in the world. At present, due to positive government policies, optimal business environment, and accessibility of inexpensive proficient workforce have transformed India into a global automobile hub. Our major customers are acquiring more market share in the domestic as well as international markets.

India has new political administration system in 2014-15, and the sale of many new models of cars has been started by our customers. Even for Indian automobile Industry, the environment has started building on the momentum which was absent earlier. Even we will ride on this favorable wind, and along with accepting orders and production activities, we have strong intention to put our best efforts towards making more profit than the previous financial year.

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

Though industry experts are positive on the economic growth of India, it may be affected by Inflation & volatility of Indian rupee. Interest rates & fuel process will be the key factors for the automobile industry.

The management is hopeful to overcome from the above uncertainty by improving productivity and product specialization.

(E) EXPANSION AND CAPITAL EXPENDITURE:

In view of slowdown in Automobile Industry Company is currently focusing on full utilization of existing capacity. The Company has also started the initial steps for new Paint shop facility to come on newly acquired land nearby of existing plant.

(F) INTERNAL CONTROL SYSTEM:

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

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

(G) HUMAN RESOURCE DEVELOPMENT:

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

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

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

(H) CAUTIONARY STATEMENT:

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

RISK MANAGEMENT

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

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

During the year under review, Government of India has introduced the new legislation "Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013" with effect from 9th December 2013. The Act 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. There were no cases reported during the year under review under the said Policy.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- 1) That in the preparation of the annual accounts for year ending on 31st March 2014; the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 2) 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.
- 3) 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, 1956, for safeguarding assets of the company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors had prepared the annual accounts for the year ended on 31st March 2014 on a going concern basis.

DIRECTORS

Mr. Kazuhiko Shimamura has resigned from the Board of the Company with effect from 14th August 2014. Your Directors placed on record appreciation of services rendered by him during their tenure as an Alternate Director of the Company.

As per provisions of Section 149 and other applicable provisions of Companies Act, 2013, and rules thereof, your Directors are seeking appointment of Dr. Haresh Shah and Mr. GSV Prasad as Independent Directors in the ensuing Annual General Meeting. The Company has received requisite notice(s) in writing from member proposing them as candidature for office of Director.

Pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company, Ms. Shilpa Dixit was appointed as an Additional Director with effect from 14th August 2014 and she shall hold office of Director up to date of ensuing the Annual General Meeting of the Company. As per provision of Section 149 and other applicable provision of the Companies Act 2013, and rule thereof, your Directors are seeking appointment of Ms. Shilpa Dixit as an Independent Director in the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing her as candidature for office of Director.

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

CORPORATE GOVERNANCE:

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

Further, SEBI vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April 2014 has notified the revised Clause 49 of the Listing Agreement to be applicable with effect from 1st October 2014. This Report therefore stands complied against the previous Clause 49 of the Listing Agreement.

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

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

EMPLOYEES:

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

AUDITORS:

The Statutory Auditors M/s. Asit Mehta & Associates, Chartered Accountants, Mumbai (Firm Registration Number 100733W) hold office till the conclusion of the ensuing Annual General Meeting. It is proposed to reappoint them as Statutory Auditors of the Company for a term of five years subject to ratification by the members at every Annual General Meeting. The Company has received requisite certificate pursuant to Section 139 of the Companies Act, 2013.

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

Masakatsu Uchiyama
Managing Director
(DIN: 05239285)

Haresh Shah
Director
(DIN: 00228471)

Place : Pune

Date : 14th August 2014

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE 'A'

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

A. CONSERVATION OF ENERGY

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

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

Details of energy consumption: FORM 'A'

Particulars		For the Year ended March 31st, 2014	For the Year ended March 31st, 2013
A. Power & Fuel Consumption*			
1. Electricity			
a) Purchased Quantity (Net)	Units	19,927,823	17,872,785
Total amount	`	142,969,356	132,905,240
Average rate per unit	`	7.17	7.44
b) Generated Quantity (Net)	Units	920,479	872,573
Total amount	`	29,207,232	22,613,297
Average rate per unit	`	31.73	25.92
2. LDO/Furnace Oil			
Quantity	Liter	2,427,735	2,265,885
Total amount	`	106,221,665	95,820,374
Average rate per unit	`	43.75	42.29
B. Consumption per Unit of Production*			
1. Electricity	Units	10.15	10.66
2. LDO/Furnace Oil	Liter	1.18	1.29

B. TECHNOLOGY ABSORPTION.

FORM 'B'

Form for disclosure of particulars with respect to-

RESEARCH AND DEVELOPMENT

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

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

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

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

Future plan of action

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

Expenditure on R & D for the year ended 31st March, 2014

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

Technology absorption, adoption and innovation

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange earned : ₹ 48.14 Million

Total foreign exchange used : ₹ 1741.16 Million

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

For & On Behalf of the Board of Directors

Masakatsu Uchiyama
Managing Director
(DIN: 05239285)

Haresh Shah
Director
(DIN: 00228471)

Place : Pune

Date : 14th August, 2014

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

a) Board Membership Criteria

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

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

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

Name of Director	Category	Relation with Other Directors	No. of other Directorship held ¹		No. of Committees of other Companies in which Member/ Chairman ¹	No. of Shares held in the Company as at 31.03.2014
			Public	Private		
Mr. Masakatsu Uchiyama	Executive Managing Director	None	1	0	0	NIL
Mr. Junichi Suzuki	Promoter & Non Executive	None	1	0	0	NIL
Mr. Shailendrajit Rai	Promoter & Non Executive	None	4	6	1	282,724
Dr. Hareesh Shah	Independent & Non Executive	None	0	5	0	NIL
Mr. Kazuhiko Shimamura ²	Executive Alternate Director to					
	Mr. Junichi Suzuki	None	0	0	0	NIL
Mr. Satyavara P. Garimella	Independent & Non Executive	None	0	0	0	NIL
Ms. Shilpa Dixit ³	Independent & Non-Executive	None	0	5	0	NIL

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

2. Resigned w.e.f. 14th August 2014.

3. Appointed w.e.f. 14th August 2014

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

c) Board Meetings and Annual General Meetings :

During the year 2013-14, 4 (Four) meetings of the Board of Directors of the Company held on following dates:

21st May 2013; 29th July 2013; 28th October 2013; and 12th February 2014;

The previous Annual General Meeting was held on 10th September, 2013.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2013-14 are presented in the following table.

Name of Director	No. of Board Meetings Attended (Total Meetings held - 4)	Whether last AGM attended
Mr. Masakatsu Uchiyamaya	4	Yes
Mr. Junichi Suzuki	0	No
Mr. Shailendrajit Rai	4	Yes
Dr. Haresh Shah	3	Yes
Mr. Kazuhiko Shimamura	4	Yes
Mr. Satyavara P. Garimella	3	No

d) Code of Conduct

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

e) Board Procedure

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

3. BOARD COMMITTEES

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

- I. Audit Committee
- II. Remuneration Committee
- III. Investors' Grievance Committee
- IV. Share Transfer Committee

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

(i) Audit Committee:

The Audit Committee comprises of Dr. Haresh Shah, Chairman of the Committee and Mr. Satyavara P. Garimella, both being Independent Directors and Mr. Masakatsu Uchiyama, Managing Director. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreement and Section 292A of the Companies Act, 1956.

During the Financial Year 2013-14, 4 (Four) Audit Committee Meetings were held on following dates:

21st May 2013; 29th July 2013; 28th October 2013 and 12th February 2014.

Particulars of attendance of Audit committee Members at the Audit committee Meetings held during the Financial Year 2013-14:

Name of Audit committee Member	Meetings Attended during Financial Year 2013-14 (Total Meetings held 4)
Dr. Haresh Shah	4
Mr. Masakatsu Uchiyama	4
Mr. Satyavara P. Garimella	4

(ii) Remuneration Committee

The Remuneration Committee comprises of Dr. Haresh Shah, Chairman of the Committee, and Mr. Satyavara P. Garimella. The terms of reference of this committee are:

- Recommending remuneration payable to Managing Director and other Directors as and when necessity arises.
- Reviewing sitting fees payable to Directors for attending Board Meetings, Committee Meetings, etc

During the Financial year 2013-14, no meeting of Remuneration Committee was held.

A. Details of remuneration paid to Managing Director-

During the year 2013-14, the remuneration paid to the Managing Director is ₹ 46,20,804/- per annum.

B. Details of sitting Fees paid to the Non-Executive Directors for attending the Board and Committee Meetings during the financial year 2013-2014.

Name of the Non - Executive Director	Sitting Fees (In ₹)
Mr. Kazuhiko Shimamura	20000
Mr. Shailendrajit Rai	20000
Dr. Haresh Shah	35000
Mr. GSV Prasad	35000

(iii) Investors Grievance Committee

The Investors Grievance Committee comprises of, Mr. Satyavara P. Garimella Chairman of the Committee, Dr. Haresh Shah and Mr. Masakatsu Uchiyama as members to look into redressal of investors' complaints on various issues.

There were no complaints received from the shareholders during the year 2013-14.

(iv) Share Transfer Committee

The Share Transfer Committee comprises of Mr. Satyavara P. Garimella, Chairman of the Committee, Dr. Haresh Shah, and Mr. Masakatsu Uchiyama as members. The terms of reference of this Committee are to approve the share transfers.

During the Financial Year 2013-14, 1 (One) Share Transfer Committee Meetings was held on 21 Jan, 2014

4. 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	17-Sept-2012	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal - Shirur, Pune -412208	05
2	AGM	10- Sept-2013	12.30 PM	Registered office of the Company Village Shikrapur, Tal - Shirur, Pune -412208	01
3	EGM	13-Dec-2013	3.00 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal - Shirur, Pune -412208	01

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

Name of the Director	Date of Birth	Date of Appointment	Qualification	Expertise	Directorships held in other Public Limited Companies (Excluding Foreign & Private Companies)	Memberships/ Chairmanships of committees across all Companies
Mr. Junchi Suzuki	25-01-1948	24-03-2010	Engineer	Engineering & Management	NIL	NIL
Mr. Haresh Shah	06-05 -1957	15-07-2009	Chartered Accountant, Ph. D. in Mergers and Acquisitions	Finance & Corporate Restructuring	Nil	Nil
Mr. Satyavara Garimella	27-08 -1959	24 -07-2012	Chartered Accountant	Audit, Taxation, Strategic Planning & Implementation	Nil	Nil
Ms. Shilpa Dixit	23 -01 -1977	Not Applicable	Bcom., Company Secretary & LLB	Corporate Laws	Nil	Nil

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

During the financial year 2013-2014 there were no materially significant transactions entered into between the Company and its promoters, directors or the management or relatives, etc. that may have potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect.

ii. Statutory Compliance, Penalties and Strictures

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

iii. CEO & CFO Certificate

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

7. MEANS OF COMMUNICATION:

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

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

Date and Time : 25th September 2014 at 12.30 p.m.

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 April every year to 31st of March next year

(iii) Date of Book closure : 16th September 2014 to 25th September 2014 (Both days inclusive)

(iv) Dividend payment date : N A

(v) Listing on Stock Exchange : The shares of the are listed Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001.

(vi) Stock Code : The Bombay Stock Exchange Limited: 533477
Demat ISIN for NSDL and CDSL: INE130L01014.

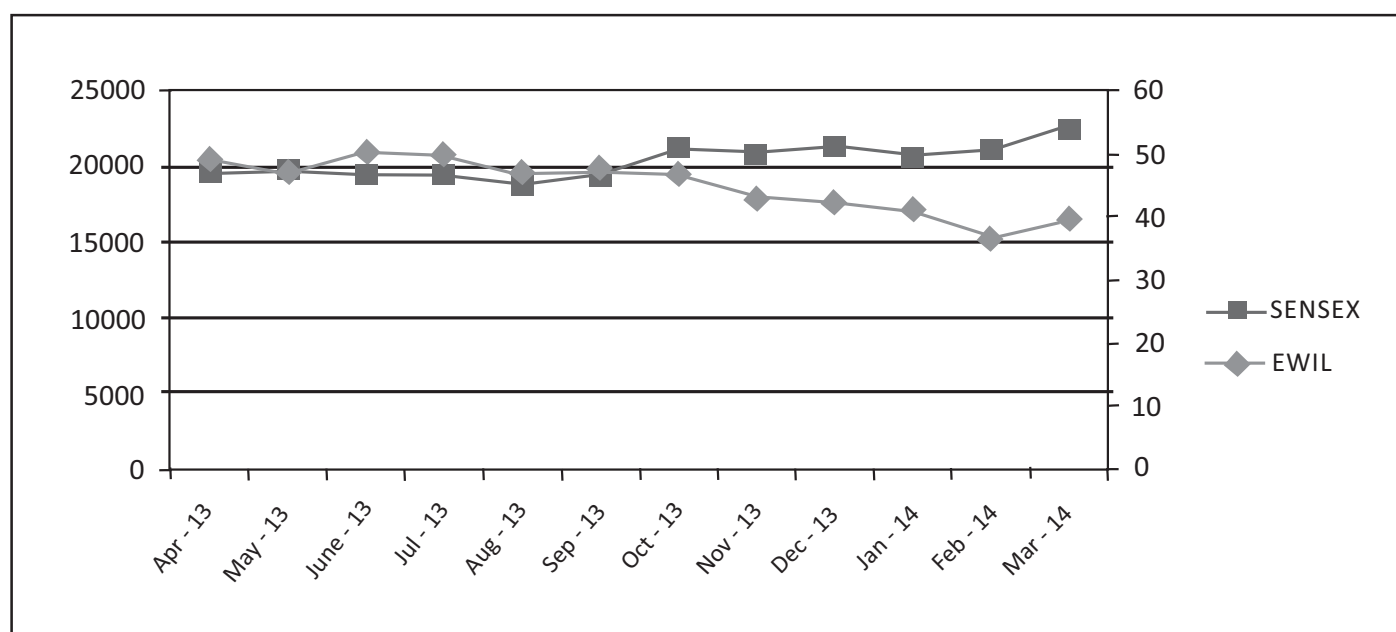
(vii) Market Price Data for the Year 2013-14

The high and low market price and the volume of Enkei's shares traded on the Bombay Stock Exchange (BSE) during the period from April 01, 2013 to March 31, 2014 are presented in the following table.

Market Price Data:

Month	High Price (In `)	Low price (In `)
Apr-13	50	41
May-13	52.5	41.55
Jun-13	51.3	45
Jul-13	52.5	43.1
Aug-13	52	44
Sep-13	49.8	44.05
Oct-13	48.5	44
Nov-13	46.7	41.95
Dec-13	44.95	39.25
Jan-14	46.8	39
Feb-14	42	36.15
Mar-14	43.05	36.2

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



(viii) Registrars and share transfer agents:

M/s. Universal Capital Securities Private Limited
 21, Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road,
 Andheri (E), Mumbai - 400093.
 Tel No. (022) 28207203-05/ 28257641
 E-Mail : -info@unise.in

(ix) Share Transfer System

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

(x) Distribution and Shareholding Pattern as on 31st March, 2014

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

SHAREHOLDINGS NOMINAL VALUE OF	SHARE HOLDERS		SHAREHOLDING	
	Number	% to Total	Holding	% to Total
UPTO - 500	1622	74.37	2813050	2.205
501 - 1000	224	10.27	1840330	1.443
1001 - 2000	153	7.02	2408360	1.888
2001 - 3000	48	2.20	1206720	0.946
3001 - 4000	23	1.06	830490	0.651
4001 - 5000	19	0.87	866760	0.680
5001 - 10,000	47	2.16	3497160	2.742
10,001 AND ABOVE	45	2.01	114090730	89.445
TOTAL	2181	100.00	127553600	100

(xi) **Dematerialization of shares and liquidity**

As on 31st March 2014 the equity shares of the Company were dematerialized with NSDL as follows:

Particulars	No. of records (allottees)	No. of shares (Quantity)
(a) Electronic form - NSDL	1235	9462615
(b) Electronic form - CDSL	603	1391413
(c) Physical form	343	1901332
TOTAL (A)	2181	12755360

(xii) **Plant Location**

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

(xiii) **Address for correspondence**

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

M/s. Universal Capital Securities Private Limited

(Formerly known as Mondkar Computers Private Limited)

21, Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road,

Andheri (E), Mumbai - 400093.

Tel No. : (022) 28207203-05/ 28257641

E-Mail : -info@unise.in

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

B) NON-MANDATORY REQUIREMENTS

1. Shareholders Rights :

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

2. Postal Ballot : Nil

3. Training of Board Members :

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

4. Whistle Blower Policy :

The Board of Directors of the Company has adopted a Whistle Blower Policy for its employees. The Board of Directors has appointed the Chairman of the Audit Committee as the Whistle Blower Administrator.

This policy provides for adequate safeguards against victimisation of employees who report to the Whistle Blower Administrator. The policy also provides for direct access to the Chairman of the Audit Committee.

Place : Pune

Date : 14th August 2014

DECLARATION

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

Place : Pune

Date : 14th August 2014

MASAKASTU UCHIYAMA

(Managing Director)

AUDITORS CERTIFICATE

To The Members of

Enkei Wheels (India) Limited,

We have examined the compliance of conditions of Corporate Governance by ENKEI WHEELS (INDIA) LIMITED ("the Company") for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

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

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

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

For Asit Mehta & Associates

Chartered Accountants
Registration No. 100733W

Place : Pune

Date : 14th August 2014

Sanjay Rane

(Partner)

Membership No. 100374

CEO/CFO CERTIFICATION TO THE BOARD

In accordance with Clause 49 (V) of the Listing Agreement, we, Masakastu Uchiyama, Managing Director and 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 March 2014 and that based on our knowledge, belief and information:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (d)
 - (i) There has 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 : 26th May, 2014

Masakastu Uchiyama
Managing Director
(DIN : 05239285)

Jitendra Parmar
CFO

INDEPENDENT AUDITOR'S REPORT

To,

The Members of,

Enkei Wheels (India) Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **Enkei Wheels (India) Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the accounting standards notified under the Companies Act, 1956 ('the Act') and accounting standards issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard notified under the Act, read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 1) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- 2) (a) We draw attention to sub-note under Note 17 to the financial statements: "the balances reported in respect of trade receivables are subject to confirmations /reconciliations from the customers. In the absence of party confirmations, and reconciliations, we have relied upon management confirmation to the effect that all receivable

are good and realisable in the ordinary course of the Company's business.

- (b) We draw attention to sub-note 2.16 of Note1 to the financial statements: "Impairment loss is charged to the statement of Profit and Loss, in the year in which the loss is crystallised and quantified with ease. Further, exercise the asset verification, determination of their useful lives, impairment etc., if any has remained to be carried out by the Company on an extensive basis covering all its assets. In context we have relied upon management confirmation to the effect there is no loss of material amount which has remain to be provided for over and above the loss accounted during the year under audit.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 3) As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (here in after referred to as "Order") and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 4) As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement read with statement of accounting policies dealt with by this report comply in all material respects, with the accounting standards notified under the Companies Act, 1956 ('the Act') and accountings standard issued by the institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard notified under the Act read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2014 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Sanjay S. Rane
Partner
Membership No. 100374

Place : Pune
Date : 26th May, 2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 3 under the heading 'Report on Other Legal and Regulatory Requirements of our report of even date on the financial statements of **Enkei Wheels (India) Limited** ('the Company') for the year ended March 31, 2014).

- (i) (a) The Company is maintaining records showing particulars including quantitative details and situation of fixed assets. However, the asset numbering exercise and determination of useful lives of assets have remained to be certified and documented by the Company.
- (b) As informed to us, some part of the fixed assets has been physically verified by the management during the year. However, in our opinion, the Company needs to undertake a comprehensive programme of physical verification covering all fixed assets. As per information given to us, no material discrepancies were noticed on physical verification of some part of the fixed assets. We have relied upon management confirmation in the absence of specific details.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) The inventories comprising semi-finished goods, raw materials, stores and spares etc. have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and on the basis of our examination of records, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the accounts.
- (iii) (a) In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (iii) (a) (b) (c) (d) the Order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, during the year, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. However, unsecured loans taken in the earlier years from its overseas holding & promoter company are outstanding as at the end of the year. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 62,35,98,001/-.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loans taken by the Company from its overseas holding & promoter company in earlier years are prima facie not prejudicial to the interest of the Company.
- (d) In our opinion and according to the information and explanations given to us, the principal amount/s of unsecured loans taken by the Company from its overseas holding & promoter company are not fallen due for repayment by the end of the financial year. The payment of interest is regular.
- (iv) In our opinion and according to the information and explanations given to us, there exists internal control system commensurate with the size of Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. However, in our opinion, the existing internal control system needs to be further strengthened particularly in respect of the fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act have been entered.

- (b) In our opinion and according to the information and explanations given to us having regard to special nature of some Capital goods imported for which comparable quotations are not available, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA of the Act and rules framed there under.
- (vii) In our opinion, the Company has internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We, however, have not made detailed examination of the records with a view to determine whether they are accurate and complete.
- (ix)
 - (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Profession Tax, Income-tax, Wealth-tax, Sales-tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues as applicable to it.
 - (b) According to the information and explanation given to us, there are no dues payable by the Company under Employees' State Insurance Scheme and Investor Education and Protection Fund
 - (c) According to the records of the Company and according to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears and outstanding as at March 31, 2014 for a period of more than six months from the date those became payable.
 - (d) According to the information and explanations given to us, there are no dues, to the extent applicable, of Income-tax, Sales-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute.
- (x) Post-demerger, the financial year March 31, 2014 is the fifth year of operations of the Company. The Company has accumulated losses as at the end of the financial year, which in our opinion, are not more than fifty percent of its net worth. However, the Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (xi) Based on our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any of the banks or financial institutions or debenture holders during the year.
- (xii) Based on our examination of records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) The Company is not a chit fund or nidhi/mutual benefit fund/society and therefore provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Accordingly, the provisions of clause 4 (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us the term loans have been applied, on an overall basis, for the purposes for which those were obtained.

-
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, in our opinion, no funds raised on short-term basis have prima facie been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4 (xviii) of the Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning and as at end the year. Accordingly, the provisions of clause 4 (xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by way of public issues during the year. Accordingly, the provisions of clause 4 (xx) of the Order are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud of material amount on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Asit Mehta & Associates**

Chartered Accountants

Registration No. 100733W

Sanjay S. Rane

(Partner)

Membership No. 100374

Place : Pune

Date : 26th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014
(Amt. in `)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
A. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	63,776,800	63,776,800
(b) Reserves and surplus	4	62,973,461	57,672,199
(c) Money received against share warrants		-	-
2 Share application money pending allotment		33,550,000	-
3 Non-current liabilities			
(a) Long-term borrowings	5	863,598,001	972,256,001
(b) Deferred tax liabilities (net)	6	7,674,439	7,674,439
(c) Other Long term liabilities	7	1,246,260,433	1,209,727,836
(d) Long-term provisions	8	9,135,719	8,224,315
4 Current liabilities			
(a) Short-term borrowings	9	230,000,000	270,237,372
(b) Trade payables	10	501,808,650	638,928,651
(c) Other current liabilities	11	162,293,037	289,137,353
(d) Short-term provisions	12	2,307,054	14,159,058
TOTAL		3,183,377,594	3,531,794,024
B. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13.1	1,810,703,563	1,519,695,868
(ii) Intangible assets	13.2	1,029,176	1,495,944
(iii) Capital work-in-progress	13.3	-	254,123,909
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale	13.4	-	57,062,589
(b) Non-current investments		-	-
(c) Foreign Currency Monetary Item Translation Difference	14	229,961,609	194,030,941
(d) Long term loans and advances	15	63,128,394	90,580,769
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories	16	100,213,519	224,916,209
(c) Trade receivables	17	555,799,498	516,588,766
(d) Cash and cash equivalents	18	268,759,654	485,042,887
(e) Short-term loans and advances	19	151,177,174	185,706,985
(f) Other current assets	19.1	2,605,007	2,549,157
TOTAL		3,183,377,594	3,531,794,024

Significant Accounting Policies 1 & 2
Other Notes on Financial Statements 28

As per our report of even date attached.

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

Sanjay S. Rane
(Partner)
Membership No. : 100374

For and on behalf of the Board of Directors

Masakatsu Uchiyama
(Managing Director)
(DIN : 05239285)

Jitendra Parmar
(Chief Financial Officer)

Haresh Shah
(Director)
(DIN : 00228471)

Omkar Kaulgud
(Company Secretary)

Place : Pune
Date : 26th May, 2014

Place : Pune
Date : 26th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amt. in `)

Particulars	Note No.	2013-2014	2012-2013
1 Revenue from operations (Gross)	20	3,597,421,055	3,215,086,888
Less: Excise duty		<u>397,311,731</u>	<u>345,514,759</u>
Revenue from operations (net)		3,200,109,324	2,869,572,129
2 Expenses			
(a) Cost of materials consumed	21.a	1,724,000,685	1,438,261,355
(b) Purchases of stock-in-trade	21.b	4,514,996	88,826,936
(c) Changes in inventories of work-in-progress and stock-in-trade	21.c	10,708,557	18,570,732
(d) Employee cash benefits expense	22	203,751,765	173,219,029
(e) Other expenses	23	1,045,026,227	935,292,269
Total		<u>2,988,002,230</u>	<u>2,654,170,321</u>
3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and impairment (EBITDA)(1 - 2)		212,107,094	215,401,808
4 Finance costs (net of capitalisation)	24	86,405,009	63,573,658
5 Depreciation and amortization expense	25	178,459,987	159,614,885
6 Loss on disposal/ impairment of fixed assets		57,062,589	32,294,888
7 Other income	26	9,121,357	6,314,642
8 Profit / (Loss) before exceptional and extraordinary items and tax (3- 4- 5 + 6)		(100,699,134)	(33,766,981)
9. Prior period & Exceptional items - Income/(Expenditure)	27	107,326,357	90,759,247
10 Profit / (Loss) before extraordinary items and tax (7 - 8)		6,627,223	56,992,266
11 Extraordinary items		-	-
12 Profit / (Loss) before tax (9 - 10)		6,627,223	56,992,266
13 Tax expense:			
(a) Current tax		1,325,958	12,009,314
(b) (Less): MAT credit		-	-
(c) Net current tax (credit)		<u>1,325,958</u>	<u>12,009,314</u>
(d) Deferred tax/(credit)		-	1,481,920
14 Profit / (Loss) after tax (11 + 12)		5,301,265	43,501,032
15 i Earnings per share (before extraordinary items) (Face Value of Rs. 5/-each)			
(a) Basic		0.43	3.56
(b) Diluted		0.28	2.29
ii Earnings per share (after extraordinary items) (Face of Rs. 5/-each)			
(a) Basic		0.43	3.56
(b) Diluted		0.28	2.29
Significant Accounting Policies	1 & 2		
Other Notes on Financial Statements	28		

As per our report of even date attached.

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

Sanjay S. Rane
(Partner)
Membership No. : 100374

Place : Pune

Date : 26th May, 2014

For and on behalf of the Board of Directors

Masakatsu Uchiyama
(Managing Director)
(DIN : 05239285)

Jitendra Parmar
(Chief Financial Officer)

Place : Pune

Date : 26th May, 2014

Hareesh Shah
(Director)
(DIN : 00228471)

Omkar Kaulgud
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

(Amt. in `)

Particulars	2013-2014	2012-2013
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	6,627,223	56,992,266
<u>Adjustments for:</u>		
Depreciation and amortisation	178,459,987	159,614,885
Loss on disposal/impairment of fixed assets- Crystallised	57,065,673	31,546,396
Finance costs	86,405,009	63,573,658
Interest income	(8,421,053)	(2,613,912)
Unrealised Foreign Exchange Loss (net)	34,548,766	24,866,936
Write off /back off group liabilities and receivables	(108,990,049)	(218,663,452)
	<u>239,068,333</u>	<u>58,324,511</u>
Operating profit / (loss) before working capital changes	245,695,556	115,316,777
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	124,702,690	(49,286,232)
Trade receivables	(39,210,732)	(54,724,717)
Short-term loans and advances	34,529,811	(84,760,309)
Long-term loans and advances	(5,370,839)	(3,954,177)
Other current assets	(55,850)	(2,549,157)
	<u>114,595,080</u>	<u>(195,274,592)</u>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(195,202,652)	75,955,713
Other current liabilities	(76,844,316)	60,391,606
Other long-term liabilities	128,918,401	202,155,390
Short-term provisions	(11,852,004)	13,879,294
Long-term provisions	911,404	1,379,401
	<u>(154,069,167)</u>	<u>353,761,404</u>
Cash flow from extraordinary items	-	-
Cash generated from operations	<u>206,221,469</u>	<u>273,803,589</u>
Net income tax (paid) / refunds	<u>(14,277,743)</u>	<u>(13,119,110)</u>
Net cash flow from / (used in) operating activities (A)	191,943,726	260,684,479
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(153,460,230)	(312,128,439)
Proceeds from sale of fixed assets	959,382	1,224,603
Interest received from Banks & Financial Institutions	8,421,053	2,613,912
	<u>(144,079,795)</u>	<u>(308,289,923)</u>
Cash flow from extraordinary items	-	-
Net income tax (paid) / refunds	-	-
Net cash flow from / (used in) investing activities (B)	(144,079,795)	(308,289,923)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013 (Contd.)

(Amt. in `)

Particulars	2013-2014	2012-2013
C. Cash flow from financing activities		
Proceeds from Share application	33,550,000	-
Proceeds from long-term borrowings	-	240,000,000
Repayment of long-term borrowings	(170,000,000)	(50,000,000)
Proceeds from short-term borrowings	(40,237,372)	(199,565,198)
Finance cost	(86,405,009)	(63,573,658)
Cash flow from extraordinary items		
Net cash flow from / (used in) financing activities (C)	(263,092,381)	(73,138,856)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(215,228,450)	(120,744,301)
Cash and cash equivalents at the beginning of the year	485,042,887	605,787,188
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	(1,054,783)	-
Cash and cash equivalents at the end of the year	268,759,654	485,042,887
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet at the end of the year *(Refer Note 17)	268,759,654	485,042,887
* Comprises:		
(a) Cash on hand	1,275,794	1,439,788
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	134,058,853	230,453,942
(ii) In deposit accounts with original maturity of less than 3 months	133,425,007	253,149,157
	268,759,654	485,042,887

Notes:

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

See accompanying notes forming part of the financial statements

In terms of our report attached.

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

Sanjay S. Rane
(Partner)
Membership No. : 100374

Place : Pune
Date : 26th May, 2014

For and on behalf of the Board of Directors

Masakatsu Uchiyama
(Managing Director)
(DIN : 05239285)

Jitendra Parmar
(Chief Financial Officer)

Place : Pune
Date : 26th May, 2014

Haresh Shah
(Director)
(DIN : 00228471)

Omkar Kaulgud
(Company Secretary)

SIGNIFICANT ACCOUNTING POLICIES

1 Corporate information

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

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company are prepared under the historical cost convention, on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and the Accounting Standards notified under the Companies Act, 1956 ('the Act') and the accounting standard issued by the Institute of Chartered Accountants of India to extent it does not contradict any other accounting standard notified under the Act, read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. 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-not current classification of assets and liabilities.

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

2.2 Use of estimates

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

2.3 Inventories

Raw Materials and Traded goods

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

Work-In-Progress/Semi-Finished goods

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

Consumables, Stores and Spares

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

2.4 Depreciation and amortisation

Depreciation of fixed assets is provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following class of assets. Depreciation charged on plant & machineries is from the date(s) on which commercial production is obtained with fair degree of regularity and not only on the basis of the assets are ready to put to use. The policy and the rates at which depreciation is charged are the same as being followed over the years.

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

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

SIGNIFICANT ACCOUNTING POLICIES (Contd).

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

2.5 Revenue recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection based upon negotiations with the customers including one for price/escalation.

Sale of goods

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

Income from services

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

Other operating revenue

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

2.6 Other income

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

2.7 Tangible Fixed Assets

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

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

2.8 Intangible assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprises and the cost of the assets can be measured reliably.

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

2.9 Foreign currency transactions and translations

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

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

Foreign currency monetary assets and liabilities, including that of long-term nature and payables to group companies are restated at year-end exchange rates.

SIGNIFICANT ACCOUNTING POLICIES (Contd).

As per the option under paragraph 46 of the Accounting Standard (AS-11)–'The Effects of changes in Foreign Exchange Rates' exercised by the Company in earlier year, the exchange differences on account of depreciable fixed assets are capitalised as part of the asset to which differences relate and depreciated over the remaining life of such assets. In other cases, exchange differences are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' to amortisable equally over the period of 8 years starting with the year in which the option is first exercised.

In case of monetary items, which are covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as an expense or income, as the case may be over the life of the contract.

2.10 Investments

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

2.11 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

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

Long-term employee benefits

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

2.12 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs incurred and which are not identified to the particular qualifying assets is charged to the revenue. Qualifying assets are those that necessarily take a substantial period of time to get ready for their intended use. A longer period than period of twelve months has been considered as a substantial period of time in exceptional and unforeseen circumstances.

2.13 Leases

- a) Operating Leases : In respect of assets acquired on leases, rentals are charged to the Statement of Profit and Loss on accrual basis and with reference to lease terms and other considerations.
- b) Finance Leases : In respect of the assets acquired under leases, the lower of the fair value of the assets and present

SIGNIFICANT ACCOUNTING POLICIES (Contd).

value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as a lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

2.14 Segment Reporting

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

2.15 Taxes on income

Tax expense comprises of current tax and deferred tax.

Current tax is the amount of tax due & payable on the taxable income as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement for Minimum Alternate Tax (MAT).

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

During the year, the Company has reviewed MAT credit entitlement accounted earlier where the amount was limited to the extent of deferred tax charge provided. MAT credit entitlement as on the balance sheet represents credit in respect of all taxes paid till the balance sheet date. The management of the Company is quite confident and hopeful that the Company will be able to utilise the credit in near future.

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

Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses etc. are recognised in the books, but only to the extent of Deferred tax liabilities. This is change in accounting policy followed in earlier years where deferred tax assets were never recognised in the absence of virtual certainty.

2.16 Impairment of assets

An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss, if any is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

Assets/facilities retired from active use and held for re-work/disposal are classified separately as 'Assets held for Disposal'. In such scenario, impairment loss is charged to the statement of Profit and Loss, in the year in which the loss is crystallised and quantified with ease.

The asset verification, determination of their useful lives, identification of impaired assets, if any has remained to be carried out by the Company on an extensive basis covering all assets. The Company has planned the exercise in current financial year.

2.17 Provisions, contingencies and commitments

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

SIGNIFICANT ACCOUNTING POLICIES (Contd).
NOTE : 3 SHARE CAPITAL
(Amt. in `)

Sr. No.	Particulars	As at 31st March 2014		As at 31st March 2013	
		Number of shares	Amount	Number of shares	Amount
1	AUTHORISED :				
	(i) Equity shares of ` 5/- each with voting rights	52,000,000	260,000,000	52,000,000	260,000,000
	(ii) Preference shares of ` 10/- each	14,000,000	140,000,000	14,000,000	140,000,000
		<u>66,000,000</u>	<u>400,000,000</u>	<u>66,000,000</u>	<u>400,000,000</u>
2	ISSUED , SUBSCRIBED & PAID UP				
	(i) Equity shares of ` 5/- each with voting rights	12,755,360	63,776,800	12,755,360	63,776,800
	TOTAL	<u>12,755,360</u>	<u>63,776,800</u>	<u>12,755,360</u>	<u>63,776,800</u>

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

Sr. No	Particulars	As at 31st March 2014	As at 31st March 2013
		No. of Equity shares with voting rights	No. of Equity shares with voting rights
	Lock-in of shares held by Promoters Enkei Corporation, Japan	3,955,360	3,955,360

(b) Rights of the Equity Share holders

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

(c) Details of shares held by each shareholder holding more than 5% shares:

(Amt. in `)

Sr. No	Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
(i)	Equity shares with voting rights				
	a Enkei Corporation, Japan	8,255,360	64.72	8,255,360	64.72
	b Motilal Gopilal Oswal	792,000	6.21	792,000	6.21

NOTE : 4 RESERVES & SURPLUS
(Amt. in `)

Sr. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<u>Securities premium account</u>		
	As per last Balance sheet	158,767,508	122,237,308
	Add: Addition during the year	-	36,530,200
		<u>158,767,508</u>	<u>158,767,508</u>
2	<u>Surplus / (Deficit) in Statement of Profit and Loss</u>		
	As per last Balance sheet	(101,095,312)	(144,596,341)
	Add: Profit / (Loss) for the year	5,301,265	43,501,032
		<u>(95,794,047)</u>	<u>(101,095,309)</u>
	TOTAL	<u>62,973,461</u>	<u>57,672,199</u>

SIGNIFICANT ACCOUNTING POLICIES (Contd).

NOTE : 5 LONG-TERM BORROWINGS

(Amt. in `)

Sr. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Secured		
	Term Loans		
	- From Banks	240,000,000	360,000,000
2	Unsecured		
	Foreign Currency Loans (ECBs)	623,598,001	612,256,001
	TOTAL	863,598,001	972,256,001

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

1 Secured

Term Loans from Banks

Bank	Amount of Loan Sanctioned	Amount of Loan Availed	Installment Amount in Rs. Mn	Rate of Interest	Total of number installemnt	Number of installemnt due
Bank of Tokyo Mitsubishi UFJ Ltd.	50	50	3.13	12.60%	16 Equal Qtrly Installment	Nil
Bank Of Tokyo Mitsubishi UFJ Ltd.	150	150	9.38	12.60%	16 Equal Qtrly Installment	Nil
Mizuho Bank Ltd.	480	480	30.00	base rate + 4.10%	16 Equal Qtrly Installment	12 Equal Qtrly Installment
Security-First Parri-Passu charge by way of Equitable Mortgage on the existing Fixed Assets in favour of Bank of Tokyo Mitsubishi UFJ Ltd and Mizuho Bank Ltd.						

Sub-Total

Less: Current maturities of long-term debt (Refer Note No. 11)

TOTAL

2 UnSecured

External Commercial Borrowings

Lender - ENKEI CORPORATION, Japan

CURRENCY	ECB Amount (in JPY Million)	Rate of Interest	ECB Repayment Amt (in JPY Million)	Repayment Date
JPY	300	3%	100	11-Jul-15
			100	11-Jan-16
			100	11-Jul-16
JPY	200	3%	60	25-Jul-17
			70	25-Jan-18
			70	25-Jul-18
JPY	260	3%	78	23-Jan-18
			91	23-Jul-18
			91	23-Jan-19
JPY	300	3%	100	13-Sep-18
			200	13-Mar-19

Sub-Total

Less: Current maturities of long-term debt (Refer Note No. 11)

TOTAL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

NOTE :6 DEFERRED TAX LIABILITIES (NET)

		(Amt. in `)	
Sr. No.	Particulars	As at 31st March,2014	As at 31st March,2013
	Deferred tax liabilities		
	Fixed Assets /Depreciation	15,372,274	7,674,439
	Others	-	-
		<u>15,372,274</u>	<u>7,674,439</u>
	Deferred tax assets *		
	Fixed Assets / Depreciation	(7,697,835)	-
	Others	-	-
		<u>(7,697,835)</u>	<u>-</u>
	TOTAL	<u><u>7,674,439</u></u>	<u><u>7,674,439</u></u>

* Deferred tax assets in respect of unabsorbed depreciation and business losses are recognised to the extent of deferred tax liabilities

NOTE :7 OTHER LONG-TERM LIABILITIES

	<u>Payables to Overseas Group companies</u>		
1	Purchase of Fixed Assets	318,211,430	846,219,903
2	Trade Payables	926,914,273	361,910,146
	<u>Others</u>		
1	Purchase of Fixed Assets	1,134,730	1,597,787
	TOTAL	<u><u>1,246,260,433</u></u>	<u><u>1,209,727,836</u></u>

NOTE :8 LONG-TERM PROVISIONS

	Provision for employee benefits:		
1	Defined benefit obligation (gratuity)	6,948,924	4,937,401
2	Defined benefit obligation (leave encashment)	2,186,795	3,286,914
	TOTAL	<u><u>9,135,719</u></u>	<u><u>8,224,315</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

NOTE :9 SHORT-TERM BORROWINGS

Sr. No.	Particulars	As at 31st March,2014	As at 31st March,2013
1	Secured		
	- Cash Credit from Bank	100,000,000	210,674
		<u>100,000,000</u>	<u>210,674</u>
2	Unsecured		
	<u>Working Capital Demand Loans</u>		
	- from Banks	130,000,000	270,000,000
	- from others	-	-
	Vehicle Loan	-	26,698
		<u>130,000,000</u>	<u>270,026,698</u>
	TOTAL	<u>230,000,000</u>	<u>270,237,372</u>

Details of Short-term borrowings applicable rate of interest, security wherever provided etc.

1	Cash Credit from Bank		
	(a) Axis Bank Ltd	-	210,674
	<u>Security</u>		
	Exclusive Charge on current assets of the company - Present and future		
2	Working Capital Demand Loans from Banks		
	(b) Bank of Tokyo Mitsubishi UFJ Ltd.	90,000,000	170,000,000
	<u>Security</u>		
	Corporate guarantee by holding Company. Enkei Corporation, Japan		
	<u>Repayment</u>		
	From time to time, nevertheless payable on demand.		
	(rollover arrangements are entered with the bank with the same terms)		
	(c) Mizuho Bank Ltd.	40,000,000	100,000,000
	<u>Security</u>		
	Letter of guarantee by holding Company, Enkei Corporation, Japan		
	<u>Repayment</u>		
	From time to time, nevertheless payable on demand.		
	(rollover arrangements are entered with the bank with the same terms)		
	(d) Axis Bank Ltd.	100,000,000	-
	<u>Security</u>		
	Exclusive Charge on current assets of the company -Present and future		
	<u>Repayment</u>		
	From time to time, nevertheless payable on demand.		
	(rollover arrangements are entered with the bank with the same terms)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)
NOTE : 10 TRADES PAYABLES

(Amt. in ₹)

Sr. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Micro, Small & Medium Enterprises	-	-
2	<u>Others</u>		
	Raw materials & components	442,764,760	474,173,785
	Services & Expenses	35,615,599	56,223,717
3	<u>Payable to Overseas Group Companies</u>		
	Raw materials & components	17,273,597	106,127,249
	Services & Expenses	6,154,694	2,403,900
	TOTAL	501,808,650	638,928,651

NOTE : 11 OTHER CURRENT LIABILITIES

1	Current maturities of long-term debt	120,000,000	170,000,000
2	Employee dues	8,513,158	9,169,078
3	Payables on purchase of fixed assets	3,757,538	16,249,544
4	Statutory remittances	28,771,130	90,649,233
5	Interest accrued but not due on borrowings	1,166,813	2,426,171
6	Others	84,398	643,327
	TOTAL	162,293,037	289,137,353

NOTE : 12 SHORT-TERM PROVISIONS

1	Income Tax - Current Tax	1,341,158	12,029,674
2	Employee Benefits		
	Defined benefit obligation (gratuity)	503,708	1,568,101
	Defined benefit obligation (leave encashment)	462,188	561,283
	TOTAL	2,307,054	14,159,058

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

NOTE : 13.1 TANGIBLE FIXED ASSETS

			Gross Block				Depreciation				Net Block			
Sr. No.	Particulars	Depn. Rate	Cost as on 01-04-2013	Additions during the year	Deductions during the year	Reclassified as held for disposal	Effect of foreign currency exchange differences	Cost As on 31-03-2014	As on 01-04-2013	Depreciation for the year	Eliminated on reclassification as held for disposal	as on 31-03-2014	WDV as on 31.03.2014	WDV as on 31.03.2013
1	Free hold Land	0.00%	277,515,784	45,699,210	-	-	-	323,214,994	-	-	-	-	323,214,994	277,515,784
2	Lease hold Land	0.00%	2,126,72,150	-	-	-	-	212,672,150	-	-	-	-	212,672,150	212,672,150
3	Building	3.34%	1,681,05,247	40,193,138	-	-	-	208,298,385	26,284,280	6,464,332	-	32,748,612	175,549,773	141,820,967
4	Plant and Equipments	10.34%	10,647,24,722	278,750,021	-	-	167,541	1,343,642,285	443,396,705	124,382,632	-	567,779,337	775,862,948	621,328,017
5	Factory Equipments	10.34%	893,08,590	7,205,641	-	-	-	90,514,230	39,145,631	9,036,752	-	48,182,383	42,331,847	44,162,959
6	Electrical Installation	10.34%	493,07,003	11,368,714	-	-	-	60,675,717	20,013,704	5,770,005	-	25,783,709	34,892,008	29,293,299
7	Furniture & Fixture	6.33%	116,03,742	1,860,254	-	-	-	13,463,995	3,728,562	821,708	-	4,550,270	8,913,725	7,875,180
8	Computers	16.21%	6,515,210	3,439,439	-	-	-	9,954,649	2,628,587	1,289,000	-	3,917,587	6,037,062	3,886,623
9	Office Equipments	6.33%	7,468,177	2,319,176	-	-	-	9,787,353	2,327,941	580,969	-	2,908,910	6,878,443	5,140,236
10	Quality Control Equipments	10.34%	2,451,611	-	-	-	-	2,451,611	1,348,582	253,497	-	1,602,079	849,532	1,103,029
11	Vehicles - Owned	9.50%	9,920,213	197,250	-	-	-	9,719,356	3,334,339	952,806	-	4,061,157	5,685,199	6,585,874
	- Leased	9.50%	2,104,193	-	-	-	-	2,104,193	173,610	199,898	-	373,508	1,730,685	1,930,583
12	Dies & Moulds	11.31%	218,944,535	62,326,296	866,379	-	16,436,703	296,841,157	52,563,368	28,241,619	76,027	80,728,960	216,112,197	166,381,167
	SUB TOTAL (i)		2,114,641,177	453,359,138	1,264,486	-	16,604,245	2,583,340,075	594,945,309	177,993,218	302,015	772,636,512	1,810,703,563	1,519,695,868
	(Current Year)		2,072,916,548	126,666,422	10,126,767	103,385,088	28,570,060	2,114,641,177	485,723,914	159,169,494	3,625,597	46,322,498	1,519,695,868	1,587,192,634
	(Previous Year)													

Note : 13.2 Intangible Fixed Assets

Sr. No.	Particulars	Depn Rate	Gross Block				Amortisation				Net Block		
			Cost As on 01-04-2013	Additions during the year	Deductions during the year	Effect of foreign currency exchange differences	Cost As on 31-03-2014	Amortisation As on 01-04-2013	Amortisation for the year	Deduction During the year	Amortisation upto 31-03-2014	As on 31.03.2014	As on 31.03.2013
1	Computers & Functional Softwares	20.00%	2,333,839	-	-	-	2,333,839	837,895	466,768	-	1,304,663	1,029,176	1,495,944
	SUB TOTAL (ii)(Current Year)		2,333,839	-	-	-	2,333,839	837,895	466,768	-	1,304,663	1,029,176	1,495,944
	(Previous Year)		2,174,839	159,000	-	-	2,333,839	392,505	445,390	-	837,895	1,495,944	1,782,334

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Note : 13.3 Capital Work-in-progress

Sr. No.	Particulars	Depn. Rate	Gross Block			Depreciation			Net Block	
			As on 01-04-2013	Additions during the year	Deductions during the year	Transferred to Tangible Fixed Assets	Effect of foreign currency exchange differences	As on 31-03-2014	As on 01-04-2013	As on 31-03-2014
	Capital Work-in-Progress		254,123,909	256,733,585		510,857,494		-	-	-
	SUB TOTAL (iii)(Current Year)		254,123,909	256,733,585		510,857,494		-	-	-
	(Previous Year)		76,340,889	362,728,364		184,945,344		254,123,909	-	-
									254,123,909	76,340,889

Note : 13.4 Fixed assets held for Disposal

Sr. No.	Particulars	Depn. Rate	Gross Block			Reclassified as held for disposal	Effect of foreign currency exchange differences	Cost As on 31-03-2014	Depreciation			Net Block	
			Cost As on 01-04-2013	Additions during the year	Deductions during the year				As on 01-04-2013	Depreciation for the year	Eliminated on reclassification as held for Disposal	As on 31-03-2014	As on 31-03-2013
	Fixed Assets held for Disposal		103,385,088	-	103,385,088			-	46,322,499	-	-	-	57,062,589
	SUB TOTAL (v)(Current Year)		103,385,088	-	103,385,088	-	-	-	46,322,499	-	-	-	57,062,589
	(Previous Year)		57,716,693	103,385,088	57,716,693	-	-	103,385,088	25,421,805	46,322,499	-	57,062,589	32,294,888

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

NOTE : 14 FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE

(Amt. in `)

Sr. Particulars No.	As at 31st March, 2014	As at 31st March, 2013
2 Foreign Currency Monetary Item Translation Difference		
As per last Balance sheet	194,030,941	-
Add: Accumulation during the year	81,732,505	221,749,647
Less: Amortisation during the year	45,801,838	27,718,706
TOTAL	229,961,609	194,030,941

NOTE : 15 LONG TERM LOANS AND ADVANCES

1 <u>Secured, Considered Good :</u>	-	-
2 <u>Unsecured, Considered Good :</u>		
i) Capital Advances	2,318,902	48,093,901
ii) Security Deposits & Others	21,710,285	20,265,749
iii) Advance income tax	4,690,023	3,145,182
iv) MAT credit entitlement	14,798,582	3,391,638
v) Balances with government authorities	12,743,201	14,478,075
vi) Defined benefit plan assets	6,867,401	1,206,224
TOTAL	63,128,394	90,580,769

NOTE : 16 INVENTORIES

Raw Materials	63,267,124	164,775,850
Semi Finished Goods	18,307,528	28,021,230
Stock of Traded Goods	694,409	1,689,264
Stores, Spares & Consumables	17,944,458	30,429,865
TOTAL	100,213,519	224,916,209

Details of inventories

1 Raw Materials		
Alluminium Ingots	63,267,124	164,775,850
2 Semi Finished Goods		
a Wheels-Two wheeler	186,099	7,423,037
b Wheels - Four wheeler	18,121,429	20,598,193
	18,307,528	28,021,230
3 Traded Goods		
a Wheels - Two wheeler	-	-
b Wheel- Four wheeler	8,039	657,682
c Accessories	686,370	1,031,582
	694,409	1,689,264
4 Stores, Spares & Consumables	17,944,458	30,429,865
TOTAL	100,213,519	224,916,209

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

(Amt. in `)

Sr. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<u>Secured, Considered Good :</u>	-	-
2	<u>Unsecured, Considered Good :</u>		
	Outstanding for a period exceeding six months	21,051,184	11,764,027
	Others	543,955,351	504,824,739
	Less: provision for bad & doubtful debts	9,207,037	-
	TOTAL	555,799,498	516,588,766

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

NOTE : 18 CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<u>Cash On Hand</u> (including held in Foreign currency)	1,275,794	1,439,788
2	<u>Bank Balances</u>		
	In current accounts	13,40,58,853	230,453,942
	In deposit accounts	133,425,007	253,149,157
	TOTAL	268,759,654	485,042,887

Note :Bank Balances do not include any margin monies. There are no deposits which have an original maturity or maturity of more than 12 months from the balance sheet date.

NOTE :19 SHORT TERMS LOANS AND ADVANCES

Sr. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<u>Secured, Considered Good :</u>	-	-
2	<u>Unsecured, Considered Good :</u>		
	i) Loans and advances to employees	367,180	613,618
	ii) Prepaid Expenses	3,392,227	4,801,767
	iii) Balances with government authorities	147,417,767	178,162,216
	iv) Defined benefit plan assets	-	2,129,384
	TOTAL	151,177,174	185,706,985

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

(Amt. in `)

Sr. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Sale of Products	3,549,185,584	3,168,845,138
2	Income from Services	213,500	202,300
3	Other operating revenues	48,021,971	46,039,450
		<u>3,597,421,055</u>	<u>3,215,086,888</u>
	Less:		
	Excise duty	397,311,731	345,514,759
	TOTAL	<u><u>3,200,109,324</u></u>	<u><u>2,869,572,129</u></u>

NOTE: 20.1 PARTICULARS OF SALE OF PRODUCTS

a	Manufactured goods		
i	Wheels - Two wheeler	15,50,348,270	1,319,907,886
ii	Wheels - Four wheeler	1,601,346,472	1,409,535,354
	TOTAL - Sale of manufactured goods	<u><u>3,151,694,742</u></u>	<u><u>2,729,443,240</u></u>
b	Traded goods		
i	Wheels - Two wheeler	-	1,622,999
ii	Wheels - Four wheeler	509,919	92,129,760
iii	Accessories	5,855,549	5,030,325
	TOTAL - Sale of traded goods	<u><u>6,365,468</u></u>	<u><u>98,783,084</u></u>
	TOTAL - Sale of products	<u><u>3,158,060,210</u></u>	<u><u>2,828,226,324</u></u>

NOTE : 21.a COST OF MATERIALS CONSUMED

1	Opening Stock	164,775,850	92,667,791
	Add: Purchases	1,622,491,960	1,510,369,414
		<u>1,787,267,810</u>	<u>1,603,037,205</u>
	Less: Closing Stock	63,267,125	164,775,850
	Cost of materials consumed*	<u><u>1,724,000,685</u></u>	<u><u>1,438,261,355</u></u>

* The figures are in respect of main raw material, i.e. aluminium ingots. The figures of consumption have been arrived by dedcuting the closing stock from the quantity/value of opening stock as increased by the purchases during the year.

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

Sr. No.	Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
		%	Value	%	Value
	Raw Materials				
	Imported	92.8	1,506,370,042	91.6	1,383,681,856
	Indigenous	7.2	116,121,918	8.4	126,687,558
	TOTAL	<u>100.0</u>	<u>1,622,491,960</u>	<u>100.0</u>	<u>1,510,369,414</u>

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

Sr. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Wheels	-	86,178,671
2	Accessories	4,514,996	2,648,265
	TOTAL	4,514,996	88,826,936

DETAILS OF PURCHASE OF STOCK-IN-TRADE IMPORTED AND INDIGENOUS ITEMS

Sr. No.	Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
		%	Value	%	Value
	Traded Goods				
	Imported	86.1	3,889,406	74.7	66,337,051
	Indigenous	13.9	625,590	25.3	22,489,885
	TOTAL	100.0	4,514,996	100.0	88,826,936

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

Sr. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Inventories (at close)		
a	Semi Finished goods	18,307,527	28,021,229
b	Stock-In-Trade	694,410	1,689,265
		19,001,937	29,710,494
2	Inventories (at commencement)		
a	Semi Finished goods	28,021,229	40,755,030
b	Stock-In-Trade	1,689,265	7,526,196
		29,710,494	48,281,226
	TOTAL	10,708,557	18,570,732

NOTE : 22 EMPLOYEE BENEFITS EXPENSES

1	Salaries & Wages	165,440,966	140,047,307
2	Contribution to Provident, Gratuity and other Funds	9,344,877	8,871,486
3	Leave Encashment	204,524	3,168,982
4	Welfare Expenses	28,761,398	21,131,254
	TOTAL	203,751,765	173,219,029

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

NOTE : 23 OTHER EXPENSES

(Amt. in `)

Sr. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Manufacturing Expenses		
a	Consumption- Stores and Spares	307,197,726	296,992,699
b	Power and Fuel	291,955,657	268,631,665
c	Processing Charges- Remelting	67,921,163	61,623,231
d	Processing Charges- Others	46,422,762	39,910,767
e	Royalty	40,395,612	37,035,418
f	Other Manufacturing Expenses	65,164,923	57,449,803
		<u>819,057,843</u>	<u>761,643,583</u>
2	Foreign Exchange Fluctuation Loss/(Gain)	80,223,458	56,084,106
3	Administrative Expenses		
a	Legal and Professional Fees	7,812,865	6,861,614
b	Other Administrative expenses	42,048,291	47,635,808
		<u>49,861,156</u>	<u>54,497,422</u>
4	Selling & Distribution Expenses		
a	Freight Outward	71,897,757	52,876,296
b	Other selling & distribution expenses	23,986,013	10,190,862
		<u>95,883,770</u>	<u>63,067,158</u>
	TOTAL	<u>1,045,026,227</u>	<u>935,292,269</u>

Details of consumption of imported and indigenous items

Sr. No.	Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
		%	Value	%	Value
	Consumption- Stores and Spares				
	Imported	6.7	20,564,258	13.6	40,415,726
	Indigenous	93.3	286,633,468	86.4	256,576,973
	TOTAL	<u>100.0</u>	<u>307,197,726</u>	<u>100.0</u>	<u>296,992,699</u>

NOTE :24 FINANCE COST

Sr. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Interest on Rupee Loans	56,335,376	105,274,770
2	Interest on Foreign Currency Loans (ECB)	19,402,632	26,153,103
		<u>75,738,008</u>	<u>131,427,873</u>
	Less: capitalised during the year		
	- Prior Period	-	(42,909,083)
	- Current Period	(30,003,603)	(69,469,573)
		<u>45,734,405</u>	<u>19,049,217</u>
3	Interest on Working Capital Loans	31,537,229	42,014,467
4	Other Borrowing Costs	9,133,375	2,509,974
	TOTAL	<u>86,405,009</u>	<u>63,573,658</u>

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

(Amt. in `)

Sr. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Depreciation on tangible fixed assets	177,993,219	159,169,495
2	Amortisation on intangible assets	466,768	445,390
	TOTAL	178,459,987	159,614,885

NOTE : 26 OTHER INCOME

1	Interest on Term Deposits with Banks *	8,421,053	2,613,912
2	Other income	700,304	3,700,730
	TOTAL	9,121,357	6,314,642

* net of capitalisation of ` 7,873,441/- (PY ` 21,224,425)

NOTE : 27 PRIOR PERIOD & EXCEPTIONAL ITEMS

a	<u>Prior period income</u>		
	Group companies (overseas) liabilities (old) written back	108,990,049	218,663,452
b	<u>Less : Prior period expenses</u>		
i	Group companies (overseas) fees & expenses	-	21,506,626
ii	Other Supplier- Expenses	88,347	-
iii	Non-refundable CENVAT Duty - Advance Licenses	1,575,345	27,877,010
iv	Interest liability on CENVAT Duty - Advance Licenses	-	78,520,569
		1,663,692	127,904,205
	TOTAL	107,326,357	90,759,247

NOTE 28 NOTES FORMING PART OF FINANCIAL STATEMENTS :
a Share Application Money Pending for Allotment

The Company has received share application money of ` 33,550,000/- on 2nd Dec 2013 towards proposed issue of 6,71,000 equity share on preferential basis to the Eneki Corporation, Japan.

The members of the Company have approved the proposed issue in their Extra ordinary General Meeting held on 13th Dec 2013. However, the requisite approval from the regulatory authorities for the same has been pending on the balance sheet date. As a result, the share could not be allotted to the applicant, which is none other than its Holding and Promoter Company. The application money received has been shown in the Balance sheet as "Share application money pending allotment."

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

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

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

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

Name of the party	Relationship	Amount outstanding as at 31st March, 2014	Amount outstanding as at 31st March, 2013
Enkei Corporation, Japan (equity shares of ` 4,12,76,800/- are held by the holding company in the equity capital of the Company.	Promoter Holding Company	-	-
		-	-

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

d Details of fixed assets (at book values) held for disposal

(Amt. in `)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(i) Plant and Equipments	-	53,385,580
(ii) Factory Equipments	-	2,900,460
(iii) Electrical Installation	-	583,933
(iv) Quality Control Equipments	-	192,615
TOTAL	-	57,062,589

e 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 :

Particulars	As at 31st March, 2014	As at 31st March, 2013
Forward Contracts against Imports		
- In US Dollors-Number of contracts (6)	19,71,433	-
- In Japanese Yen-Number of contracts (Nil)	-	-
Equivalent Rupees	122,390,462	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

		(Amt. in `)	
Particulars	As at 31st March, 2014	As at 31st March, 2013	
f Details of the year-end foreign currency exposures that have not been hedged			
Particulars with balances as per books of account			
External Commercial Borrowings	623,598,001	612,256,001	
Purchase of Fixed Assets	318,211,430	846,219,903	
Trade Payables	1,218,512,620	762,869,075	
	<u>2,160,322,051</u>	<u>2,221,344,979</u>	
g Value of imports calculated on CIF basis @:	For the year ended 31st March, 2014	For the year ended 31st March, 2013	
Raw materials	1,506,370,042	1,383,681,856	
Traded Goods	3,889,406	66,337,051	
Spare parts	24,462,289	40,998,259	
Capital goods	55,140,155	86,020,579	
	<u>1,589,861,892</u>	<u>1,577,037,745</u>	
@ the total value of imports relates to the imports made excluding the relevant taxes:			
h Expenditure in foreign currency #:			
Royalty	40,395,612	37,035,418	
Foreign Travel	709,124	613,198	
Computer Hire Charges	824,707	909,786	
Legal, Professional and consultation fees	-	1,260,000	
Interest on Foreign Currency Loans	19,402,633	20,331,723	
Other matters	-	-	
	<u>61,332,075</u>	<u>60,150,125</u>	
# on accrual basis on the gross amount of expenditure (i.e. the expenditure before withholding taxes)			
i Earnings in foreign exchange:			
Export of goods calculated on FOB basis	796,560	981,167	
	<u>796,560</u>	<u>981,167</u>	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

j	Remittance in foreign currency during the year on account of dividends	(Amt. in `)	
		For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Gross amount of dividend remitted in foreign currency		
	Number of non-resident shareholders	-	-
	Number of equity shares held by them on which dividend was due		
	Year to which the dividend relates		
	TDS Deducted		
k	Auditors Remuneration		
	Audit Fees	816,875	713,125
	Limited Reviews	105,000	90,000
	Out of Pocket Expenses	121,064	132,625
		<u>1,042,939</u>	<u>935,750</u>
I	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	5,000,000	-
	(b) Guarantees	500,000	-
	(c) Letters of Credits issued by the bank for imports	1,080,452	-
	(d) Differential Tax Liability - C Forms not received	343,754,772	327,959,232
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets	12,466,328	111,329,243
	(b) Other Commitments	-	-
m	Earning per Share as computed in accordance with Accounting Standard 20		
	Net profit / (loss) for the year	5,301,265	43,501,032
	(Add) / Less: Extraordinary items (net of tax)	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	<u>5,301,265</u>	<u>43,501,032</u>
	Weighted average number of equity shares for calculation of Basic EPS	12,233,500	12,233,500
	Weighted average number of equity shares for calculation of Diluted EPS	12,233,500	18,980,506
	Face value per share	` 5/- per share	` 5/- per share
	Earnings per share - Basic	0.43	3.56
	Earnings per share excluding extraordinary items - Basic	0.43	3.56
	Earnings per share - Diluted	0.43	2.29
	Earnings per share, excluding extraordinary items - Diluted	0.43	2.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Note 28 Disclosures under Accounting Standards (contd.)

n Employee benefit plans

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

Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 7,454,411/- (Year ended 31 March, 2013 ₹ 6,097,720/-) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined Benefit plans

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

i. Gratuity

ii. Leave Entitlements

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

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Leave Entitlements	Gratuity	Leave Entitlements
<u>Components of employer expense</u>				
Current service cost	1,303,211	778,556	1,233,692	1,233,372
Interest on obligation	511,736	212,461	396,341	113,557
Expected return on plan assets	(429,138)	-	(316,356)	-
Net Actuarial (gain) / loss recognized in the year	(384,700)	(1,459,564)	708,447	811,303
Past service cost	-	-	-	1,010,751
Actuarial losses/(gains) on curtailments & settlement	-	-	-	-
<u>Expense recognised in the Statement of Profit and Loss</u>	1,001,109	(468,547)	2,022,124	3,168,983
<u>Net asset / (liability) recognised in the Balance Sheet</u>				
Present value of defined benefit obligation	7,452,632	2,648,983	6,505,501	3,848,196
Fair value of plan assets	6,948,924	-	33,35,608	-
Funded status [Surplus / (Deficit)]	(503,708)	(2,648,983)	(3,169,893)	(3,848,196)
Unrecognised past service costs	-	-	-	-
Unrecognised Actuarial loss	-	-	-	-
<u>Net asset / (liability) recognised in the Balance Sheet</u>	(503,708)	(2,648,983)	(3,169,893)	(3,848,196)
<u>Change in defined benefit obligations (DBO) during the year</u>				
Present value of DBO at beginning of the year	6,505,501	2,837,446	5,132,507	1,992,168
Current service cost	1,303,211	778,556	1,233,692	1,233,913
Interest cost	511,736	212,461	396,341	113,557
Actuarial (gains) / losses	(338,176)	(1,459,564)	682,297	811,303
Past service cost	-	773,000	-	1,010,751

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

(Amt. in `)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Leave Entitlements	Gratuity	Leave Entitlements
Loss (gains) on Curtailments	-	-	-	-
Liability extinguished on settlements	-	-	-	-
Liability assumed in an amalgamation in the nature of purchase	-	-	-	-
Exchange difference on foreign plans	-	-	-	-
Benefits paid	(529,640)	(492,916)	(939,336)	(1,313,496)
Present value of DBO at the end of the year	<u>7,452,632</u>	<u>2,648,983</u>	<u>6,505,501</u>	<u>3,848,196</u>
Change in fair value of assets during the year				
Fair value of plan assets at beginning of year	3,335,608	-	3,984,738	-
Expected return on plan assets	429,138	-	316,356	-
Actuarial gain / (loss)	46,524	-	(26,150)	-
Assets distributed on settlements	-	-	-	-
Contribution by the employer	3,667,294	-	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-	-	-
Exchange difference on foreign plans	-	-	-	-
Benefits paid	(529,640)	-	(939,336)	-
Plan assets at the end of the year	<u>6,948,924</u>	-	<u>3,335,608</u>	-
Actual return on plan assets	<u>475,662</u>	-	<u>290,206</u>	-
Composition of the plan assets is as follows:				
Government of India Securities	0%	0%	0%	0%
High quality corporate bonds	0%	0%	0%	0%
Equity shares of listed companies	0%	0%	0%	0%
Property	0%	0%	0%	0%
Policy of insurance	100%	0%	100%	0%
Bank Balance	0%	0%	0%	0%
Actuarial assumptions				
Discount rate	9.10%	9.10%	8.20%	8.20%
Expected return on plan assets	8.75%	0.00%	9.00%	0.00%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Proportion of employees opting for early retirement	-	-	-	-

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Note 28 Disclosures under Accounting Standards (contd.)

o Related party transactions

Details of related parties:

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

Note: Related parties have been identified by the Management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

Details of related party transactions during the year ended 31 March, 2014:

(Amt. in `)

Particulars		Associates	Holding Company	Key Management Personnel (KMP)	Total
Purchase of Traded goods	CY	-	-	-	-
	PY	54,760,284	-	-	54,760,284
Export Sale	CY	-	796,560	-	796,560
	PY	-	981,167	-	981,167
Purchase of Stores & Spares	CY	2,758,078	13,091,564	-	15,849,642
	PY	20,745,319	70,856	-	20,816,175
Purchases of services	CY	525,115	-	-	525,115
	PY	1,459,438	-	-	1,459,438
Sale of services	CY	755,045	-	-	755,045
	PY	-	-	-	-
Royalties Paid/Payable	CY	-	40,395,612	-	40,395,612
	PY	-	37,035,418	-	37,035,418
Interest Paid/Payable	CY	-	19,402,633	-	19,402,633
	PY	-	26,153,103	-	26,153,103
Salaries & perquisite	CY	-	-	6,013,168	6,013,168
	PY	-	-	6,558,155	6,558,155
Other Expenses Charged to Company	CY	1,058,777	8,574,905	-	9,633,682
	PY	1,143,900	25,054,497	-	26,198,397
Write-back of Liabilities (old)	CY	108,990,049	-	-	108,990,049
	PY	185,786,117	32,877,336	-	218,663,453
Purchase of fixed assets	CY	22,868,320	32,271,835	-	55,140,155
	PY	26,841,017	59,179,562	-	86,020,579
Sale of fixed assets	CY	826,049	-	-	826,049
	PY	1,732,843	-	-	1,732,843
Net Transaction during the year	CY	137,781,432	114,533,109	6,013,168	258,327,709
	PY	292,468,918	180,370,772	6,558,155	479,397,845
Balances with the related parties					
Amount receivable	CY	68,416,412	89,100	-	68,505,512
	PY	68,416,412	89,100	-	68,505,512
Amount Payable	CY	944,550,965	396,368,045	-	1,340,919,010
	PY	1,008,108,738	378,879,141	-	1,386,987,879

Note: Figures in CY relates to the year 2013-14 and PY relates to the year 2012-13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD.)

p Disclosure in respect of Leases pursuant to Accounting Standard (AS-19) " Leases".

i) where the Company is a lessee :

Finance Leases

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

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Payable not later than one year	647,448	647,448	539,517	463,063
Payable later than one year but not later than five years	412,454	1,059,902	402,756	942,273
Payable later than five years	-	-	-	-
Total	1,059,902	1,707,350	942,273	1,405,336
Less: Future finance charges	117,629	302,014	-	-
Present Value of minimum lease payments	942,273	1,405,336	942,273	1,405,336

Operating Leases

The Company has operating leases in respect of its plants, premises, computers, etc. Further, lease rentals payable in respect of the same which are non-cancellable are as follows.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Not later than one year	2,326,146	1,638,593
Later than one year but not later than five years	-	-
Later than five years	-	-

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



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 'FIFTH ANNUAL GENERAL MEETING' of the Company to be held on Thursday, 25th September, 2014 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

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

5th Annual General Meeting on 25th September 2014.

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:

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 5th Annual General Meeting of the Company scheduled to be held on Thursday, 25th September 2014 and at any adjournment thereof, in respect of following resolutions.

ORDINARY BUSINESS	
1.	To receive, consider and adopt financial statements of the Company for the year ended March 31, 2014, and the reports of the Board of Directors and Auditors thereon.
2.	To appoint M/s. Asit Mehta & Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the 10th Annual General Meeting to be held in calendar year 2019, subject to ratification by the Members at every Annual General Meeting.
3.	Re-appointment of Mr. Junichi Suzuki, who is liable for retire by rotation.
SPECIAL BUSINESS	
4.	To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and Rules made thereunder.
5.	To appoint Dr. Haresh Shah as an Independent Director of the Company not liable to retire by rotation.
6.	To appoint Mr. GSV Prasad as an Independent Director of the Company not liable to retire by rotation.
7.	To appoint Ms. Shilpa Dixit as an Independent Director of the Company not liable to retire by rotation.
8.	To approve borrowing including the amount already borrowed upto an amount ` 200 Crores (Rupees Two Hundred Crores) which is in excess of the aggregate of the paid up share capital and its free reserves.
9.	To Create Charge on the Assets of the Company.
10.	To Approve the remuneration of Cost Auditors of the Company.

Signed thisday of2014

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 5th Annual General Meeting.

Affix
Revenue
Stamp
` 1/-



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

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 Fifth Annual General Meeting (AGM) of the Company to be held on Thursday, 25th August, 2014 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 financial statements of the Company for the year ended March 31, 2014, and the reports of the Board of Directors and Auditors thereon.			
2.	To appoint M/s. Asit Mehta & Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the 10th Annual General Meeting to be held in calendar year 2019, subject to ratification by the Members at every Annual General Meeting.			
3.	Re-appointment of Mr. Junichi Suzuki, who is liable for retire by rotation.			
4.	To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and Rules madethereunder.			
5.	To appoint Dr. Haresh Shah as an Independent Director of the Company not liable to retire by rotation.			
6.	To appoint Mr. GSV Prasad as an Independent Director of the Company not liable to retire by rotation.			
7.	To appoint Ms. Shilpa Dixit as an Independent Director of the Company not liable to retire by rotation.			
8.	To approve borrowing including the amount already borrowed upto an amount ` 200 Crores (Rupees Two Hundred Crores) which is in excess of the aggregate of the paid up share capital and its free reserves.			
9.	To Create Charge on the Assets of the Company.			
10.	To Approve the remuneration of Cost Auditors of the Company.			

Date :

Place :

Signature of Shareholder

Notes: Please read the instructions printed overleaf before filling the form, valid Ballot form received by the scrutinizer by IST 6.00 pm on 21st September 2014 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 6.00 p.m. on 21st September 2014. 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.

Registered / courier

TO,

ENKEI WHEELS (INDIA) LIMITED.

CIN : L34300PN2009PLC133702

Registered Office :

Gat No. 1425, Village Shikrapur,


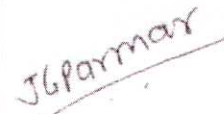


Taluka Shirur, Dist. Pune - 412 208.

Tel. : (02137) 618700

Email: secretarial@enkei.in

Website : www.enkei.in

FORM A
(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company;	Enkei Wheels (India) Limited
2.	Annual financial statements for the year ended	31 st march 2014
3.	Type of Audit observation	Unqualified, Matter of Emphasis There are two matters of emphasis.
4.	Frequency of observation	Matter of emphasis given in para 2 (a) of Independent Auditors' Report (the Report), had also appeared in the report for the year 2012-13. Another, i.e. one given in sub para (b) is appearing first time in para 2 of the report. Some references of the subject matter were also made in the report for the year 2012-13 and in the annexure to Independent Auditors' Report. Both are self-explanatory in nature.
5.	To be signed : <ul style="list-style-type: none"> Managing Director Chief Financial Officer Auditor Audit Committee Chairman 	<p>For ENKEI WHEELS (INDIA) LTD.</p> <p> Managing Director</p> <p> For ASIT MEHTA & ASSOCIATES</p> <p> Partner</p> <p> H</p>