

ENKEI WHEELS (INDIA) LIMITED

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



**LIFT OUR LEVEL.
EXPAND OUR LABEL.**



**Annual Report
2020**



INSIDE THE REPORT

02-08

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Forward-looking statements

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

The world is living through an unprecedented crisis, the impact of which has been severe and far-reaching on almost every business and every industry. It has further aggravated the challenges for the Indian automotive sector, which was already impacted by the BS-VI transition and slowdown in economic growth.

At Enkei Wheels, as we move forward each day, we are preparing to succeed with a renewed mindset. Along with our resolve, our resilience led by our core competencies will enable us to emerge stronger from the challenging times. We continue to focus aggressively on growing our product portfolio, customer base, capacities, and efficiencies. Technology, Innovation, Customers, and Employees - are what motivates us.

We are -

- **Widening our expertise and knowledge**
- **Strengthening people practices to create a conducive environment**
- **Expanding business and efficiencies**
- **Harnessing technology to produce differentiated products**

SIMPLY PUT, BY LIFTING OUR LEVEL
AND EXPANDING OUR LABEL, **WE AIM
TO FIND OPPORTUNITIES AMIDST THE
CHALLENGES AND SCRIPT SUCCESS.**



ABOUT ENKEI WHEELS (INDIA) LIMITED

Enkei Wheels (India) Limited is a part of the Enkei Group, a distinguished Japanese multinational conglomerate with over six decades of experience in manufacturing aluminium alloy wheels. We are engaged in the business of manufacturing and supplying aluminium wheels to the leading two-wheeler and four-wheeler manufacturers in India.

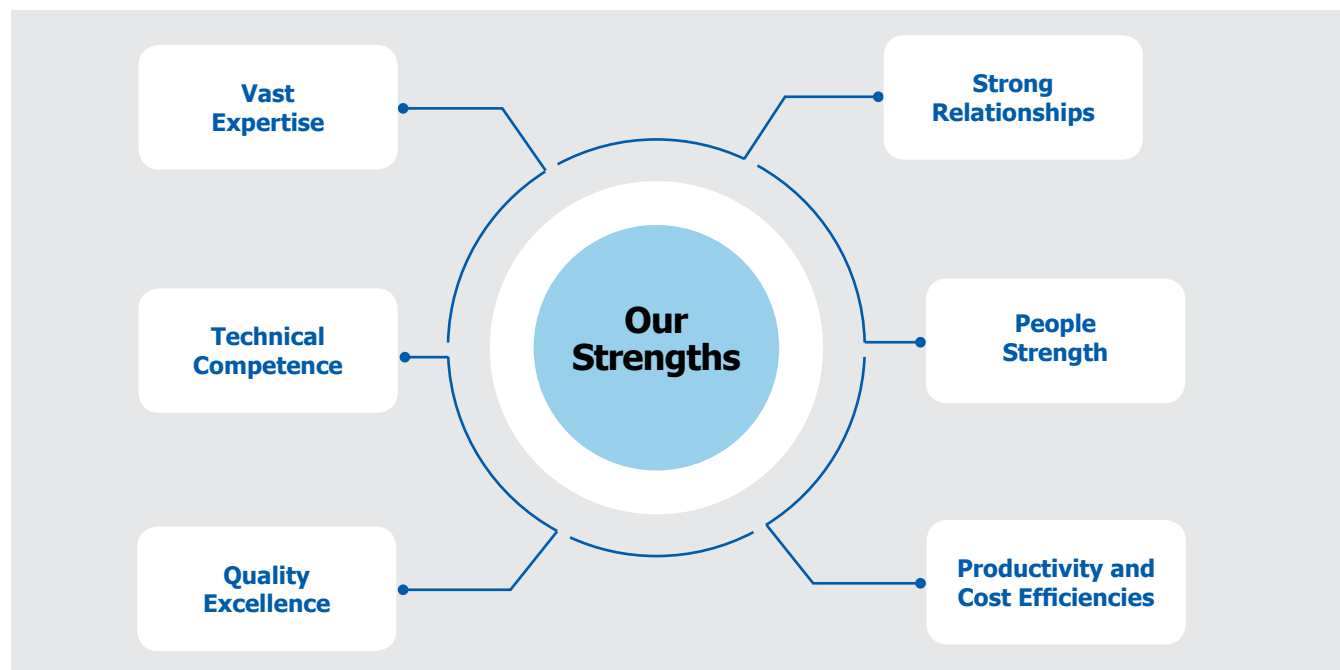
We started our journey in 2009, and, has since then, come a long way.

Our differentiated strengths enable us to better innovate and deliver highest quality products to customers and seize new opportunities. Our unmatched design and manufacturing capabilities, rich expertise, quality consciousness, and talented team form the backbone of our Company. Today, we are recognised as one of the most trusted alloy wheel brands in the Indian automotive industry.

MANUFACTURING PROWESS

Our innovation is executed by our state-of-the-art manufacturing unit, which is located in Pune with a production capacity of 2W 1,20,000 and 4W 90,000 Wheels per month. Adoption of advanced technologies further boost our manufacturing capabilities, thereby enabling production of finest quality products as per evolving customer requirements.

WHAT DISTINGUISHES US



Our Esteemed Customers

Four-Wheeler



Two-Wheeler



CSR INITIATIVES

MAHER INSTITUTE



SURYA HOSPITAL



SNEHALAYA - REHABILITATION CENTRE



OUR FINANCIAL SCORECARD

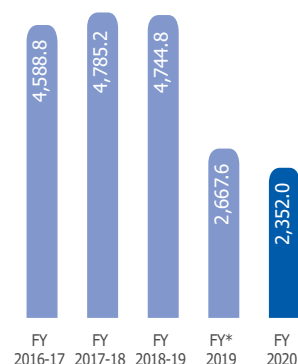
Our constant endeavour is to drive highest value for our stakeholders and maintain strong financials. The Company's cost competitiveness, technology edge, and flexible production model give it a competitive edge and enables us in delivering improved financial performance each year.

5-Year Financial Highlights

*Figures shown in FY 2019 are of 9 (Nine) months period.

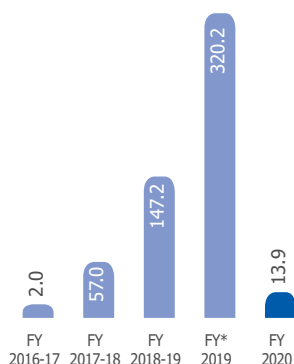
Net Sales

₹ in Million



Other Income

₹ in Million



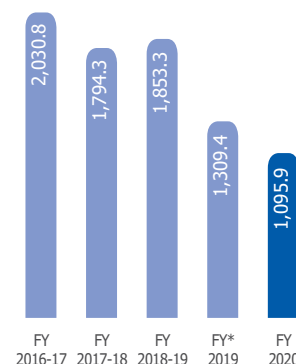
Material Cost

₹ in Million



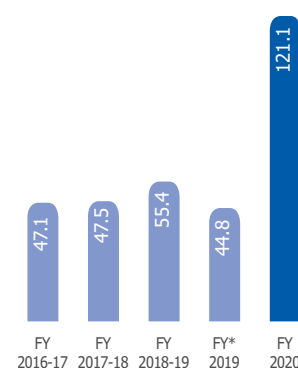
Other Expenses

₹ in Million



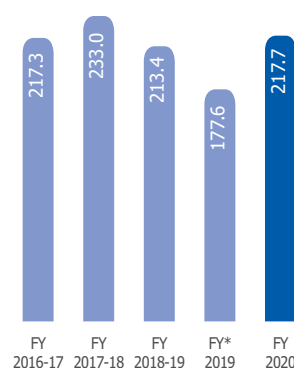
Interest

₹ in Million



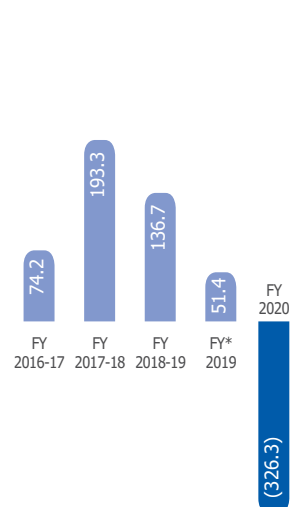
Depreciation

₹ in Million



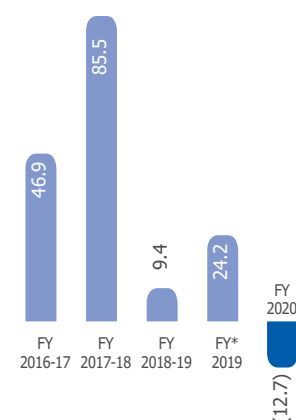
Profit before Tax

₹ in Million



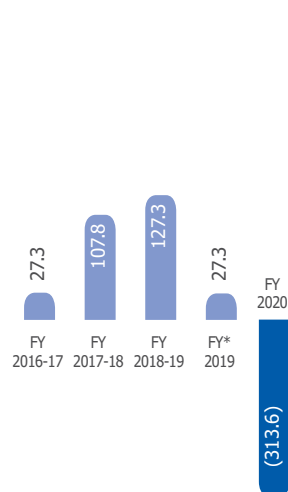
Income Tax Provision

₹ in Million

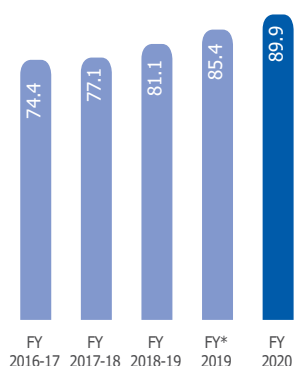


Net Profit after Tax

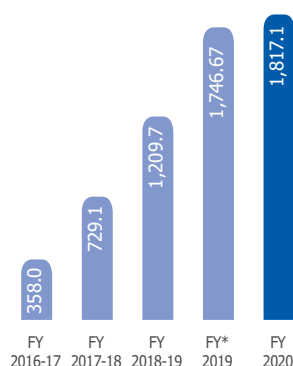
₹ in Million

**Share Capital**

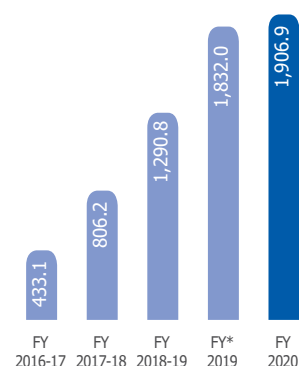
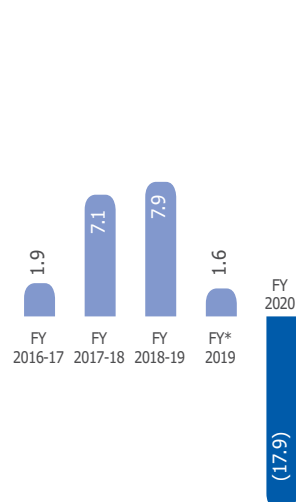
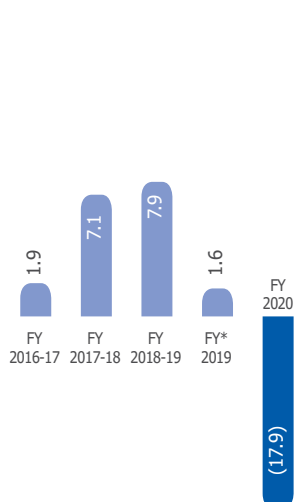
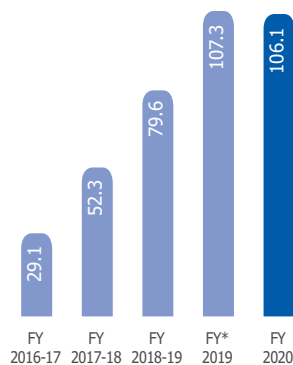
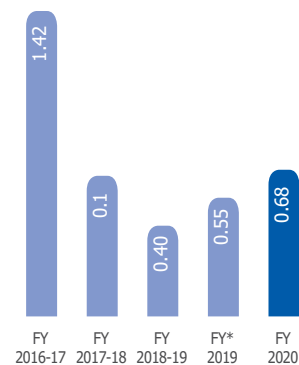
₹ in Million

**Reserves**

₹ in Million

**Net Worth**

₹ in Million

**Basic Earnings per Share (₹) (Face Value of ₹ 5/-) before extraordinary Income/ Expense****Basic Earnings per Share (₹) (Face Value of ₹ 5/-) After extraordinary Income/ Expense****Book Value per Share (₹)****Debt Equity Ratio**

MANAGING DIRECTOR'S MESSAGE



In the extremely challenging year 2020, our Company experienced the worst crisis that had never been experienced in the past. The nationwide lockdown due to the COVID-19 outbreak heavily impacted the Indian economy as well as Automotive industry. As a result, we were forced to suspend and reduce the continuing production due to decreased customers demand. However, even in the biggest pinch, we decisively concentrated on cost reduction activities and established a management base that eliminated the waste. In 2020, we suffered a great deal of management damage, but from 2021, we intend to focus on continuing the path of change and evolution towards a revival.

Dear shareholders,

We hereby share the comprehensive performance results of the FY 2020 and latest information of ENKEI WHEELS (INDIA) LTD. (hereinafter referred to as EWIL) with our shareholders. We thank you all for your continued patronage.

Change in the Settlement Term

We report that, for the purpose of consolidated financial statements of the ENKEI Group, we have closed the Annual Report of 12 months i.e. from January to December. (Adjusted with 9-month settlement period of the previous term of FY 2019)

Summary of Automobiles and Motorcycles Sales of 2020

According to the statistics of the Society of Indian Automobile Manufacturers (SIAM), the number of automobile units (including passenger cars, SUVs, commercial vehicles/trucks, buses) sold in India during January to December FY 2020 was 2.94M units. Sales of motorcycles (including scooters) decreased significantly by 13.7M units, 79.6%, as compared to 77.0% of previous year (FY 2019). The factors such as, national lockdown due to the spread of COVID-19 virus as well as threats of new variant of coronavirus post the unlock greatly impacted the recovery of sales in automobiles and motorcycles. This sales volume result is assumed to be equivalent to the results as before 10 years, which explains the severity of the declination. Further, in April 2020, due to the introduction of new environment rules relating to transition of BS4 to BS6 emission standard by the Ministry of

Environment, we were refrained from getting orders from BS4 compliant vehicle companies. Sales of automobiles and motorcycles began to stagnate from the latter half of 2019 due to various market threats like reluctance of lending by non-bank financial institutions, tightening of insurance regulations, and stringent regulations on safety functions of 2W vehicles. Therefore, the highest sales volume for the past 10 years, which has continued to expand every year, is the FY 2018-19 period, and when we compared the peak period with the 2020 result, which is 62.8% in 4W and 62.6% in 2W. It can be said that this result represents the actual degree of declination in 2020. In the FY 2020, after releasing the lockdown regulations in India (especially regulations on the movement and behaviour of people) were gradually relaxed and the production activities of customers gradually restored. In the fourth quarter of 2020, it was almost recovered to the state before the lockdown. However, as a positive sign, due to strict lockdown regulations and rapid shut down in public transportation system for a long period of time, there was seen an increase in buying of automobiles and motorcycles by the public.

Order / Production status in FY2020

In 2020, customer orders for EWIL were linked to the above-mentioned sales trends of automobiles and motorcycles that fluctuated significantly. The orders were decreased during January to March before the lockdown due to the effect of bad sales performance before switching to BS6 that continued from the previous year. We were expecting that the orders will be recovered

after switching to BS6 in June. But there was a sudden turn to the situation due to the lockdown that occurred in the middle of March. In April, there were no orders, no production, and all employees had to stay at home due to the governmental guidelines, waiting patiently for this pandemic to pass. The Government started to gradually ease the restrictions from May and our production activities gradually resumed from the second half of May. The orders continued to increase, and the production levels reached 80% of the actual work in 2W and 75% of actual work in 4W in the fourth quarter of 2020. The actual sales of FY2020 was 634K pcs in 2W (57.9% as compared to 2019), 501K pcs in 4W (70.1% as compared to 2019), and a total of 62.7% in both 2W and 4W combined as compared to 2019. As with the sales of automobiles and motorcycles, the number of shipments in 2020 was significantly reduced as compared to that in 2019.

Profitability in FY 2020

EWIL has been working on thorough cost-cutting to overcome the shortage of orders that continued from the second half of 2019. Furthermore, in response to the lockdown, entire ENKEI Group is promoting the "SSB: 5 Shrink Balance Activity". For each of the five cost indexes, a specific action plan was decided, goals were set, activities were conducted, and the results were evaluated. As a result of these activities, the composition ratio of added value was up by 0.5% and fixed cost was reduced by ₹ 328.9 M for the full year as compared to 2019 irrespective of a significant decrease of 63.3% in sales amount in 2020 from 2019. The item with the highest reduction effect is labour cost; but

under the 5SB policy, activities to reduce all kinds of expenses such as reduction of consumables, review of annual maintenance contract costs, energy reduction are being conducted and continuing. However, there is a huge impact of decline in sales, and even the reduction of all kinds of expenses, especially fixed costs, could not make up for the drop in sales. Unfortunately, the operating profit fell into the negative. The impact of the exchange rate due to the depreciation of the rupee was also a negative factor. Further, in the first half of 2020, the prices of aluminium significantly declined due to reduced global demand, but in the second half of the year, the demand was showing signs of gradual recovery and prices suddenly began to rise. During this period, customers were unable to follow the fluctuations in the selling price of materials. The selling price and purchasing price were reversed and loss of material was also one of the major negative factors. In addition, increase in the prices of energy is also a factor on the negative side. Energy prices which dropped due to the lockdown have risen since the demand has recovered and, at the end of fourth quarter, prices were higher than the pre-lockdown period.

Status of the Production Capacity Expansion Plan

From the year 2020, slogan of the production capacity expansion project was changed from "Vision 2020" to "PFF: Preparation for our Future". This is a review of the plan that takes into consideration remodelling of the existing production line anticipating the perspective till 2025. However, due to the effect of COVID-19, the plan had to be completely revised for starting the production at the end of 2020. The first phase (starting the operation of MAC1 and new painting line) was reviewed at the end of 2019. Since building construction and equipment installation could not be promoted as planned and recovery of the orders were delayed than expected, we are thinking about postponing the start of mass production of MAC1 to 2022. The same applies for the new painting line and preparation for starting the production in the third quarter of 2021 has been started. However, starting the mass production at the end of 2021 cannot be confirmed yet. In any case, we will gear up early so that we can flexibly deal with the future orders. Moreover, remodelling of the existing line (Enkei standardisation) is also planned after 2022. After many hurdles, the plan was reviewed and postponed many times. Finally, we reached a situation where we can prepare a concrete

plan till the start of production. We have high expectations that commencing the operation of the new production line will act as a trigger and we will be able to make major changes and evolve.

Strengthening of Medium to Long-Term Strategic Sales Capabilities

As for the areas of improvement in FY 2019, strengthening the sales capability was a problem. However, after the lockdown of 2020, restrictions were laid on proactive sales activities and therefore the number of orders received for latest 2021 and for 2022 ~ 2023 have been significantly insufficient. Thus, this has been a bigger concern. After the second half of 2020, we have been developing a proactive approach towards the customers and aiming to trigger our sales activity with the full support of parent company. We are also promoting new customer acquisition and it will be changing till we can expect a stable customer balance in the future. However, we didn't make it on time for the orders we received in 2020 and for some time, we will have to overcome these challenges of 2021 and focus on improving productivity and reducing cost.

Outlook for the Automobile and Motorcycle Market and Order Inflow in 2021

The automobile sales forecast for the year 2021 is expected to be 3.14M units for 4W i.e., 107% as compared to that of year 2020 and 82% as compared to that of year 2019; and for 14.2 units for 2W i.e., 104% as compared to that of year 2020 and 80% as compared to that of year 2019. It will be increased from the sales level in 2020 but it will not recover to the level of 2019. There is improvement in our sales strategy. However, our number of orders is not sufficient yet. Although it has reached the break-even point, it has not reached a number that can assure positive returns. Therefore, we focus on securing recent orders in 2021.

Outlook and Challenges for 2021

Comprehensively, the forecast for 2021 shows that we will get out of the worst of the situation of 2020, but it will not recover to the level of FY 2019. Furthermore, though the most recent negative factors like escalating energy cost, global shortage of supply of semiconductors, issues related to import / export maritime logistics, rising labour costs, etc. become

evident, we cannot find the positive factors for the recovery of sales of automobiles and motorcycles. Therefore, based on the cost reduction initiatives being implemented since last year, we will focus on improving and overcoming our current weaknesses and will certainly ensure positive returns. We have a strong belief in the EWIL slogan for 2021 "Build strong foundation for our growing".

On the other hand, the growth and expansion of the Indian automobile and motorcycle market has come to a temporary standstill. However, we are confident of a robust expansion in the near future. We are also preparing for that and we will steadily move forward without hiccups. In other words, it is a "Preparation for our Future".

In Conclusion

EWIL FY 2020 slogan was "Building Foundation for Tomorrow" and "Preparation for our Future", and for overcoming the difficult situation, we built and established a foundation, while expanding the production capacity to prepare for the future. Unfortunately, we could not get positive results despite our consistent efforts. However, even in 2021, we will continue to be a strong and powerful system that eliminates waste and will promote it for future evolution and changes. In order to do so, the human resource development is an important challenge, and it should be the basis for all kinds of activities. This year, the action guideline for the entire Enkei Group is "Lift our level. Expand our label". Followed by the slogan of FY 2019, "Investing in people, Building our future", the human resource development is set as an important guideline. We also aim to improve the capabilities of our employees through on-the-job training (OJT), by organising a "Structure" to maintain stable production and product quality, and by active negotiation with clients. Finally, we will become a company that aims to create a sound, stable and reliable management structure and a work environment based on "safety", "health" and "environment"; and a company that aims to survive forever by contributing to the local communities through CSR activities. We would like to extend our deepest gratitude to our stakeholders, shareholders, clients, suppliers, employees, unions, workers, and everyone at the Enkei Group. We look forward to your continued support in the future.

Kazuo Suzuki
Managing Director

CORPORATE INFORMATION

Board of Directors

Mr. Kazuo Suzuki
Managing Director

Mr. Junichi Suzuki
Non-Executive Director

Dr. Haresh Shah
Independent & Non-Executive Director

Mr. Shailendrajit Rai
Non-Executive Director

Mr. Satyavara Prasad Garimella
Independent & Non-Executive Director

Ms. Shilpa Dixit
Independent & Non-Executive Director

Chief Financial Officer

Mr. Jitendra Parmar

Company Secretary

Mr. Jeevanjyoti Nayak

Bankers

MUFG Bank Ltd.
Mumbai

Mizuho Bank Ltd.
Mumbai

Sumitomo Mitsui Banking Corporation
Delhi

Axis Bank Ltd.
Pune

Kotak Mahindra Bank Ltd.
Pune

State Bank of India
Pune

Auditors

Kirtane & Pandit LLP
Chartered Accountants,
Pune

Registered Office

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

Registrar & Share Transfer Agents

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

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ENKEI WHEELS (INDIA) LIMITED WILL BE HELD ON MONDAY, THE 31ST DAY OF MAY 2021 AT 10:30 A.M. THROUGH VIDEO CONFERENCE/OTHER VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM NO. 1 - To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on **31st December, 2020** and the Reports of the Board of Directors and Auditors thereon.

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

SPECIAL BUSINESS:

ITEM NO. 3 Appointment of Ms. Smita Patti (DIN: 09150264) as an Independent Director.

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

"RESOLVED THAT pursuant to the provision of section 149, 152 and any other applicable provisions of the companies Act, 2013 ("the Act") read with schedule IV to the Act, the companies (Appointment and Qualification of Directors) Rule, 2014 including any other rules Made thereunder and Regulation 16 (1) (b) and other applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Smita Patti (DIN: 09150264), who was appointed as Additional Director (in the capacity of a Non-Executive Independent Director) of the company by the Board of Directors at its meeting held on 28th April, 2021 pursuant to section 161 of the Act and as recommended by the Nomination and Remuneration Committee and whose term expires at this Annual General Meeting ('AGM') and who has submitted a declaration that she meets the criteria of independence as provided in section 149(6) of the Act, be and is hereby appointed as an Independent Non-Executive Director of the company to hold office for a term of 3 (Three) consecutive Years commencing from 31st May, 2021, till 30th May, 2024.

RESOLVED FURTHER THAT any of the Director/or the Company Secretary of the Company be and is hereby authorised to do all such act and to take all necessary steps as may be necessary, proper or expedient to give effect to this resolution."

For and On Behalf of the Board of Directors

Place: Pune
Date: 28th April, 2021

Kazuo Suzuki
(Managing Director)
(DIN: 08350372)

NOTES:

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto.
- 2) In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 12th AGM of the Company shall be conducted through VC / OAVM.
- 3) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company

is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- 4) In accordance with, the General Circular No. 20/2020 dated May 05, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address are registered with the Company or the depository Participant(s).
- 5) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 6) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- 7) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- 8) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.enkei.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
- 9) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- 10) The Register of Members and Share Transfer Books of the Company will be closed from Thursday, 25th May, 2021 to Monday, 31st May, 2021 (both days inclusive) for the purpose of Annual General Meeting.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Friday, 28th May, 2021 at 9.00 a.m. (IST) and ends on Sunday, 30th May, 2021 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th May, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.

- (v) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- OR
- (vi) Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

(xx) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xxi) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@enkei.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

ANNEXURE TO THE NOTICE Explanatory Statement

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

The following explanatory statement sets out all material facts relating to various Business including Special Business of the accompanying Notice of the Annual General Meeting to be held on **31st May, 2021**.

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

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

Sr. No.	Particulars	Details of Director
1.	Name of Director and DIN	Mr. Shailendrajit Charanjit Rai (DIN: 00050950)
2.	Nature of Appointment	Director retires by rotation, and being eligible, seeks reappointment.
3.	Father's Name	Mr. Charanjit Rai
4.	Relationship with other Directors	NIL
5.	Nationality	Indian
6.	Date of Birth	1 st February, 1956
7.	Qualifications	Chartered Accountant.
8.	Expertise	Management & Finance.
9.	Date of first appointment	30th March, 2009
10.	List of outside directorships Held (Public Limited Co.)	Please refer Report of Corporate Governance.
11.	Member of the Committees in other companies in India	Please refer Report of Corporate Governance.
12.	Shareholding in the Company	262674
13.	Number of Meetings of the Board attended	Please refer Report of Corporate Governance.

Item No. 3: Appointment of Ms. Smita Patti (DIN: 09150264) as an Independent Director.

Ms. Smita Patti (DIN: 09150264), on the recommendation of Nomination and Remuneration Committee was appointed as an additional director in the capacity of Non- Executive Independent Director with effect from 28th April, 2021 by the Board of Directors in accordance with provision of section 149(6), 161 and schedule IV of the Companies Act 2013("the Act") and regulation 16 (1) (b) and other applicable provisions of the SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015.

As per the Section 161 of the Act, Ms. Smita Patti holds office up to the date of this AGM on 31st May, 2021. Ms. Smita Patti has consented to the proposed appointment and declared qualified. Ms. Smita Patti possess requisite knowledge, experience and skill for the position of Independent Director as per required criteria under the Act and rules & regulations made thereunder.

Based on the recommendation received from Nomination and Remuneration Committee and in view of her knowledge, skill and invaluable expertise related to industry of the company, it is proposed to appoint Ms. Smita Patti as Independent Non-Executive Director of the company in terms of section 149, read with section 152 of the companies Act 2013. In terms of section 149 and 152 Ms. Smita Patti is not liable to retire by rotation. Ms. Smita Patti if appointed shall hold office for a consecutive term of 3 (Three) years commencing from 31st May, 2021 till 30th May, 2024.

In terms and conditions of appointment of Ms. Smita Patti as an Independent Non-Executive Director is available for inspection by members at the registered Office of the company on any day during working hours between 8 am to 6 pm.

Except Ms. Smita Patti no other Director, Key Managerial Personnel of the company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution.

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

Sr. No.	Particulars	Details of Director
1.	Name of Director and DIN	Ms. Smita Patti (DIN: 09150264)
2.	Date of Birth	07/06/1977
3.	Date of appointment:	28/04/2021
4.	Nationality	Indian
5.	Brief Profile	Ms. Smita Patti is having industry experience of more than twenty years and actively involved in the corporate sector since the year 2000. Having acquired significant knowledge and expertise across multiple commercial disciplines, including Recruitment, Training & gamut of HR activities
6.	Qualifications	<ul style="list-style-type: none"> • Post graduate in Msw, (Gold medallist year 2000), specialised in Personnel Mgt & Industrial Relations. • DBM & DHRM, Indian Institute Of Modern Management
7.	Profession	Human Resource Consultant
8.	Relationship with other Director/Manager/KMP	NIL
9.	Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	NIL
10.	Memberships/ Chairmanship of committees of other companies (includes only Audit & Members/ Investors Grievance/ Stakeholders Relationship Committee)	NIL
11.	Shareholding in the Company	NIL

BOARD'S REPORT

To,
The Members of
ENKEI WHEELS (INDIA) LIMITED

The Directors take pleasure in presenting the Twelfth Annual Report together with the Audited Financial Statements, for the financial year ended 31st December, 2020:

Financial Highlights:

The Company's financial performance during the financial year 2020, as compared to the previous year 2019 (9 M) is summarized below:

Particulars	(₹ In Million)	
	For the Year ended December 31, 2020	For the Year ended December 31, 2019 (9 M)*
Total Revenue	2365.95	2,670.63
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA)	12.45	(43.37)
Less: Depreciation	217.66	177.60
Less: Financial Expenses	121.09	44.79
Profit / (Loss) before exceptional and extraordinary items and tax	(326.30)	(265.76)
Less: Exceptional and Extraordinary items	-	(317.18)
Profit/(Loss) before Tax	(326.30)	51.42
Less: Provisions for Taxes	(12.72)	24.17
Profit/(Loss) after Tax	(313.58)	27.25

*Figures are not comparable. Current Financial year of the company ended on 31st December 2020 covering a period of Twelve months from 1st January 2020 to 31st December 2020 and previous period of Nine Months from 1st April 2019 to 31st December 2019.

REVIEW OF OPERATIONS:

The sluggish market demand trends was continuing from the second half of 2019 and remained till first Qtr of FY2020. The effect of the Covid started being felt towards the end of March-2020 when many of the countries went into lockdown to counter the spread of the virus. Qtr2 i.e April-Jun2020 saw the major impact of Covid on Enkei India as the plant was complete shutdown for 45 days due to nationwide lockdown declared by the Government. Your company initiated a program for cost reduction and cash protection and continued to focus on Plant Efficiency Improvement, technology upgradation and adding new capabilities.

The reopening of plants post lockdown was done in a manner that provides a safe working environment for the workforce. All Safety protocols mandated by local authorities were followed, the focus was on renewing and continuing operations in a safe and sustainable manner thus Qtr 3 and Qtr 4 of FY2020 have seen recovery in operation.

During the Financial Year (2020) under review total revenue of the Company dropped to INR 2365.95 from INR 2670.63 Million for previous year, however Profit before Interest, Depreciation, Exceptional Items and Tax improved to INR 12.45 Million as against loss of INR 43.37 Million for the previous year. The profit before exceptional items & tax for the Financial Year reduced by loss of 326.30 Million in Financial Year 2020 from profit INR 51,42 Million in Financial Year 2019 (9 months). Overall your Company landed with the sales of total 1.14 million (Jan-Dec 2020) combined for 2 wheelers plus 4 wheelers during the year under review as against total sales 1.36 million (April - Dec, 2019) wheels.

Your Company had posted 16.7% overall de-growth in terms of sales volume as well as 11.4 percent de-growth in sales value in year under review as compared to the last year 9 months period and the drop-in revenue is mainly due to the impact caused by the Covid-19 pandemic.

The integration between your company and its parent company, Enkei Corporation, interaction between the employees of the two entities played major role in survival in current tough time of Covid pandemic crises.

CAPITAL

During the year under review, Company has allotted 898700 Equity Shares on Preferential basis against share application money of ₹ 368.47 Million at ₹ 410 (including the premium of ₹ 405) each received from its Holding Company i.e. Enkei Corporation, Japan after obtaining requisites approvals from all competent authorities.

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

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

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

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

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

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

LISTING FEES:

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

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

EXTRACT OF ANNUAL RETURN:

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

NUMBER OF MEETINGS OF THE BOARD:

During the year under review, **Four Board Meetings** were convened and held. The intervening gap between the two consecutive Meetings was within the period prescribed under the Companies Act, 2013 and as per the SEBI (Listing Obligation & Disclosure) Regulations, 2015. Following are the details of the Board Meeting held during the year:

Name of Director	No. of Board Meetings Attended (Total Meetings held: 4)
Mr. Kazuo Suzuki	4/4
Mr. Junichi Suzuki	1/4
Mr. Shailendrajit Rai	4/4
Dr. Haresh Shah	4/4
Mr. Satyavara P. Garimella	4/4
Ms. Shilpa Dixit	4/4

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Pursuant to schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on Wednesday, 16th December, 2020 to consider the following business as required under the Companies Act, 2013:

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

All the independent directors were present at the meeting.

Compliance Requirement under Regulation 20 of LODR

As per the regulation 20 of SEBI LODR, chairman of Stakeholders Committee needs to be present at the Annual General Meeting held on 18th July, 2020 to address the stakeholders' grievances. Mr. GSV Prasad, Chairman of Stakeholders Committee was not able to present in the meeting due to ongoing Corona pandemic situation.

Accordingly, Chairman of the Shareholders Meeting explained the unavailability of Mr. GSV Prasad, Chairman of SRC Meeting and announced the presence of Mr. Haresh Shah, member of Stakeholders Committee to address the grievances if any received from the shareholders.

The Company has not received any grievances in the AGM. Accordingly compliance under LODR and Companies Act 2013 has been duly taken care by the company.

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

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

FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS

The company as required under Schedule IV of the Companies Act, 2013 and Listing Regulations has made arrangement to facilitate the independent directors to familiarize with the operations of the company, their roles, rights, responsibilities as Directors of the company considering the nature of the industry in which the company operates, business model of the company, etc. The above aspect can be accessed by web link www.enkei.in. During the F.Y. 2020 no new independent directors have been appointed by the company.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. that, in the preparation of the annual accounts for the year ending on **31st December 2020**, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that, the directors have 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 **Loss** of the company for that year;
- c. that, the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. that, the directors had prepared the annual accounts for the year ended on 31st December 2020 on a going concern basis;
- e. proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

DIVIDEND

In the view of continuing loss as well as ongoing expansion, your Directors decided to conserve the resources and do not recommended payment of dividend for the financial year 2020.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

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

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

AUDITORS:

A. Statutory Auditors

Pursuant to the provisions of section 139 of Companies Act 2013, and the companies (Audit and Auditors) Rules 2014, M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W / W100057) serves as

the Statutory Auditors of the Company to undertake the Statutory Audit of the Company.

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

B. Secretarial Auditors

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

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

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

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

COST AUDIT REPORT AND MAINTENANCE OF COST RECORDS:

The Cost audit under provisions of Section 148 of the Companies Act, 2013 is not applicable to the Company. Hence the Company has not conducted the cost audit for the financial year 2020.

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

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. No major elements of

the risk exist, which in the opinion of the Board may threaten the existence of the company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not advanced any loans, given guarantees and made investments.

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

All contract/arrangement/transactions entered by the Company during the Financial Year 2020 with the related parties were in the ordinary course of business and on arm's length basis. Hence, no particulars are being provided in Form AOC-2.

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

STATE OF COMPANY'S AFFAIRS:

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

AMOUNTS PROPOSED TO BE CARRIED TO RESERVES:

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

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

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

EMPLOYEES' REMUNERATION:

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

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

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

CONSERVATION OF ENERGY:

Since energy conservation plays a significant role in maintaining pollution free environment your company is committed to save energy and resources to maintain green atmosphere. In view of this company adopted process of recycling of water used in production for reducing the water consumption to a greater extent. During the year under review company has undertaken the activities like 100 percent utilization of LED lamps and reducing the DG backup usage for saving energy.

TECHNOLOGY ABSORPTION:

During the year under review, company have changed layout at machining inspection area of casting which helps in improving company's PTO (Pass through Ratio). Company is also working to reduce cycle time at casting area by improving cooling system at CMC area by using modified programme with new clamping method at Robot. Company also upgraded the existing VDH water technology for Air leak checking in wheels to Helium leak testing technology for bringing more accuracy in testing final products. During the year Company has adopted Flow forming (MAT-ENKEI Unique word) technology. MAT is combined new technology for production of Aluminum wheel, our original Casting Technique "MAP" and Flow-forming Technique to Produce Rim Profiles. By flow formed wheel Reduce Weight by Increase Verification strength, Excellent Material property from Flow-forming, Safety Rim Deformed Situation by Flow Structure.

RESEARCH AND DEVELOPMENT:

Enkei is initiating towards obtaining Laser marking facility installment as per BIS regulation, QCVN – as per Vietnam country regulation adaption for MSIL model and SNI certificate for 19" 2W wheel as per Vietnam market regulation.

Foreign Exchange Earnings & Outgo (Cash Basis)

During the year, total inflows (on cash basis) in foreign exchange were **NIL** and total outflows (on cash basis) in foreign exchange were ₹ 1066.9 Million

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

Performance evaluation of Board and its Committees

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

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

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

During the year under review, Mr. Shrikant Joshi, Company Secretary and Compliance officer of the Company resigned from the office on 22nd November, 2020 due to his personal assignment.

Consequently the intimation of resignation of KMP and necessary e-forms were filed with the registrar of companies (ROC) and Bombay stock exchange (BSE) in due course of time by the company.

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

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

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

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

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

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

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

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

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

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

COMPOSITION OF COMMITTEES:

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

VIGIL MECHANISM:

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

CASH FLOW:

A Cash Flow Statement for the year ended 31st December, 2020 is attached to the Balance Sheet.

CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENT:

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

For & On Behalf of the Board of Directors

Kazuo Suzuki
Managing Director
(DIN: 08350372)

Haresh Shah
Director
(DIN: 00228471)

Place: Pune
Date: February 18, 2021

ANNEXURE I

Form No. MGT - 9

(as at Financial Year ended 31stDecember 2020)

EXTRACT OF ANNUAL RETURN:

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares Held	Applicable Section
i.	Enkei Corporation ACT Tower 26F 111-2 Itaya-machi, Naka-ku Hamamatsu City, Shizuoka Pref 430-7726, Japan	N.A.	Holding	74.97	2(46)

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

Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during
	Dem at	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. PROMOTER									
1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FII	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2) Foreign									
g) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
h) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Bodies Corporate	12576195	0	12576195	73.65	13474895	0	13474895	74.97	1.32
j) Banks / FI	0	0	0	0.00		0	0	0.00	0.00
k) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(2):-	12576195	0	12576195	73.65	13474895	0	13474895	74.97	1.32
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00		0		0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Foreign Portfolio Investors	45361	0	45361	0.27	49861	0	49861	0.28	0.01
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify) (Alternate Investment Funds)	103783	0	103783	0.61	74004	0	74004	0.41	-0.2
Sub-total(B)(1)	149144	0	149144	0.88	123865		123865	0.69	-0.19
2. Non Institutions									
a) Bodies Corp.	404021	1010	405031	2.37	382862	1010	382862	2.13	0.24
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1506671	92242	1506671	9.36	1533473	91642	1533473	8.53	-0.83
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1017345	0	1017345	5.96	1138195	0	1138195	6.33	0.37
C) Others(Specify)									
i) NBFC	1579	0	1579	0.01	0	0	0	0	0
ii) Clearing Members	2965	0	2965	0.02	8342	0	8342	0.04	0.02
ii) NRI/OCB'S	109862	0	109862	0.64	102541	0	102541	0.57	-0.07
iii) Directors & Relatives	277734	0	277734	1.63	277734	0	277734	1.54	-0.09
iv) LLP/Partnership Firm	856143	0	856143	5.01	856143	0	856143	4.76	-0.25
v) HUF	80663	0	80663	0.47	76845	0	76845	0.42	-0.05
Sub-total (B)(2)	4256983	93252	4346829	25.48	4283483	92652	4376135	24.34	-1.14
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4406748	93252	4500000	26.35	4407348	92652	4500000	25.03	-1.32
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	16982943	93252	17076195	100.00	17882243	92652	17974895	100	

(ii) Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Enkei Corporation	12576195	73.65	0.00	13474895	74.97	0.00	1.32
Total		12576195	73.65	0.00	13474895	74.97	0.00	1.32

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	12576195	73.65		
	Date wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / (e.g. allotment / transfer / bonus / sweat equity etc.)				
	Date	Name of Promoter	Reason		
1.	30 th July, 2020	Enkei Corporation	Preferential Allotment	898700	1.32
	At the End of the Year			13474895	74.97

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

Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding		Reason for Change	Cumulative Shareholding	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	Nastic Trading LLP	At the beginning of year	570000	3.34	-	-	-
		At the end of Year	570000	3.17			
2.	Pamela Trading LLP	At the beginning of year	286000	1.67	-	-	-
		At the end of Year	286000	1.59			
3.	Skyblue Trading And Investment P Ltd	At the beginning of year	254880	1.49	-	-	-
		At the end of Year	254880	1.42			
4.	Onkar Singh Karla	At the beginning of year	140000	0.82			
		17/01/2020	1000	0.01	Purchase	141000	0.83
		28/08/2020	500	0.00	Purchase	141500	0.79
		At the end of Year	141500	0.79			

Sr. No.	For each of the Top 10 Shareholders	Particulars	Shareholding		Reason for Change	Cumulative Shareholding	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
5.	NEERAV A PAREKH	At the beginning of year	244586	1.43			
		10/01/2020	5414	0.03	Purchase	250000	1.46
		06/03/2020	5356	0.03	Purchase	255356	1.49
		13/03/2020	1813	0.01	Purchase	257169	1.50
		20/03/2020	2294	0.01	Purchase	259463	1.51
		27/03/2020	2313	0.01	Purchase	261776	1.52
		10/04/2020	461	0.01	Purchase	262237	1.53
		17/04/2020	1142	0.01	Purchase	263379	1.54
		24/04/2020	1621	0.01	Purchase	265000	1.55
		At the end of Year	265000	1.47			
6.	Chandraprakash Padiyar	At the beginning of year	116000	0.67	-	-	-
		At the end of Year	116000	0.65	-	-	-
7.	ANKIT GOYAL	At the beginning of year	87157	0.51			
		24/04/2020	112	0.00	Purchase	87269	0.51
		01/05/2020	793	0.00	Purchase	88062	0.51
		14/08/2020	1045	0.01	Purchase	89107	0.49
		28/08/2020	1747	0.01	Purchase	90854	0.50
		04/09/2020	15010	0.08	Purchase	105864	0.59
		11/09/2020	5499	0.03	Purchase	111363	0.62
		At the end of Year	111363	0.62			
8.	Blue Lotus Capital Multi Bagger Fund I	At the beginning of year	103783	0.61			
		04/09/2020	-23779	-0.13	Transfer	80004	0.44
		20/11/2020	-6000	-0.03	Transfer	74004	0.41
		At the end of Year	74004	0.41			
9.	SHAILAJA DEVI AGRAWAL	At the beginning of year	56512	0.33			
		17/01/2020	2228	0.01	Purchase	58740	0.34
		24/07/2020	2162	0.01	Purchase	60902	0.35
		31/07/2020	4184	0.02	Purchase	65086	0.36
		07/08/2020	550	0.00	Purchase	65636	0.37
		At the end of Year	65636	0.37			
10.	RAMSWAROOP AGRAWAL	At the beginning of year	90424	0.53			
		27/03/2020	4685	0.03	Purchase	95109	0.56
		31/03/2020	4041	0.02	Purchase	99150	0.58
		10/04/2020	503	0.00	Purchase	99653	0.58
		17/04/2020	378	0.00	Purchase	100031	0.59
		15/05/2020	7758	0.04	Purchase	107789	0.63
		22/05/2020	1320	0.01	Purchase	109109	0.64
		29/05/2020	134	0.00	Purchase	109243	0.64
		30/06/2020	1489	0.01	Purchase	110732	0.65
		03/07/2020	6067	0.03	Purchase	116799	0.68
		10/07/2020	3066	0.02	Purchase	119865	0.70
		17/07/2020	1879	0.01	Purchase	121744	0.71
		24/07/2020	7191	0.04	Purchase	128935	0.75
		07/08/2020	680	0.00	Purchase	129615	0.72
		04/09/2020	85	0.00	Purchase	129700	0.72
		25/12/2020	500	0.00	Purchase	130200	0.72
		31/12/2020	283	0.00	Purchase	130483	0.73
		At the end of Year	130483	0.73			

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the year		No, of Shares		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
At the beginning of the year							
1.	Mr. Kazuo Suzuki	Nil	Nil	Nil	Nil	Nil	Nil
2.	Mr. Junichi Suzuki	Nil	Nil	Nil	Nil	Nil	Nil
3.	Mr. Shailendrajit Rai	262,674	1.54	Nil	Nil	262,674	1.46
4.	Dr. Haresh Shah	Nil	Nil	Nil	Nil	Nil	Nil
5.	Mr. Satyavara Prasad Garimella	Nil	Nil	Nil	Nil	Nil	Nil
6.	Ms.Shilpa Dixit	Nil	Nil	Nil	Nil	Nil	Nil
7.	Mr. Jitendra Parmar	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr.Shrikant Joshi	Nil	Nil	Nil	Nil	Nil	Nil

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

(Figures are in ₹ Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
a. Principal Amount	-	1,522.58	-	1,522.58
b. Interest due but not paid	-	-	-	-
c. Interest accrued but not due	-	2.59	-	2.59
Total (a+b+c)	-	1525.16	-	1525.16
Change in indebtedness during the financial year				
• Addition	20.00	2,022.27	-	2,042.27
• Reduction	20.00	1,754.95	-	1,774.95
Net Change	-	267.32	-	267.32
Indebtedness at the end of the financial year				
d. Principal Amount	-	1,789.90	-	1,789.90
e. Interest due but not paid	-	-	-	-
f. Interest accrued but not due	-	5.27	-	5.27
Total (a+b+c)	-	1,795.16	-	1,795.16

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

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager
		Mr. Kazuo Suzuki Managing Director
1.	Gross Salary	16,251,062
	Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	8,874,932
	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	7,376,130
	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	NIL

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager
		Mr.Kazuo Suzuki Managing Director
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission - as % of profit - others, specify	NIL
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	NIL
Total (A)		16,251,062
Ceiling as per the Companies Act, 2013		24,139,716

B. Remuneration to other Directors:

Particulars of Remuneration	Name of the Director			Total Amount
Independent Directors	Dr. Haresh Shah	Mr. Satyavara Prasad Garimella	Ms. Shilpa Dixit	
Fees for attending board / committee meetings	55,000	60,000	30,000	145,000
Commission	0	0	0	0
Others, please specify	0	0	0	0
Total (1)	55,000	60,000	30,000	1,45,000
Other Non-Executive Directors	Mr. Junichi Suzuki	Mr. Shailendra Rai		
Fees for attending board / committee meetings	5,000	25,000		30,000
Commission	0	0		0
Others, please specify	0	0		0
Total (2)	5,000	25,000	0	30,000
Total (B) = (1 + 2)	60,000	85,000	30,000	1,75,000

Total Managerial Remuneration	₹ 16,251,062 (One Crore sixty two lakh fifty one thousand sixty two)
Overall Ceiling as per the Companies Act, 2013	In compliance with Schedule V of the Companies Act, 2013

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole Time Director:

Sr. No.	Particulars of Remuneration	Mr. Jitendra Parmar (Chief Financial Officer)	Mr. Shrikant Joshi (Company Secretary)	Total Amount
1.	Gross Salary	2,978,166	758,664	3,736,830
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,838,312	737,675	3,575,987
b.	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	Nil		Nil
c.	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil		Nil
2.	Stock Option	Nil		Nil
3.	Sweat Equity	Nil		Nil
4.	Commission - as % of profit - others, specify	Nil		Nil
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	139,854	30,404	170,258
Total		2,978,166	758,664	3,736,830

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

ANNEXURE II

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

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows:

Sr. No.	Name of Director/ KMP & Designation	Remuneration of Director/KMP for Financial Year 2020	% increase in Remuneration in the financial year	Ratio of remuneration of each Director to median remuneration of employees*	Comparison of the remuneration of the KMP against the performance of the Company
1.	Mr. Kazuo Suzuki (Managing Director)	16,251,062	33.19	29.48	During FY 2020 Revenue was decreased due to extra ordinary year, (Covid-19 pandemic situation)
2.	Mr. Jitendra Parmar (Chief Financial Officer)	2,978,166	35.67	5.40	During FY 2020 Revenue was decreased due to extra ordinary year, (Covid-19 pandemic situation)
3.	Mr. Shrikant Joshi	758,664	19.28	1.38	During FY 2020 Revenue was decreased due to extra ordinary year, (Covid-19 pandemic situation)

*The figures are not exactly comparable since, current financial year ended on 31st December, 2020 covering 12 month period (1st January - 31st December, 2020) whereas previous financial year ended on 31st December, 2019 is covering nine month period (1st April - 31st December 2019).

- The median remuneration of employees of the Company during the financial year 2020 was ₹ 551,231/-.
- In the financial year 2020, there was increase of 32.34 % in the median remuneration of employees.
- During the year 2020, there were 445 permanent employees who were on the roll of the Company.
- Relationship between average increase in remuneration and Company performance:
The Profit After Tax for the financial year ended 31st December, 2020 decreased by 1250.8 % whereas the median remuneration decreased by 32.34 % which is per the industry conditions.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of the Key Managerial Personnel(s) increased by 33.0 % from ₹ 15 Mln in 2019 (9 M) to ₹ 20 Mln 2020 (12 M) whereas Profit After Tax decreased by 1250.8 % from ₹ 27.25 Mln in 2019 (9 M) to ₹ (313.58) Mln in 2020 (12M).

7. Managerial remuneration paid during the year under review is according to the Nomination and remuneration policy of the company.
8. The Company do not have any employee who was employed throughout the Financial Year or part thereof and was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of remuneration drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.
9. Further, as required under provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement including the names and other details of the top ten employees in terms of remuneration drawn and the name of every employee, who were in receipt of remuneration not less than ₹ 10,200,000/per annum during the year ended 31st December, 2020 or employee who were employed for a part of the Financial Year and were in receipt of remuneration of not less than ₹ 850,000/- per month during any part of the said year is annexed herewith.

Sr. No.	Name of the employees	Nationality	Designation	Remuneration received (In ₹ Million)	Qualification	Experience in Years	Age in Years	Date of commencement of current employment	Last employment held
1.	Osamu Konishi	Japanese	Sr.Vp	12.36	Mechanical Engineer	23	46	30-01-2019	Enkei Group, Japan
2.	Shinji Suzuki	Japanese	Sr. VP	12.29	Mechanical Engineer	35	58	24-Mar-2017	Enkei Group, Japan
3.	Masayuki Suzuki	Japanese	Technical Advisor	10.41	Mechanical Engineer	34	56	25-Oct-2006	Enkei Group, Japan
4.	Yusuke Otaki	Japanese	Technical Advisor	9.42	Chemical Engineer	19	41	02-Nov-2017	Enkei Group, Japan
5.	Tetsuya Sakata	Japanese	General Manager	8.77	Economy Graduate	12	34	28-Mar-2016	Enkei Group, Japan
6.	Koji Takahashi	Japanese	Paint shop Advisor	8.28	Mechanical Engineer	18	40	24-Aug-2019	Enkei Group, Japan
7.	Junichi Asano	Japanese	VP	3.19	Mechanical Engineer	32	55	08-Oct-2010	Enkei Group, Japan

ANNEXURE III

Form No. MR-3
SECRETARIAL AUDIT REPORT
(For the period 1st January 2020 to 31st December 2020)
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year from 1st January 2020 to 31st December, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year from 1st January 2020 to 31st December, 2020, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the company during the audit period) ;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the company during the audit period) ;**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the company during the audit period)** ;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the company during the audit period)**
- vi) As informed to us no law was applicable specifically to the company.
We have also examined compliance with the applicable clauses of the following:
 - i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meeting, Directors Report
 - ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (LODR)

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

1. During the period under review, Annual General Meeting was held on 18th July 2020. However as informed by the Company chairman of Nomination and Remuneration Committee was not present due to travel restrictions lockdown during Covid pandemic. (Regulation 20 of LODR);
2. During the period under review, Mr. Shrikant Prakash Joshi has resigned from the post of Company Secretary and Compliance Officer of the company with effect from 22nd November 2020. The Board of Directors designated Mr. Jitendra Parmar, Chief Financial Officer of the company as the Compliance officer for the time being with effect from 23rd November 2020.

We further report that

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

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

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

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

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

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

1. The Company has made allotment of 898700 equity shares to the promoter i.e. Enkei Corporation Japan on preferential basis.

For Shailesh Indapurkar & Associates
Company Secretaries

CS Shailesh Indapurkar

Proprietor

ACS 17306

C. P. No: 5701

UDIN: A017306B003036135

Place: Pune

Date: 18 Feb 2021

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

'Annexure A'

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

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

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

For Shailesh Indapurkar & Associates
Company Secretaries

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

Place: Pune
Date: 18 Feb 2021

ANNEXURE IV

**SECRETARIAL COMPLIANCE REPORT
for the year ended 31stDecember 2020
Enkei Wheels (India) Limited
(CIN L34300PN2009PLC133702)**

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

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

for the year ended 31stDecember 2020("Review Period") in respect of compliance with the provisions of :

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

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

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

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

- (a) Subject to observations listed below the listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matter specified below:

Sr. No.	Compliance Requirement(Regulations/ Circular/guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1	Regulation 20 of LODR - Chairman of Stakeholders Committee to be present at the Annual General Meeting held on 18 th July 2020	Chairman of Stakeholders Committee was not present at the Annual General Meeting held on 18 th July 2020	As informed Chairman couldn't travel due to restrictions of lockdown during Covid 19 pandemic.
2	Regulation 6(1) of the LODR - listed entity to appoint a qualified Company Secretary as the compliance officer	CS Shrikant Prakash Joshi resigned from the post of Company Secretary and Compliance Officer with effect from 22 nd November 2020. Board of Directors designated Mr. Jitendra Parmar, Chief Financial Officer of the company as the Compliance officer with effect from 23 rd November 2020.	As informed the company is in process of appointment of Company Secretary as Compliance officer in the ensuing Board Meeting after 22 nd November 2020

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

For Shailesh Indapurkar & Associates
Company Secretaries

CS Shailesh Indapurkar
Proprietor
ACS 17306
CP No: 5701
(DIN: 00228471)
UDIN:A017306B003041305

Place: Pune
Date: February 18, 2021

ANNEXURE V

Report on CSR Activities

Sr. No.	Particulars	Remarks
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web site to the CSR policy and project or programs.	Please refer Report of Corporate Governance. Website site : www.enkei.in
2.	The Composition Committee of the CSR	Please refer Report of Corporate Governance.
3.	Average net profit of the Company for last three financial years.	₹ 127.05 Millions
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	₹ 2.54 Millions
5.	Details of CSR spent during the financial year: Total amount to be spent for the financial year Amount unspent, if any; Manner in which the amount spent during the financial year is detailed below.	₹ 2.62 Millions NIL Please refer the table
6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.	Not applicable
7.	A responsibility statement of the CSR Committee that implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.	The Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

(Amount in Mln)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	amount outlay (budget) project or programs wise	amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs overheads:	Cumulative expenditure upto to the reporting period	amount spent: Direct or through implementing agency*
1.	i) Portable Shelters for Villagers. ii) COVID-19 PPE Support to School. iii) 3D/4D Ultrasound System to Hospital. iv) Essential goods /grain mill to Sevadham mentally retired residential school.	Promoting rural development projects	Local area: In the area of Pune District of Maharashtra	2.54	2.62	2.62	Direct
Total				2.54	2.62	2.62	-

*Give details of implementing agency: Not applicable

Kazuo Suzuki
Managing Director
DIN: 08350372

Satyavara Prasad Garimella
Chairman, CSR Committee
DIN : 05344245

MANAGEMENT DISCUSSION AND ANALYSIS

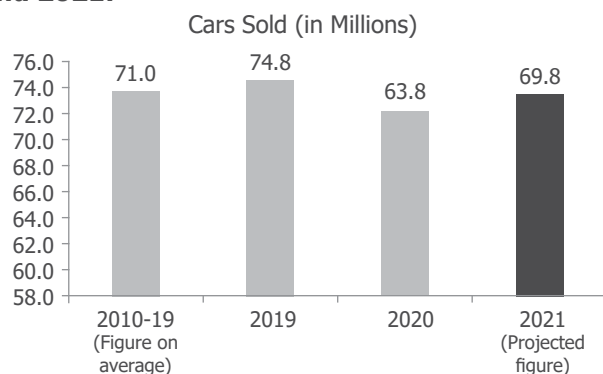
Global Economy:

The impact of the 2020 coronavirus pandemic on world economy has made a major disruption.

COVID-19 caused a global recession whose depth was surpassed only by the two World Wars and the Great Depression over the past century and a half. Although global economic activity is growing again, it is not likely to return to business as usual for the foreseeable future. The pandemic has caused a severe loss of life, is tipping millions into extreme poverty. Various restrictive measures have been reintroduced, however, as COVID-19 has continued to spread around the world.

Following a collapse last year caused by the COVID-19 pandemic, IMF predicted that the world economy to grow by 6% in 2021 which is lower to pre-pandemic projections. Looking further ahead, global GDP for 2022 may increase by 4.4%, higher than an earlier estimate of 4.2%. In particular, the impact of the pandemic on investment and human capital is expected to erode growth prospects in emerging market and developing economies (EMDEs) and set back key development goals.

Number of car sales worldwide between 2010 and 2021:



(Source: Statista 2021)

Indian Economy:

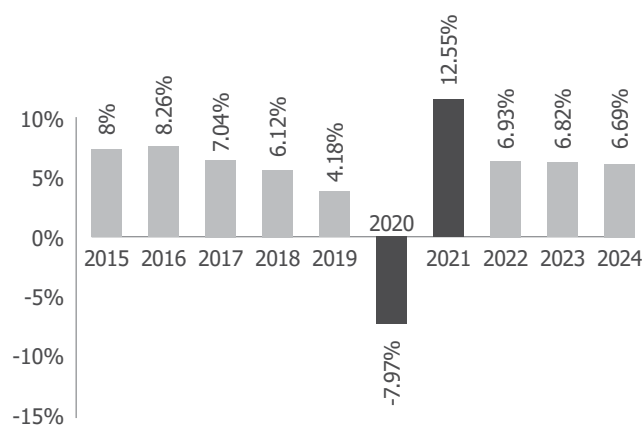
Despite of worst economic contraction in the year 2020 India's economy is showing decisive signs of a 'V-shaped' recovery in 2021 with the return of consumer confidence, robust financial markets, an uptick in manufacturing and exporters braving it out in the global market with never-say-die spirit.

The Government of India in this view announced a variety of measures to tackle the situation, from food security and extra funds for healthcare and for the states, to sector related incentives and tax deadline extensions.

However below are the different perceptions and positive forecast from various economic experts on Indian GDP growth:

- In its latest edition of World Economic Outlook, International Monetary Fund (IMF) projected growth rate in India's GDP by 12.5 per cent in FY21, whereas;
- The Washington-based global financial institution, in its annual World Economic Outlook meeting with the World Bank, predicted the Indian economy to grow by 6.9 percent in 2022.

Gross Domestic product forecast till 2024:



(Source: Statista 2021)

Indian Automotive Industry:

India already became the fourth largest auto market in 2019 displacing Germany with about 3.99 million units sold in the passenger and commercial vehicles categories. It is expected that the Indian auto industry to see stronger growth in 2021-22, after recovering from the devastating effects of the COVID-19 pandemic, with electric vehicle sales, especially two-wheelers, also likely to see positive movements, according to Nomura Research Institute Consulting & Solutions India.

Two wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two wheelers and passenger cars accounted for 80.8% and 12.9% market share, respectively, accounting for a combined sale of over 20.1 million vehicles in FY20

Quarter end data on sales of passenger vehicle compared to last year:

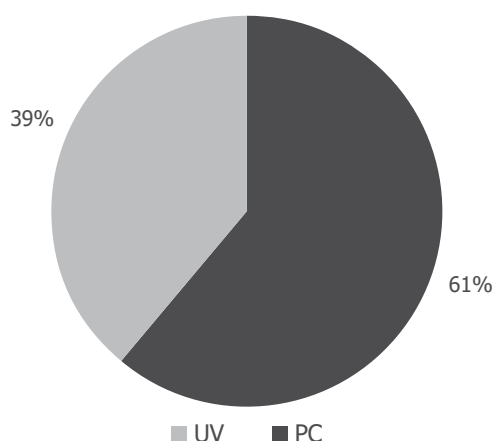
According to Federation of Automobile Dealers Associations (FADA) Passenger vehicle (PV) sales stood at 10294 units in October 2020, compared with 271737 units in October 2019, registering a 14.19% growth. PV sales in November 2020 stood at 2,91,001 units, compared with 279365 units in

November 2019, registering a 4.17% growth whereas by end of December, 2020 sales stood 271249 units against 218775 units in December 2019 registering a growth of 23.99%.

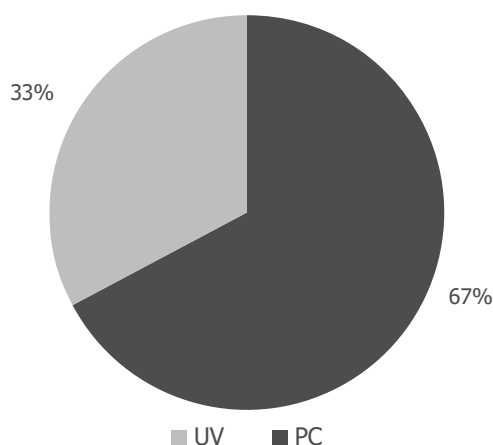
As per the data extracted from Automotive Component Manufacturers Association of India (ACMA), in 2020 UV sales stood by 39% in comparison to last year sales 33% whereas, the PC sales stood 61% comparison to last year 67%.

Since, most of the alloy wheels are used in UVs, it will consequently result a positive growth rate in supply of alloy wheels in forth coming years due to high demand in UVs.

Statistics of Production in Indian Auto Industry CY-2020 (Jan-Dec) PC & UV



CY-2019 (Jan-Dec) PC & UV



As far as India's electric vehicles (EVs) are concerned, IBEF estimated to be ₹ 50,000 crore (US\$ 7.09 billion) opportunity by 2025, with two- and three-wheelers. EV sales, excluding

E-rickshaws, in India witnessed a growth of 20% and reached 1.56 lakh units in FY20 driven by two wheelers. In nutshell, growth in EVs will generate new market for demand of alloy wheels supply in India.

As a positive sign, the Government of India further encourages foreign investment in the automobile sector and has allowed 100% foreign direct investment (FDI) under the automatic route.



Demand drivers for the Industry:

The first key driver is consumer interest, preferences, and demand. In India there is a growing demand for more choice. Volume of production may become similar to that for premium cars, with a greater number of vehicles being made to order on the basis of a multi-option choice. The market for niche vehicles is growing, as consumers demand more variation of body shape and styling.

Secondly Consumers is becoming more aware of specifications and looking for the inclusion of more on-board electronics and telecommunications systems. Automobile safety is tremendously important to consumers in all markets and consumers are willing to pay more for vehicles with safety features.

Automotive companies seek to take advantage of sophisticated technology to address the competitive pressure and to meet increased customer expectations on quality and cost. Technological advances help them add value to their vehicles and offset the squeeze on costs and profit margins. Technology also helps them meet the demands of environmental legislation. It is through technology that manufacturers are able to address consumer demands for increased safety and sophistication.

The fourth key driver of the automotive industry is government. The legislation is a major driver of the industry; emissions and recycling legislation have a strong impact on both on-vehicle technologies and construction.

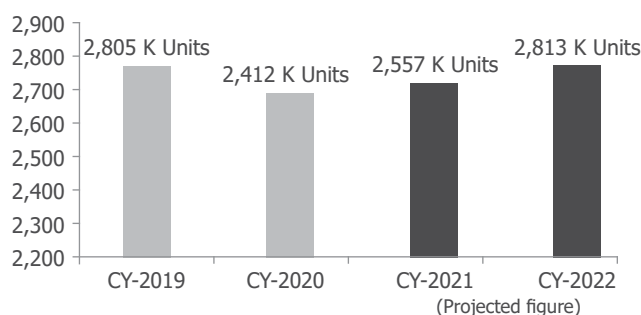
Rise in middle class income and young population will also result in strong growth in automobile industry in India.

Outlook:

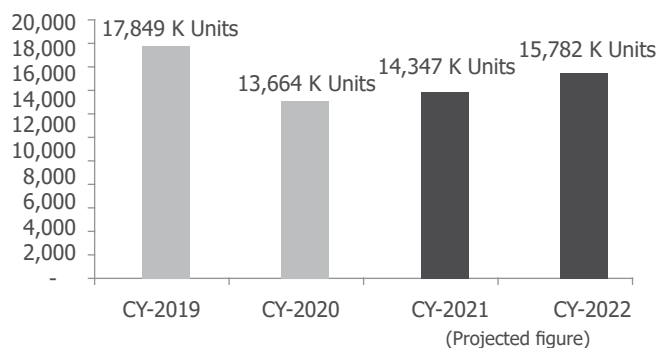
In view of India Ratings and Research (Ind-Ra) on the outlook for the auto sector to 'improving for financial year 2022' from negative, backed by likely revival across segments, positive consumer sentiments amid macroeconomic tailwinds after recovering from the COVID-19 pandemic.

Auto Industry Forecasts:

Indian Automobile PC + UV Sales Transition in Calendar Years



Indian Motorcycle + Scooter Sales Transition in Calendar Years



Company overview:

The financial year 2020 was an extremely challenging year where the company experienced the worst crisis and there was difficult in overall growth. However, even in the biggest crises your company decisively concentrated on cost reduction activities and established a management base that eliminated the waste.

Expansion plan:

Considering the extreme impact of Covid 19 in the year 2020 the plan was completely revised for starting the production at the end of 2020 due to the effect of COVID-19. The first phase (Starting the operation of MAC1 and new painting line)

was reviewed at the end of 2020. Considering the fact that building construction and equipment installation could not be promoted as planned and recovery of the orders were delayed than expected, the start of mass production of MAC1 will be postponed till 2022. Same also applies for the new painting line and preparation for starting the production in the third quarter of 2021 has been started. However, starting the mass production at the end of 2021 cannot be confirmed yet. Moreover, remodelling of the existing line (Enkei standardization) is also planned after 2022. Company expects that, starting operation of the new production line will act as a trigger and we will be able to make major changes and evolve.

SWOT analysis of company

Strength: Technological skill with international standard product grade and business investment support of parent company.

Weakness: High labour and energy cost with limited client base is major weakness of the company.

Opportunities:

Stable government policies for sustaining automotive industries. Introduction of Electric Vehicles in market and increasing customer demand in latest model alloy wheels.

Threats:

Increased competitors and forex risk for import of core raw materials. Changed government policies related with environment and frequent inflation of fuel price.

FINANCIAL OVERVIEW

Key financial ratios applicable to the Company

Name of Ratio	FY 2019 (9 M)	FY 2020 (12 M)	% Change
Debtor Turnover	8.2	9.4	14.8%
Inventory Turnover	4.4	3.7	-16.0%
Interest Coverage Ratio	-4.9	-1.7	65.7%
Current Ratio	1.3	1.2	-7.7%
Debt Equity Ratio	0.55	0.68	45.7%
Operating Profit Margin Ratio	-8.3%	-8.7%	-4.8%
Net Profit Margin Ratio	1.02%	-13.3%	-
Return on Net worth	0.80%	-16.28%	-

Ratios where there has been a significant change from FY 2019 (9 M) to 2020 (12 M)

Although figures are not directly comparable as current financial year of the company ended on 31st December 2020 covering a period of Twelve months from 1st January, 2020 to 31st December 2020 and previous period of Nine Months from 1st April 2019 to 31st December 2019.

Significant changes i.e change of 25% or more as compared to FY 2019(9M) is observed in:

Interest Coverage Ratio: During the financial year 2020, total interest cost increased as compared to previous year (9 months) mainly because of loss on forex, ECB was charged to Interest as against Long term forex reserve account. Sales were also down due to Covid-19 pandemic this financial year. However, EBIT were improved by 15.78 Millions. Therefore, interest coverage ratio increased from -4.9 to -1.7. Thus the ratio was improved by 65.7% compared to the previous year.

Debt Equity Ratio: During the financial year 2020, total debt has increased by 51% due to project expansion. The Debt-Equity ratio has increased from 0.55 to 0.68 in the year.

Risk and concerns

Risk is the manifestation of business uncertainty that affects corporate performance and prospects. It is an integral part of all businesses but can be controlled through awareness, discipline and commitment. The company management takes various steps to mitigate these risks which 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. Your Company evaluates potential risks, and has evolved over the years a comprehensive risk-management strategy. It takes into account changing market trends, competition scenario, emerging customer preferences, potential disruptions in supplies and regulatory changes, among others. Your Company imports its main raw material i.e. aluminium alloy ingots from Dubai & Qatar for manufacturing aluminium alloy wheels. Your Company has a comprehensive risk assessment framework and well laid out policy to manage the risks arising out of the inherent price volatility & overseas risks associated with aluminium alloy ingots.

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

Internal control systems and their adequacy;

Your Company has a robust internal control system in place, adequate for the size and complexity of the organisation. A comprehensive review of all internal control systems have been carried out to monitor Company's expanding size and resulting needs and compliance with the legal obligations and the Company's policies & procedures. This ensures high degree of system-based checks and control and continuous monitoring of the effectiveness of the controls.

An independent agencies has been appointed for auditing internal control system in consultation with statutory auditors. Suggestions, improvements, concern points of internal auditors consider by audit committee and get implemented according to instructions of committee.

The audit findings and management's resolution plans are reported on quarterly basis to the Audit Committee of the Board, headed by a Non-executive Independent Directors.

Based on its evaluation, the Audit Committee has concluded that the internal financial controls were adequate and operating effectively as of December 31, 2020.

Human resources:

The Company is giving utmost importance to the Human Resources development and to be more focused on Human resources since in current year, company have adopted "Lift our level, expand our label" as its Motto. During the year more opportunities will be created for learning, developing effective communication, more use of technology etc.

Committed management always ensure that system has adequate space, freedom, guidance to bring out the full potential of employee and adequate opportunities for personal growth of employee within the organization.

Continues monitoring and periodic review keep the system updated and reward policy makes smooth functioning of system.

As on December 31, 2020, there were 451 permanent employees on the payroll of the Company.

Cautionary statement

Certain Statements in Management Discussion and Analysis Report describing the Company's view's about Industry, objectives, projections, estimates and expectation may be considered as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement. The Company's operations may be affected with supply and demand situation, input prices and their availability, changes in Government regulations, tax laws and other factors such as Industrial relations and economic developments etc. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.

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 interest of its stakeholders. The Board acknowledges its responsibilities towards shareholders for creation and safeguarding their wealth. In this pursuit, the Company is committed to conduct the business in accordance with the highest legal and ethical standards, superior product quality and services to its customers. The Company has adhered to such superior product policies to fulfill its corporate responsibilities and achieve its financial objectives.

2. BOARD OF DIRECTORS

a) Board Membership Criteria

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

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

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

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

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

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

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

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

Name of Director	Category	Relation with Other Directors	No. of other Directorship held*		Name of Listed / Public company in which person is director	Nature of directorship in Listed /Public company	No. of Committees of other Companies in which Member	No. of Committees of other Companies in which Chairman	No. of Shares held in the Company as at 31.12.2020
			Public/	Private					
Mr. Kazuo Suzuki	Executive Managing Director	None	0	0	NA	NA	0	0	NIL
Mr. Junichi Suzuki	Promoter & Non Executive	None	1	1	Alicon Castalloy Limited	NED	1	0	NIL

Name of Director	Category	Relation with Other Directors	No. of other Directorship held*		Name of Listed / Public company in which person is director	Nature of directorship in Listed /Public company	No. of Committees of other Companies in which Member	No. of Committees of other Companies in which Chairman	No. of Shares held in the Company as at 31.12.2020
			Public/	Private					
Mr. Shailendrajit Rai	Non-Executive Director	None	3	3	<ul style="list-style-type: none"> Alicon Castalloy Limited. Silicon Meadows Engineering Services Limited Atlas Castalloy Limited 	CMD ED CMD	3	1	262,674
Dr. Haresh Shah	Independent & Non-Executive Director	None	0	4	NA	NA	0	0	NIL
Mr. Satyavara P. Garimella	Independent & Non-Executive Director	None	0	0	NA	NA	0	0	NIL
Mrs. Shilpa Dixit	Woman & Independent Director	None	0	1	NA	NA	0	0	NIL

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

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

c) Board Meetings and Annual General Meetings:

During the year 2020, 4 (Four) meetings of the Board of Directors of the Company held on following dates:

27th Feb 2020, 11th June 2020, 30th July 2020, 29th Oct 2020.

The previous Annual General Meeting was held on 18th July 2020.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2020 are presented in the following table.

Name of Director	No. of Board Meetings Attended (Total Meetings held – 4)	Whether last AGM attended
Mr. Kazuo Suzuki	4/4	Yes
Mr. Junichi Suzuki	1/4	No
Mr. Shailendrajit Rai	4/4	No
Dr. Haresh Shah	4/4	Yes
Mr. Satyavara P. Garimella	4/4	No
Ms. Shilpa Dixit	4/4	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. The company is complying with the Secretarial Standards issued by Institute of Company Secretaries of India in this regard.

f) Certificate from practicing Company Secretaries

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

3. BOARD COMMITTEES

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

- I. Audit Committee
- II. Nomination & Remuneration Committee
- III. Stakeholder Relationship Committee.
- IV. Corporate Social Responsibility (CSR) Committee

The Members of the Board, in consultation with the Company Secretary and the respective chairmen of these committees, determine 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 total three members including Dr. Haresh Shah, Chairman of the Committee and Mr. Satyavara P. Garimella, both being Independent Directors and Mr. Kazuo Suzuki, Managing Director. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the SEBI (Listing Obligation & Disclosure) Regulations, 2015 and Section 177 of the Companies Act, 2013.

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

During the Financial Year 2020, 4 (Four) Audit Committee Meetings were held on following dates:

27th February 2020, 11th June 2020, 30th July 2020, 29th October 2020.

Particulars of attendance of Audit committee Members at the Audit committee Meetings held during the Financial Year 2020:

Name of Audit committee Member	Meetings Attended during Financial Year 2020 (Total Meetings held 4)
Dr. Haresh Shah	4/4
Mr. Kazuo Suzuki	4/4
Mr. Satyavara P. Garimella	4/4

The Brief terms of reference of Audit Committee:

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

Powers of Audit Committee

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

(ii) Nomination and Remuneration Committee

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

During the Financial Year 2020, 1 (One) Nomination and Remuneration Committee Meetings was held on following date:

27th February, 2020.

Name of Nomination and Remuneration Committee Member	Meetings Attended during Financial Year 2020 (Total Meeting held 1)
Dr. Haresh Shah	1/1
Mr. Satyavara P. Garimella	1/1
Mr. Shailendra Rai	1/1

The terms of reference of this committee are:

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

Criteria for performance evaluation of Independent Directors

As required under Regulation 19 (4) & Schedule II Part D of the Listing Regulations and in terms of Companies Act, 2013, the criteria for performance evaluation of the Independent Directors and Board of Directors has been laid down in the 'Board Evaluation Policy' formulated by the Company. This policy evaluates the performance of the Board, its committees

and individual directors. In terms of the policy, performance evaluation of the directors has been done by each director individually scoring each other director on the basis of guidelines of professional conduct, role, functions and duties performed by him/her which in turn are based on numerous parameters. Criteria include director's level of ethical conduct, objectivity, value addition, participation level, attendance and various other qualitative as well as quantitative parameters which have had an impact on the Board process becoming more and more effective.

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

Details of remuneration paid to Managing Director-

During the year 2020, the remuneration paid to the Managing Director is **INR . 16,251,062** per annum.

• Details of sitting Fees paid to the Non-Executive/ Independent Directors for attending the Board and Committee Meetings during the financial year 2020.

Name of the Independent & Non – Executive Director	Sitting Fees (In ₹)
Dr. Haresh Shah	55,000
Mr. GSV Prasad	60,000
Ms. Shilpa Dixit	30,000
Mr. Junichi Suzuki	5,000
Mr. Shailendrajit Rai	25,000

(i) Stakeholder Relationship Committee

As per the amendment in the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI disallowed listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019.

In view of this the existing stakeholder's grievance committee was dissolved by the board of directors and shareholder transfer committee was changed to Stakeholder relationship committee.

The Stakeholder Relationship Committee Committee comprises of Mr. Satyavara P. Garimella, Chairman of the Committee, Dr. Haresh Shah, and Mr. Kazuo Suzuki as members.

The Committee:

- Looks into the redressal of investors' complaints relating to transfer / transmission of shares, non-receipt of Annual Reports;

- Approves transmission of shares held in physical mode subject to fulfillment of other conditions as may be deemed necessary;
- Considers the issue of duplicate share certificates under the Common Seal of the Company in terms of the requirements of the Companies (Share Capital and Debenture) Rules, 2014.

(ii) Corporate Social Responsibility (CSR) Committee

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

A Brief outline of the Company's CSR policy:

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

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

- Any other social activity as mentioned in the section 135, schedule VII of Companies Act 2013.

CSR COMMITTEE, ROLES AND RESPONSIBILITY:

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

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

During the Financial Year 2020, 1 (One) CSR Committee Meeting was held on 24th December, 2020 in which all the members were present.

4. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Pursuant to schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on Wednesday, 16th December, 2020 to consider the business as required under the Companies Act, 2013. In which all the independent directors were present.

5. GENERAL BODY MEETINGS

Details of the last three years 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	18-July-2020	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	1
2	AGM	09-July-2019	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	4
3	EGM	14-May-2019	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	3
4	AGM	02-Aug-2018	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	Nil
5	EGM	14-May-2018	12.30 PM	Registered office of the Company at Gat No. 1425, Village Shikrapur, Tal – Shirur, Pune -412208	1

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

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

7. MEANS OF COMMUNICATION:

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

9. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting

Date and Time : Monday, 31st May, 2021 at 10:30 A.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 January to 31st of December of every calendar year.**

(iii) Date of Book closure : 25th May, 2021 to 31st May 2021 (Both days inclusive)

(iv) Dividend payment date : N.A.

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

(vi) Stock Code : BSE Limited: 533477

(vii) ISIN : INE130L01014.

(viii) Name & Address of the Stock exchange where Company's shares are listed:

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001

Tel. No. (022) 2272 1233/34

Fax No. (022) 2272 1919

(ix) Market Price Data for the Year 2020:

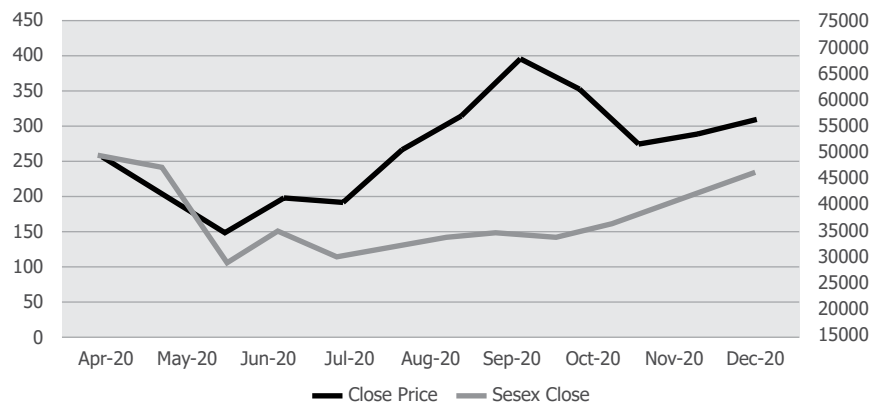
The high and low market price and the volume of Enkei's shares traded on the BSE Limited during the period from January 01, 2020 to December 31, 2020 are presented in the following table.

BSE SENSEX			
Month	High	Low	Close
Jan-20	42274	40477	40723
Feb-20	41709	38220	38297
Mar-20	39083	25639	29468
Apr-20	33887	27501	33718
May-20	32845	29968	32424
Jun-20	35707	32348	34916
Jul-20	38617	34927	37607
Aug-20	40010	36911	38628
Sep-20	39360	36496	38068
Oct-20	41048	38410	39614
Nov-20	44825	39335	44150
Dec-20	47897	44118	47751

Market Price Data:

EWIL				
Month	High Price	Low Price	Close Price	Volume of Shares traded in month
Jan-20	320	281	297	39691
Feb-20	301	212	231	22181
Mar-20	235	148	158	18932
Apr-20	213	162	189	55303
May-20	230	177	185	47751
Jun-20	238	178	232	73464
Jul-20	299	222	262	55375
Aug-20	384	254	313	22455
Sep-20	345	260	286	15124
Oct-20	290	235	237	36241
Nov-20	272	208	246	27660
Dec-20	272	224	259	21779

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



Registrars and share transfer agents:

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

M/s. Universal Capital Securities Private Limited

21, Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093.

(x) Share Transmission System

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

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

Distribution and Shareholding Pattern as on 31st December, 2020:

SHARE OR DEBENTURE HOLDING NOMINAL VALUE OF	SHARES		SHARES HOLDINGS	
	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
UPTO - 500	3330	83.858	453476	2.523
501 - 1000	291	7.328	229563	1.277
1001 - 2000	169	4.256	252391	1.404
2001 - 3000	58	1.461	146917	0.817
3001 - 4000	26	0.655	92735	0.516
4001 - 5000	16	0.403	73467	0.409
5001 - 10,000	39	0.982	268634	1.494
10,001 AND ABOVE	42	1.058	16457712	91.559
TOTAL	3971	100	17974895	100

(xi) Dematerialization of shares and liquidity

As on 31st December, 2020 the equity shares of the Company were dematerialized with NSDL and CDSL as follows:

Particulars	No. of records (allottees)	No. of shares (Quantity)
(a) Electronic form - NSDL	1787	16532265
(b) Electronic form - CDSL	2001	1349978
(c) Physical form	267	92652
Total (A)	4055	17974895

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

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

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

- During the year 2020, the Company had managed the foreign exchange risk by hedging activities to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 35(d) of the Financial Statements.
- Risk management policy of the listed entity with respect to commodities including through hedging: Company does not have hedging policy for commodities, however no significant risk is assumed by the company as the final product price is adjusted with its input material price in regular interval.
- Exposure of the Company to commodity and commodity risks faced by the entity throughout the year:**
 - Total exposure of the listed entity to commodities in INR: Nil.
 - Exposure of the listed entity to various commodities:

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

(xiv) Plants Locations of plants

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

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

(xv) 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

21, Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400093.

Email :info@unisec.in

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

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

(IV) SEBI Scores platform :

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

10. OTHER DISCLOSURES:

1. All material Related Party Transaction with promoter's i.e Enkei Corporation Japan are in Compliance with Companies Act 2013 and SEBI (LODR) 2015. There are no materially significant transactions made by the Company with its Directors, Key Managerial Persons or their relatives etc. any related parties which have potential conflict with the interests of the Company at large.

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

3. Vigil Mechanism:

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

4. Related party policy:

Board of Directors of the Company has approved the Related Party Policy of the Company which is available on the website of the Company at <http://www.enkei.in>.

NON-MANDATORY REQUIREMENTS:

1. Shareholders Rights:

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

2. Reporting of Internal Auditor:

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

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

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

Place: PUNE
Date: February 18th, 2021

Kazuo Suzuki
Managing Director
(DIN: 08350372)

Declaration for the Compliance with Code of Conduct

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

Place: Pune

Date: February 18th, 2021

Kazuo Suzuki

(Managing Director)

(DIN : 08350372)

Independent Auditors' Certificate on Compliance of conditions of Corporate Governance

To the Members of
Enkei Wheels (India) Limited

1. We, Kirtane & Pandit LLP, Chartered Accountants, the Statutory Auditors of Enkei Wheels (India) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the twelve months' period ended on December 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the Listing Regulations during the year ended December 31, 2020, subject to the following:
 - a. The Chairman of the Stakeholders Relationship Committee did not attend the Annual General Meeting of the Company held on July 18, 2020 as required by Regulation 20 of the Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Suhrud Lele
Partner
Membership No. 121162
UDIN: 21121162AAAAABL2933

Place: Pune
Date: February 18, 2020

CEO/CFO Certification to the Board

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

- a) We have reviewed financial statements and the cash flow statement for the year ended on 31st December 2020 and that based on our knowledge, belief and information:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee of:
 - i. There has been no change in the accounting policies followed by the Company during the year.
 - ii. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. We are not aware of any instance during the year of significant fraud with involvement therein, of the management or any employee having a significant role in the company's internal control system over financial reporting.

Place: Pune
Date: February 18th, 2021

Kazuo Suzuki
Managing Director
(DIN: 08350372)

Jitendra Parmar
Chief Financial Officer

Certificate of Non-Disqualification of Directors

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

To
The Members,
Enkei Wheels India Limited,
Gat No. 1425, Village Shikrapur, Taluka-Shirur,
Pune-412208

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Enkei Wheels India Limited having CIN L34300PN2009PLC133702 and having registered office at Gat No. 1425, Village Shikrapur, Taluka-Shirur, Pune-412208 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st December, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	SHILPA KEDAR DIXIT	00001761	14/08/2014
2	SHAIENDRAJIT CHARANJIT RAI	00050950	30/03/2009
3	HARESH BABULAL SHAH	00228471	15/07/2009
4	JUNICHI SUZUKI	02628162	24/03/2010
5	SATYAVARA PRASAD GARIMELLA	05344245	24/07/2012
6	KAZUO SUZUKI	08350372	01/04/2019

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

For Shailesh Indapurkar & Associates
Company Secretaries

CS Shailesh Indapurkar
Proprietor
Membership No: ACS17306
CP No: 5701
(DIN: 00228471)
UDIN: A017306B003036575

Place: Pune
Date: February 18, 2021

Financial Statements

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Enkei Wheels (India) Limited ("the Company"), which comprises the Balance Sheet as at 31st December 2020, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

Sr. No.	Key Audit Matter	Auditor's Response
2	Accuracy and Completeness of Capital Expenditure Capital Expenditure ("capex") has been considered as a key audit matter in view of the complexity and volume of transactions, and the fact that it comprises a critical element of costs for the Company.	<ul style="list-style-type: none"> Performing analytical procedures on current year revenue based on trends and where appropriate, conducting further enquiries and testing. <p>We assessed the Company's process to verify the Capital Expenditure incurred during the year including significant additions to Capital Work-in-Progress related to new manufacturing facility being set up.</p> <p>Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> Review of capex business process, flow of documents/information and their controls effectiveness Substantive tests on random sampling basis for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the company's policy and accounting standards Scrutiny of relevant general ledger accounts to assess if the expenditure has been appropriately segregated into revenue and capital expenditure Review of closing balances of Capital Work-in-Progress with a view to confirm that the same relates to such capital items which have not yet been put to use by the management Review of physical verification carried out by the Management with respect to book records. Review of compliance done with respect to Companies Act, Income Tax Act, Customs duty, and GST Act, particularly for accounting of additions, deletions, depreciation and of carrying amounts thereof.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

obtained during the course of our audit or otherwise appears to be materially misstated.

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

We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on December 31, 2020, and taken on record by the Board of Directors, none of the directors are disqualified as on December 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 36.g.).
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

Suhrud Lele

Partner

Place: Pune

Date: February 18, 2021

Membership No.: 121162

UDIN: 21121162AAAABK1915

Annexure "A"

To The Independent Auditor's Report

The annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31st December 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a regular program of physical verification of property, plant and equipment wherein all items of property, plant and equipment are verified in a phased manner over a period not exceeding 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The Company has carried out physical verification in accordance with this program during the year and material discrepancies were not noticed during the same.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties (comprising of freehold land) are held in the name of the Company as at the balance sheet date.
- (ii) According to the information and explanations given to us, the physical verification of inventory (including stock lying with third parties) has been conducted by the management at reasonable intervals. The discrepancies noticed on such physical verification of Inventory as compared to the book records were not material and have been properly dealt with in the Books of Account.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, made investments or given guarantees which are covered by the provisions of Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us and in our opinion, maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 (1) of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 for the business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at December 31, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax and Value Added Tax which have not been deposited as on December 31, 2020 on account of disputes are given below: -

Name of the Statute	Nature of dues	Amount under dispute (₹)	Period for which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income taxes	3,07,55,873/-	FY 2015-16	CIT (A)
Central Sales Tax Act, 1956	Central Sales tax and interest thereon	97,16,291/- (*)	FY 2015-16	Joint Commissioner Of State Tax

*Note: Out of the above, ₹ 44,69,468/- has been paid under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan or borrowings from government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company had not raised money by way of further public offer (including debt instruments) during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements, to the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of equity shares to Enkei Corporation, Japan during the year. The Company has complied with the requirement of section 42 of the Act and has used the amounts raised for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

Suhrud Lele

Partner

Place: Pune

Date: February 18, 2021

Membership No.: 121162

UDIN: 21121162AAAABK1915

Annexure “B”

To The Independent Auditor’s Report

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

We have audited the internal financial controls over financial reporting of Enkei Wheels (India) Limited (“the Company”) as of 31st December 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No.105215W/W100057

Suhrud Lele

Partner

Place: Pune

Membership No.: 121162

Date: February 18, 2021

UDIN: 21121162AAAABK1915

BALANCE SHEET

as at December 31, 2020

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)			
Particulars	Note No.	As at December 31, 2020	As at December 31, 2019
Assets			
1 Non-current assets			
Property, plant and equipment	3	1,172.21	1,315.53
Right-of-use assets	3	45.08	82.00
Capital work-in-progress	3.a	1,886.09	1,014.01
Financial assets			
Other financial assets	4	21.04	21.14
Deferred tax assets (net)	5	18.55	24.07
Non-current Income tax assets	6	59.26	48.27
Other non-current assets	7	87.99	328.39
Total - non-current assets		3,290.22	2,833.41
2 Current assets			
Inventories	8	578.48	705.54
Financial assets			
Trade receivables	9	285.96	211.83
Cash and bank balances	10	298.14	412.34
Other financial assets	11	2.60	0.42
Other current assets	12	67.85	63.26
Total - Current assets		1,233.03	1,393.39
Total Assets		4,523.25	4,226.79
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	89.87	85.38
Other equity	13.1	1,817.07	1,746.67
Total - equity		1,906.94	1,832.05
Liabilities			
1 Non-current liabilities			
Financial liabilities			
Borrowings	14	1,291.64	1,003.53
Trade payables	15	239.10	232.04
Lease Liabilities	16	29.58	52.60
Provisions	17	3.17	2.41
Total - non-current liabilities		1,563.49	1,290.57
2 Current Liabilities			
Financial liabilities			
Borrowings	18	230.00	380.00
Lease Liabilities	16	21.36	27.84
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises	19 (i)	3.52	0.25
Total outstanding dues of creditors other than small enterprises	19 (ii)	339.63	333.80
Other financial liabilities	20	428.61	333.29
Other current liabilities	21	18.01	16.22
Provisions	22	11.70	5.81
Current tax liabilities (net)	23	-	6.96
Total - current liabilities		1,052.83	1,104.17
Total Equity and Liabilities		4,523.25	4,226.79

The accompanying notes form part of these financial statements
As per our report of even date attached

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

Suhrud Lele
Partner
Membership No. : 121162

Place: Pune
Date: February 18, 2021

For and on behalf of the Board of Directors of
Enkei Wheels (India) Limited
Kazuo Suzuki
(Managing Director)
(DIN : 08350372)

Haresh Shah
(Director)
(DIN : 00228471)

Jitendra Parmar
(Chief Financial Officer)

Jeevanjyoti Nayak
(Company Secretary)

Place: Pune
Date: February 18, 2021

STATEMENT OF PROFIT AND LOSS

for the period ended December 31, 2020

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

Particulars	Note No.	For the Year ended December 31, 2020	For the Year ended December 31, 2019
I Revenue from Operations	24	2,352.03	2,667.58
II Other Income	25	13.92	3.06
III Total Income (I + II)		2,365.95	2,670.64
IV EXPENSES			
Cost of materials consumed	26	1,225.96	1,435.49
Purchases of stock-in-trade	27	0.36	1.23
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	31.22	(32.15)
Employee benefits expenses	29	322.78	279.29
Finance Costs	30	121.10	44.79
Depreciation and amortisation expense	31	217.66	177.60
Other Expenses	32	773.16	1,030.14
Total Expenses (IV)		2,692.24	2,936.39
V Profit/(Loss) before exceptional items and Tax (III-IV)		(326.29)	(265.75)
VI Exceptional items- Expense/(Income)	33	-	(317.18)
VII Profit/(Loss) before tax (V-VI)		(326.29)	51.43
VIII Tax Expense:			
Current tax	34	(4.35)	(5.82)
Deferred tax/(Credit)	35	(8.36)	30.00
IX Profit (Loss) for the year (VII-VIII)		(313.58)	27.25
X Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
gain/(loss) of defined benefit obligation		0.53	(3.11)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		(0.27)	1.04
B (i) Items that will be reclassified to Profit or Loss			
effective portion of gain/(loss) on hedging instruments in cash flow hedge		4.67	(15.76)
(ii) Income Tax relating to items that will be reclassified to profit or loss		(1.80)	5.26
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		(310.45)	14.68
XII Earning per Equity share			
(1) Basic (Face Value of ₹ 5/- each)		(17.96)	1.61
(2) Diluted (Face Value of ₹ 5/- each)		(17.96)	1.61
Company information and significant accounting policies	1 & 2		

The accompanying notes form part of these financial statements
As per our report of even date attached

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

Suhrod Lele
Partner
Membership No. : 121162

Place: Pune
Date: February 18, 2021

For and on behalf of the Board of Directors of
Enkei Wheels (India) Limited
Kazuo Suzuki
(Managing Director)
(DIN : 08350372)

Haresh Shah
(Director)
(DIN : 00228471)

Jitendra Parmar
(Chief Financial Officer)

Jeevanjyoti Nayak
(Company Secretary)

Place: Pune
Date: February 18, 2021

CASH FLOW STATEMENT

for the period ended December 31, 2020

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the Year ended December 31, 2020	For the Year ended December 31, 2019
A Cash Flow from operating activities		
Profit or (Loss) before tax for the year	(326.29)	51.42
Adjusted for :		
Fair valuation of long-term liabilities - realised	16.86	26.29
Interest cost - Fair valuation of long-term liabilities	16.10	11.92
Loss /(proft) on derivative transactions (net)	4.67	15.77
Fair valuation of defined benefit obligations	0.53	3.11
Depreciation and amortisation	217.66	177.60
Loss/(Profit) on sale of property, plant & equipment (net)	1.19	4.57
Finance cost (including towards lease liabilities)	121.10	44.79
Interest Income	(11.45)	(3.04)
Unrealised Foreign Exchange Loss (net)	-	97.03
Unclaimed Balances written off/(back)	-	(289.71)
Operating profit / (loss) before working capital changes	40.38	139.76
Adjusted for :		
(Increase)/decrease in inventories	127.06	(188.23)
(Increase)/decrease in trade receivables	(74.13)	224.53
(Increase)/decrease in other financial assets (current)	(2.18)	(0.10)
(Increase)/decrease in other financial assets (non-current)	0.10	0.71
(Increase)/decrease in other non current assets	(3.44)	0.15
(Increase)/decrease in other current assets	(4.59)	(29.24)
Increase/(decrease) in trade payables (current)	9.09	(7.55)
Increase/(decrease) in trade payables (non-current)	(9.04)	(26.29)
Increase/(decrease) in other financial liabilities	8.52	7.05
Increase/(decrease) in provisions (current)	5.89	(3.01)
Increase/(decrease) in provisions (non-current)	0.76	(1.15)
Increase/(decrease) in other current liabilities	1.79	(42.01)
Cash generated from operations	100.20	74.61
Income tax (paid) / refund	(1.78)	(12.01)
Net cash flow from / (used in) operating activities (A)	98.42	62.60
B Cash flow from investing activities		
Purchase of Fixed Assets and Capital Expenditure	(954.74)	(761.59)
Capital Advances	243.83	(128.39)
Sale of Fixed Assets	0.05	0.57
Interest Income	11.45	0.16
Net cash flow from / (used in) investing activities (B)	(699.41)	(889.25)

CASH FLOW STATEMENT (CONTD.)

for the period ended December 31, 2020

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the Year ended December 31, 2020	For the Year ended December 31, 2019
C Cash flow from financing activities		
Proceeds from issue of share capital	368.46	435.29
Proceeds from short term borrowings (net)	(150.00)	180.00
Proceeds from long term borrowings	564.64	557.13
Repayment of Long term borrowings	(147.33)	(69.76)
Payment of Lease Liabilities	(27.89)	(26.62)
Finance cost	(121.10)	(38.71)
Net cash flow from / (used in) financing activities (C)	486.79	1,037.32
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(114.20)	210.67
Cash and cash equivalents at the beginning of the year	412.34	201.67
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	-	0.00
Cash and cash equivalents at the end of the year	298.14	412.34
Reconciliation of cash and cash equivalents with the balance sheet :		
Cash and cash equivalents as per Balance Sheet (Refer Note 8)	298.14	412.34
* Comprises		
Cash on Hand	0.11	0.13
Balances with banks		
In current accounts - Rupee accounts	23.62	59.21
In deposit account	274.41	353.00

The accompanying notes form part of these financial statements
As per our report of even date attached

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

Suhrud Lele
Partner
Membership No. : 121162

Place: Pune
Date: February 18, 2021

For and on behalf of the Board of Directors of

Enkei Wheels (India) Limited

Kazuo Suzuki
(Managing Director)
(DIN : 08350372)

Jitendra Parmar
(Chief Financial Officer)

Place: Pune
Date: February 18, 2021

Haresh Shah
(Director)
(DIN : 00228471)

Jeevanjyoti Nayak
(Company Secretary)

STATEMENT OF CHANGES IN EQUITY

for the period ended March 31, 2020

(CIN : L34300PN2009PLC133702)

(All amounts in ₹ million, unless otherwise stated)

(a) Equity share Capital

Particulars	Amount
Balance at April 01, 2019	81.11
Changes in equity share capital during financial year FY2019	4.27
Balance at December 31, 2019	85.38
Changes in equity share capital during financial year FY2020	4.49
Balance at December 31, 2020	89.87

(b) Other equity

Particulars	Reserves & Surplus			Items of other comprehensive income	Total
	Securities premium reserve	Retained earnings	Foreign Currency Translation Reserve	Effective portion of cash flow hedge	
Balance at April 01, 2019	1,027.91	246.78	(65.02)	-	1,209.67
Profit /(loss) for the year	-	27.25	-	-	27.25
Other comprehensive income (net of tax)	-	(2.07)	-	(10.50)	(12.57)
Total comprehensive income for the year	-	25.18	-	(10.50)	14.68
Additions (net of amortisations) during the year	431.02	26.29	(32.01)	-	425.29
Deduction/Written off during the year	-	-	97.03	-	97.03
Balance at December 31, 2019	1,458.93	298.24	-	(10.50)	1,746.67
Profit /(loss) for the year	-	(313.58)	-	-	(313.58)
Other comprehensive income (net of tax)	-	0.26	-	2.87	3.13
Total comprehensive income for the year	-	(313.32)	-	2.87	(310.45)
Additions (net of amortisations) during the year	363.97	16.86	-	-	380.84
Deduction/Written off during the year	-	-	-	-	-
Balance at December 31, 2020	1,822.90	1.78	-	(7.63)	1,817.06

The accompanying notes form part of these financial statements
As per our report of even date attached

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

Suhrud Lele
Partner
Membership No. : 121162

Place: Pune
Date: February 18, 2021

For and on behalf of the Board of Directors of
Enkei Wheels (India) Limited
Kazuo Suzuki
(Managing Director)
(DIN : 08350372)

Haresh Shah
(Director)
(DIN : 00228471)

Jitendra Parmar
(Chief Financial Officer)

Jeevanjyoti Nayak
(Company Secretary)

Place: Pune
Date: February 18, 2021

SIGNIFICANT ACCOUNTING POLICIES

forming part of the financial statements

(CIN : L34300PN2009PLC133702)

1 Corporate information

Enkei Wheels (India) Limited ("the Company") is public limited company incorporated and domiciled in India, listed on the Bombay Stock Exchange (BSE). The address of its works and registered office is Gat No. 1425, Village: Shikrapur, Taluka: Shirur, Dist: Pune - 412 208. It also has warehouses in the states of Haryana, Gujarat & Karnataka. The Company is subsidiary of Enkei Corporation, Japan.

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

2 Basis of Preparation, Measurement And Significant Accounting Policies

2.1 Basis of preparation of financial statements and measurement

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

- f) These financial statements are approved for issue by the Company's Board of Directors as per its resolution dated February 18, 2021.

2.2 Key Accounting Estimates and Judgements

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

Estimation of uncertainties relating to the global health pandemic from COVID-19 : The Company has considered possible effects that may result from pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Critical Accounting Estimates used in measurement of the following

- (a) Employee benefits -Defined benefit plans/ obligations - Note 2.3 (ix) (b)
- (b) Deferred tax assets - Note 2.3 (xiii) (d)

SIGNIFICANT ACCOUNTING POLICIES

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(CIN : L34300PN2009PLC133702)

- (c) Impairment of Property, Plant & Equipment - Note 2.3 (xiv)
- (d) Provisions and contingent liabilities - Note 2.3 (xv)

2.3 Significant Accounting Policies

i) Inventories

- a) Inventories are valued at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.
- b) Cost of finished goods and work-in-progress comprises of all costs of direct material, conversion costs and other costs (net of recoverable taxes/eligible credits) incurred in bringing the inventories to their respective present location and condition.
- c) Cost of raw materials includes cost of purchase and other costs (net of recoverable taxes/eligible credits) incurred in bringing the inventories to their respective present location and condition. Costs are determined on First In First Out basis.
- d) Cost of consumables, stores and spares, packing materials are determined on First In First Out basis.

ii) Depreciation and amortisation

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

Description of Asset	Useful Life Years
Building	3 to 30
Computers, including Servers	3
Dies and Moulds	5
Electrical Installation	8 to 10
Factory Equipment	8
Furniture and Fixure	5
Motor Vehicles	8
Office Equipment	5
Plant and Machinery	8
Quality Control Equipments	8

iii) Revenue recognition

- a) Revenue from sale of goods is recognised on dispatch of goods and when the significant risks and rewards of ownership and substantial control over the goods have been transferred to the buyer/customer, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably and it is reasonable to expect ultimate collection based upon price/(s) specified in contracts with the customers and agreed with them.
- b) Revenue is measured at fair value of the consideration received or receivable, after deducting/excluding any trade discounts and taxes or duties collected on behalf of the government such as goods and services tax and taxes collected at source. A receivable is recognised when the goods are despatched to the buyer/customer. The consideration receivable is not conditional as the buyer /customer is going to pay in all eventualities once the payment is due, as agreed and which in any case does not exceed a period of twelve months from the date the goods are delivered. Accordingly, adjustment of the transaction prices for the time value of money has not been considered necessary.
- c) Other operating revenue represents income earned from the Company's principal activities and is recognised when the income is accrued as per the terms agreed with the parties.

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iv) Other income

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

v) Expenditure

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

vi) Financial instruments

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

i) Financial Assets

A. Initial recognition and measurement

All financial assets are initially recognized at fair value except for trade receivables which are initially measured at transaction price. Its transaction costs are recognised in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not classified at fair value through profit or loss, are adjusted to the fair value on initial recognition.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

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

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

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

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

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

C. Impairment of financial assets

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

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

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

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed. As per current estimates, the Company does not deem it necessary to recognise any provision against outstanding Trade Receivables

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

ii) Financial Liabilities and Equity Instruments

1. Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

SIGNIFICANT ACCOUNTING POLICIES

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2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs”

A. Initial recognition and measurement

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

B. Subsequent measurement

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

(iii) Derivative instruments and hedge accounting

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Further details of derivative financial instruments are disclosed in Note 20.

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

a) Fair value hedges

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

b) Cash flow hedges

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

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial

SIGNIFICANT ACCOUNTING POLICIES

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instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are recognised in the statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(iv) Derecognition of Financial Instruments:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

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

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

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Further details of derivative financial instruments are disclosed in Note 20.

vii) Property, plant and equipment

- a) Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at cost, less accumulated depreciation and impairment, if any. The cost represents purchase price (net of recoverable of taxes) and all other direct attributable expenses (including borrowing cost in respect of acquisition or construction of qualifying asset) for the period up to the date of bringing the asset to its location and working condition necessary for it to be capable of operating in the manner intended by the Company's management.

- b) Subsequent expenditure relating to property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss in the period in which those are incurred.
- c) Advances paid for the acquisition of property, plant and equipment, that remained outstanding at each balance sheet date is classified as 'capital advances' under "non-current assets". The cost of property, plant and equipment, net of income earned during the project development stage, which are not ready for intended use are shown under 'Capital work-in-progress'.
- d) Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

viii) Foreign currency transactions and translations

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

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(CIN : L34300PN2009PLC133702)

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

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

ix) Employee benefits

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

a) Defined contribution plans

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

b) Defined benefit plans

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

The costs of accruing employee benefits promised to employees over the period and the costs of individual events such as past/future service benefit changes and settlements are recognised under "Employee benefit expenses" in the statement of Profit and Loss. The actuarial gains and losses (excluding interest), any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the period to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss. etc. The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Other Expenses' in the Statement of Profit and Loss.

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

c) Short-term employee benefits :

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

d) Other Long-term employee benefits

Compensated absences which are not expected to occur /settle within twelve months after the end of the period in which the employee renders the related services are recognised as a liability determined by the projected unit credit method under actuarial valuation, at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation.

SIGNIFICANT ACCOUNTING POLICIES

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(CIN : L34300PN2009PLC133702)

Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

x) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

xi) Leases

a) The Company as a lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-

term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

- b) The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

SIGNIFICANT ACCOUNTING POLICIES

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c) The Company as a lessor

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

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

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

xii) Operating Segments

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

xiii) Taxes on income

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

- d) Deferred tax liabilities are recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax liabilities and assets are measured using tax rates enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- e) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

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

- a) The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, or impairment testing of asset or CGU is required, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.
- b) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- c) The impairment loss recognised in prior accounting period is reversed in the Statement of Profit and Loss, if there has been a change in the estimates used to

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determine the recoverable amount. However, the reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

xv) Provisions , contingencies and commitments

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

xvi) Statement of cash flows and cash and cash equivalents

Cash flows are reported using the indirect method, whereby profit /(loss) for the year is adjusted for the effects of transactions of non-cash nature, deferrals or accruals of past or future operating receipts/(payments)

and items of income/ (expenses) associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents in the balance sheets comprises of, cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xvii) Fair value measurement

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable"

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

xviii) Earning Per Share Basic earning per share has been computed by dividing the net income by the weighted

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average number of shares outstanding during the year. Diluted earning per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

xix) Government grants are recognised where there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expense the related cost for which the grants are intended to compensate.

xx) All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the

nearest million as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

xxi) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from January 1, 2021

xxii) Pursuant to order of Regional Director, Mumbai dated 19th June 2019, company has changed its financial year to calender year. Current Financial year of the company ended on 31st December 2020 covers a period of 12 months from 1st January 2020 to 31st December 2020, whereas the comparative period ended 31st December 2019 covers a period of Nine months from 1st April 2019 to 31st December 2019. Hence these figures are not comparable.

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Note : 3. Property, Plant and Equipment

(All amounts in ₹ million, unless otherwise stated)

Description	Gross Block			Depreciaton/ Amortisation and Depletion			Net Block		
	As at January 01, 2020	Additions/ Adjustments	Deduction/ Adjustments	As at December 31, 2020	As at January 01, 2020	Deduction/ Adjustments	As at December 31, 2020	WDV as on December 31, 2020	WDV as on December 31, 2019
Free Hold Land	340.99	-	-	340.99	-	-	-	340.99	340.99
Building	279.34	1.28	0.88	279.75	106.48	11.58	117.23	162.52	172.86
Plant and Equipment	1,989.53	5.53	22.76	1,972.29	1,364.90	115.96	21.63	513.05	624.63
Computers	22.69	0.46	1.23	21.92	19.78	1.28	1.17	2.03	2.91
Furnitures & Fixtures	8.69	0.09	-	8.77	7.88	0.14	8.02	0.75	0.81
Vehicles - Owned	18.65	-	-	18.65	8.21	2.11	10.31	8.34	10.44
Office Equipment	12.26	0.15	-	12.40	9.53	0.79	10.31	2.09	2.73
Dies & Moulds	503.25	32.77	-	536.02	343.09	50.50	393.59	142.43	160.16
Sub Total	3,175.38	40.28	24.87	3,190.79	1,859.85	182.36	2,018.59	1,172.21	1,315.53
Right of Use Assets									
Buildings	87.07	5.37	19.42	73.02	15.49	32.03	15.76	41.26	71.58
Plant and Equipment	13.91	4.79	13.91	4.79	3.49	3.27	5.80	3.82	10.42
Sub Total	100.98	10.16	33.33	77.81	18.98	35.30	21.56	45.08	82.00
Total	3,276.36	50.43	58.19	3,268.60	1,878.83	217.66	45.18	1,217.29	1,397.53

Description	Gross Block			Depreciaton/ Amortisation and Depletion			Net Block		
	As at April 01, 2019	Additions/ Adjustments	Deduction/ Adjustments	As at December 31, 2019	As at April 01, 2019	Deduction/ Adjustments	As at December 31, 2019	WDV as on December 31, 2019	WDV as on March 31, 2019
Free Hold Land	340.99	-	-	340.99	-	-	-	340.99	340.99
Buildings	274.61	4.73	-	279.34	97.86	8.62	-	172.86	176.75
Plant and Equipment	1,911.09	176.74	98.31	1,989.53	1,375.61	86.11	96.82	624.63	535.49
Computers	22.97	0.23	0.51	22.69	18.96	1.33	0.51	2.91	4.01
Furnitures & Fixtures	14.51	0.03	5.86	8.69	12.79	0.94	5.86	0.81	1.72
Vehicles - Owned	18.69	-	0.05	18.65	6.62	1.63	0.05	10.44	12.08
Office Equipment	14.19	0.09	2.02	12.26	10.92	0.63	2.02	2.73	3.27
Dies & Moulds	541.04	35.18	72.96	503.25	353.06	59.34	69.32	160.16	187.98
Sub Total	3,138.09	217.01	179.71	3,175.38	1,875.81	158.62	174.57	1,315.53	1,262.28
Right of Use Assets									
Buildings	-	87.07	-	87.07	-	15.49	-	71.58	-
Plant and Equipment	-	13.91	-	13.91	-	3.49	-	10.42	-
Sub Total	-	100.98	-	100.98	-	18.98	-	82.00	-
Total	3,138.09	317.99	179.71	3,276.36	1,875.81	177.60	174.57	1,397.53	1,262.28

Note : 3.a. Capital Work-In-Progress:

Description	Finance cost on Plant and Machinery							Total
	Office Equipments	Buildings	Plant and Machinery	Interest Paid	Interest Received	Exchange Fluctuation	Computers	
Gross carrying value as at January 01, 2020	-	357.44	656.25	-	-	-	0.26	-
Additions	0.18	61.56	817.22	-	-	-	0.59	912.36
Deletions	0.15	1.28	5.53	-	-	-	0.46	40.28
Gross carrying value as at December 31, 2020	0.03	417.72	1,467.94	-	-	-	0.38	1,886.09

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(All amounts in ₹ million, unless otherwise stated)

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

(Unsecured and considered good, unless otherwise stated)

Sr. No	Particulars	As at December 31, 2020	As at December 31, 2019
1	Security deposits*	20.77	20.96
2	Deposits having maturity of more than 12 months (Held as lien against Bank Guarantee)	0.27	0.18
	Total	21.04	21.14

*measured at amortised cost

Note : 5 Deferred tax assets (net)

Sr. No	Particulars	As at December 31, 2020	As at December 31, 2019
a	Deferred tax assets	18.55	12.26
b	Mat credit entitlement	-	11.81
	Total	18.55	24.07

Deferred tax asset

FY 2020	Opening Balance	Recognized in profit or loss	Recognized in OCI	Adjustments	Closing Balance
Deferred tax assets					
Property, plant and equipment and intangible assets	32.32	(1.05)	-	-	31.27
Cash flow hedges	5.26	-	(1.80)	-	3.46
Expenses deductible in future years	2.74	5.50	0.27	-	7.97
	40.33	4.45	(2.07)		42.71
Deferred tax liabilities					
Right of use assets and lease liabilities	(0.52)	2.35	-	-	1.83
Long term trade payables	(27.55)	1.57	-	-	(25.98)
	(28.07)	3.91	-	-	(24.15)
Net deferred tax assets	12.26	8.36	(2.07)	-	18.55
MAT credit entitlement/(Utilisation)	11.81	-	-	(11.81)	-
Deferred tax assets	24.07	8.36	(2.07)	(11.81)	18.55

FY 2019	Opening Balance	Recognized in profit or loss	Recognized in OCI	Adjustments	Closing Balance
Deferred tax assets					
Property, plant and equipment and intangible assets	35.34	(3.02)	-	-	32.32
Cash flow hedges	-	-	5.26	-	5.26
Expenses deductible in future years	0.61	1.09	1.04	-	2.74
	35.95	(1.93)	6.30	-	40.33
Deferred tax liabilities					
Right of use assets and lease liabilities	-	(0.52)	-	-	(0.52)
Long term trade payables	-	(27.55)	-	-	(27.55)
	-	(28.07)	-	-	(28.07)
Net deferred tax assets	35.95	(30.00)	6.30	-	12.26
MAT credit entitlement/(Utilisation)	-	11.81	-	-	11.81
Deferred tax assets	35.95	(18.18)	6.30	-	24.07

Note : 6 Non Current tax assets (net)

Sr. No	Particulars	As at December 31, 2020	As at December 31, 2019
a	Advance Tax and TDS receivable (Net)	59.26	48.27
	Total	59.26	48.27

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(All amounts in ₹ million, unless otherwise stated)

Note : 7 Non-current Income tax assets (net)

(Unsecured and considered good, unless otherwise stated)

Sr. No	Particulars	As at December 31, 2020	As at December 31, 2019
a	Capital advances - considered good	75.33	319.16
b	Balances with government authorities	12.67	9.23
	Total	87.99	328.39

This includes amounts paid under protest for ongoing appeal proceedings, referer note 36 (g).

Note : 8 Inventories

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

Sr. No	Particulars	As at December 31, 2020	As at December 31, 2019
1	Raw materials	222.14	310.12
2	Finished goods	326.34	358.86
3	Work-in-progress	1.40	0.09
4	Traded goods -Accessories	0.09	0.12
5	Stores,spares & consumables	26.03	34.98
6	Fuel & gas	2.48	1.37
	Total	578.48	705.54

Note : 8 Inventories (contd.)

Details of inventories

Sr. No	Particulars	As at December 31, 2020	As at December 31, 2019
1	Raw materials		
	Alluminium ingots	184.01	275.75
	Stock with 3rd Party	2.00	0.19
		186.01	275.94
2	Finished goods (lower of cost and net realisable value)		
a	Wheels - Two wheelers	208.37	176.99
b	Wheels - Four wheelers	117.97	181.87
		326.34	358.86
3	Work-in-progress		
a	Wheels - Two wheelers	0.12	0.04
b	Wheels - Four wheelers	1.28	0.05
		1.40	0.09
4	Traded goods		
a	Wheels - Two Wheelers		
b	Wheels - Four Wheelers		
a	Accessories	0.09	0.12
		0.09	0.12
5	Stores, spares & consumables	25.89	34.03
6	Fuel & gases	2.48	1.37
7	Inventory includes in transit inventory of :		
	Alluminium Ingot	36.13	34.18
	Stores, spares & consumables	0.14	0.95
	Total	578.48	705.54

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(All amounts in ₹ million, unless otherwise stated)

Note : 9 Trade Receivables

Sr. Particulars No	As at December 31, 2020	As at December 31, 2019
Unsecured - considered good	285.96	211.83
- considered doubtful	-	-
Provision for doubtful debts	-	-
Total	285.96	211.83

Note : 10 Cash & cash equivalents

Sr. Particulars No	As at December 31, 2020	As at December 31, 2019
Cash & cash equivalents		
1 In current accounts	23.62	59.21
2 Deposits having maturity upto 3 months	274.41	353.00
3 Cash in hand	0.11	0.13
Total	298.14	412.34

Note : 11 Other financial assets (current assets)

(Unsecured and considered good, unless otherwise stated)

Sr. Particulars No	As at December 31, 2020	As at December 31, 2019
1 Interest accrued on term deposits	0.07	0.21
2 Security Deposits	0.19	-
3 Derivative asset in respect of derivative contract	-	0.11
4 Others	2.34	0.10
Total	2.60	0.42

Note : 12 Other current assets

Sr. Particulars No	As at December 31, 2020	As at December 31, 2019
Unsecured, Considered Good :		
1 Advances against expenses	0.20	0.08
2 Prepaid expenses	7.17	3.40
3 Balances with government authorities	51.43	58.03
4 Advance to suppliers	9.05	1.75
Total	67.85	63.26

Note : 13 Equity Share capital

Sr. Particulars No	As at December 31, 2020		As at December 31, 2019	
	Number of shares	Amount	Number of shares	Amount
1 AUTHORISED :				
(i) Equity shares of ₹ 5/- each	52,000,000	260.00	52,000,000	260.00
(ii) Compulsorily Convertible Preference shares of ₹ 10/- each	14,000,000	70.00	14,000,000	140.00
	66,000,000	330.00	66,000,000	400.00

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(All amounts in ₹ million, unless otherwise stated)

Sr. No	Particulars	As at December 31, 2020		As at December 31, 2019	
		Number of shares	Amount	Number of shares	Amount
2	ISSUED , SUBSCRIBED & PAID UP				
	Equity shares of ₹ 5/- each fully paid up	17,974,895	89.87	17,076,195	85.38
	Total	17,974,895	89.87	17,076,195	85.38

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

Sr. No	Particulars	As at December 31, 2020		As at December 31, 2019	
		Number of shares	Amount	Number of shares	Amount
(i)	Shares outstanding at the beginning of the year	17,076,195	85.38	16,222,695	81.11
(ii)	Add : Shares issued during the year	898,700	4.49	853,500	4.27
		17,974,895	89.87	17,076,195	85.38
(iii)	Shares outstanding at the end of the year	17,974,895	89.87	17,076,195	85.38

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

Sr. No	Particulars	As at December 31, 2020	As at December 31, 2019
		No. of Equity shares	No. of Equity shares
	Equity Shares		
	Lock-in of equity shares held by the Promoters		
	Enkei Corporation, Japan	13,474,895	12,576,195

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

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

Sr. No	Class of shares / Name of shareholder	As at December 31, 2020		As at December 31, 2019	
		Number of shares held	Percentage (%) held	Number of shares held	Percentage (%) held
(i)	Equity shares				
a	Enkei Corporation, Japan	13,474,895	74.97	12,576,195	73.65

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

Sr. No	Class of shares / Name of shareholder	As at December 31, 2020		As at December 31, 2019	
		Number of shares held	Amount	Number of shares held	Amount
(i)	Equity shares				
a	Enkei Corporation, Japan	13,474,895	67,374,475	12,576,195	62,880,975

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(All amounts in ₹ million, unless otherwise stated)

Note : 13.1 Other equity

Particulars	As at December 31, 2020	As at December 31, 2019
Securities premium account		
Opening Balance	1,458.93	1,027.91
Add: Additions during the year	363.97	431.02
	1,822.90	1,458.93
Retained earnings		
Opening Balance	218.84	191.59
Add/(Less):Adjustments	16.10	-
Profit for the year	(313.58)	27.25
	(78.64)	218.84
Reserve for discounting on Long term Grop payable		
Opening Balance	82.52	113.02
Add: Addition/(Deletion)	0.76	(30.50)
Closing Balance	83.28	82.52
Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Opening Balance	(3.12)	(1.05)
Gain/(loss) of defined benefit obligation	0.53	(3.11)
Income Tax thereon	(0.26)	1.04
Closing Balance	(2.85)	(3.12)
Cash flow hedging reserve		
Opening Balance	(10.50)	-
Recognized/(released) during the year	4.67	(15.76)
Income tax related to above	(1.80)	5.26
Balance at the end of year	(7.63)	(10.50)
Total Comprehensive Income	(10.48)	(13.62)
Less:		
Foreign Currency Monetary Item Translation Difference		
Opening Balance	-	65.02
Add: Adjustment/Accumulation during the year	-	32.01
	-	97.03
Less: Amortisation during the year	-	(97.03)
	-	-
	1,817.07	1,746.67

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

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(All amounts in ₹ million, unless otherwise stated)

Note : 14 Borrowings

Particulars	As at December 31, 2020	As at December 31, 2019
Unsecured		
(A) Term Loans- Foreign Currency Loans (ECBs)	1,291.64	1,003.53
(Repayable over a period of 5 to 8 years with first repayment date as given below)		
Total	1,291.64	1,003.53

Note : 14 Borrowings (contd.)

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

Particulars									As at December 31, 2020	As at December 31, 2019
Unsecured										
Foreign Currency Loans from Banks										
External Commercial Borrowings									Unit - Million JPY	
Bank/Organization Name	Original	Loan	Currency	Date of Aailed	Month of 1 st Repayment	Rate of Interest	Number of Installments	Installment Amount		
The MUFG Bank Ltd.	1060	530	JPY	March 30, 2015	Sep 18	1.52%	10	106		
The MUFG Bank Ltd.	200	200	JPY	March 30, 2019	Sep 21	1.18%	6	33		
The MUFG Bank Ltd.	300	300	JPY	April 26, 2019	Sep 21	1.18%	6	50		
Total The MUFG Bank Ltd.	1560	1030							729.65	814.63
The MIZUHO Bank Ltd	200	200	JPY	June 14, 2019	Dec 21	1.20%	6	33		
The MIZUHO Bank Ltd	300	300	JPY	July 16, 2019	Dec 21	1.20%	6	50		
Total The MIZUHO Bank Ltd	500	500							354.20	327.95
Eneki Corporation	450	450	JPY	Jan 16, 2020	Jul 24	1.19%	6	75		
Eneki Corporation	222	222	JPY	March 31, 2020	Sep 24	1.19%	6	37	476.04	-
Total Eneki Corporation	672	672								
Sub-Total									1,559.89	1,142.58
Less: Current maturities of long-term borrowings (Refer Note No. 11)									268.25	139.05
Total									1,291.64	1,003.53
Total Long -term Borrowings									1,291.64	1,003.53

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

Holding company Enkei Corporation has given guarantee to respective banks in respect of above borrowings.

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(All amounts in ₹ million, unless otherwise stated)

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

Particulars	As at December 31, 2020	As at December 31, 2019
Trade payables- Related parties	239.10	232.04
Total	239.10	232.04

Note : 16 Lease Liabilities (non-current liabilities)

Particulars	As at December 31, 2020	As at December 31, 2019
Non Current - Lease Liabilities	29.58	52.60
Current - Lease Liabilities	21.36	27.84
Total	50.94	80.44

Note : 17 Long term Provisions

Particulars	As at December 31, 2020	As at December 31, 2019
Provision for employee benefits:		
Provision for compensated absences	3.17	2.41
Total	3.17	2.41

Note 36 n gives details of Defined Benefit plans

Note : 18 Borrowings - (current liabilities)

Particulars	As at December 31, 2020	As at December 31, 2019
Unsecured		
Working Capital Demand Loans		
- From Banks	230.00	380.00
Total	230.00	380.00

Note : 18.1 Short-term Borrowings -(current liabilities) (contd.)

Details of applicable rate of interest, security wherever provided etc.

Particulars	As at December 31, 2020	As at December 31, 2019
Unsecured		
Security		
Financing against sales invoice of Customers		
Working Capital Demand Loans from Banks		
(1) MUFG Bank Ltd.	-	110.00
Security		
Corporate guarantee by holding Company, Enkei Corporation, Japan		
Repayment		
From time to time, nevertheless payable on demand. (rollover arrangements are entered with the bank with the same terms)		

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(All amounts in ₹ million, unless otherwise stated)

Particulars	As at December 31, 2020	As at December 31, 2019
(2) Mizuho Bank Ltd.	120.00	200.00
Security		
Letter of guarantee by holding Company, Enkei Corporation, Japan		
Repayment : Repayable on demand		
From time to time, nevertheless payable on demand. (rollover arrangements are entered with the bank with the same terms)		
(3) Sumitomo Mitsui Banking Corporation	110.00	70.00
Security		
Letter of guarantee by holding Company, Enkei Corporation, Japan		

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

Note : 19 Trades payables -(current liabilities)

Particulars	As at December 31, 2020	As at December 31, 2019
Total outstanding dues of Micro, Small & Medium Enterprises	3.52	0.25
Total outstanding dues of Creditors other than Micro, Small & Medium Enterprises	339.63	333.80
Total	343.14	334.05

Note : 20 Other financial liabilities - (current liabilities)

Particulars	As at December 31, 2020	As at December 31, 2019
Financial liabilities carried at amortised cost		
Current maturities of long-term debt	268.25	139.05
Payables on purchase of Property, Plant and Equipments	72.86	115.25
Employee dues	46.21	35.86
Interest accrued but not due	3.38	3.63
Deposits from customers	0.10	0.10
Derivative liability in respect of derivative contract -		
IRS	11.09	15.77
Forward Contracts	1.65	-
Others	25.07	23.62
Total	428.61	333.29

Note : 21 Other current liabilities

Particulars	As at December 31, 2020	As at December 31, 2019
Statutory dues payable	18.01	16.14
Advance from customers	-	0.08
Total	18.01	16.22

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note : 22 Short-term provisions

Particulars	As at December 31, 2020	As at December 31, 2019
Provision for employee benefits		
Provision for retirement allowance	7.69	4.13
Provision for compensated absences	4.01	1.68
Total	11.70	5.81

Note 36 n gives details of Defined Benefit plans

Note : 23 Current tax liabilities

Particulars	As at December 31, 2020	As at December 31, 2019
Provision for Income Tax (Current Year)	-	6.96
Total	-	6.96

Note : 24 Revenue from operations

Particulars	For the year ended December 31, 2020	For the period ended December 31, 2019
Sale of products	2,325.99	2,632.15
Other operating revenues	26.04	35.43
	2,352.03	2,667.58

Note: 24.1 Particulars of sale of products

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Manufactured goods		
Wheels - Two wheelers	856.43	1,184.71
Wheels - Four wheelers	1,469.16	1,446.07
Total - Sale of manufactured goods	2,325.59	2,630.78
Traded goods		
Accessories	0.40	1.37
Total - Sale of traded goods	0.40	1.37
Total - Sale of products	2,325.99	2,632.15

Note : 25 Other income

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest on term deposits	9.40	0.01
Profit on sale of property, plant and equipment	-	0.01
Miscellaneous income	2.26	-
Interest on income tax refund	0.19	2.89
Interest on others	1.86	0.15
Others-Gain on cancellation of leases	0.21	-
Total	13.92	3.06

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(All amounts in ₹ million, unless otherwise stated)

Note : 26 Cost of materials consumed

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Raw material inventory at the beginning of year	310.12	113.51
Add: Purchases during the year	1,137.99	1,632.09
	1,448.10	1,745.60
Less: Raw material inventory at the end of year	222.14	310.12
Cost of materials consumed	1,225.96	1,435.49

Particulars	For the year ended December 31, 2020		For the year ended December 31, 2019	
	%	Value	%	Value
Raw materials				
Imported	94.5	1,075.86	88.3	1,441.94
Indigenous	5.5	62.13	11.7	190.15
Total	100.0	1,137.99	100.0	1,632.09

Note : 27 Purchases of stock-in-trade

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Purchase of Accessories	0.36	1.23
Total	0.36	1.23

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

Particulars	For the year ended December 31, 2020		For the year ended December 31, 2019	
	%	Value	%	Value
Traded Goods				
Indigenous Accessories	100.00	0.36	100.00	1.00
Total	100.00	0.36	100.00	1.00

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

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Opening balances		
Finished goods manufactured	358.86	320.86
Work-in-Progress	0.09	5.93
Stock-in-trade	0.11	0.12
	359.06	326.91
Closing balances		
Finished goods manufactured	326.35	358.86
Work-in-Progress	1.40	0.09
Stock-in-trade	0.09	0.11
	327.84	359.06
Total	31.22	(32.15)

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(All amounts in ₹ million, unless otherwise stated)

Note : 29 Employee benefits expenses

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Salaries and wages	277.94	237.20
Contribution to Provident and other Funds	19.32	14.95
Staff welfare expenses	25.52	27.14
Total	322.78	279.29

Note : 36n gives details of Defined Benefit plans and Defined Contribution plans

Note : 30 Finance costs

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest on term loans - Foreign Currency Loans (ECB)	71.70	6.24
Interest on Working Capital Demand Loan	26.86	18.04
Interest on employee benefits	0.31	-
Unwinding of interest on remeasurement of trade payables	16.10	11.92
Interest on Lease Liabilities	6.12	6.08
Other borrowing costs	0.01	2.51
Total	121.10	44.79

Note : 31 Depreciation & amortisation expense

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation on property, plant and equipment	182.36	158.62
Depreciation on right of use assets	35.30	18.98
Total	217.66	177.60

Note : 32 Other expenses

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Manufacturing Expenses		
Consumption of stores & spares	189.30	269.36
Power and fuel	218.74	242.03
Processing charges- Remelting	37.52	45.77
Contract Labour	50.40	54.75
Royalty	34.52	39.12
Repairs and Maintenance	11.56	17.30
Annual Maintenance Charges	4.42	8.38
Others-Manufacturing Expenses	10.68	35.62
	557.14	712.33
Exchange variation on foreign currency transactions(net)	12.97	106.48
Administrative Expenses		
Legal and Professional Fees	71.41	58.82
Corporate Social Responsibility Expenses (refer note 36j)	3.88	2.94
Loss on sale of property, plant and equipment	1.19	4.58

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(All amounts in ₹ million, unless otherwise stated)

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Security Expenses	6.93	5.28
Insurance	9.33	7.43
Hedging and Bank Charges	4.35	6.85
General Admin Expenses	23.41	23.01
	120.50	108.91
Selling & Distribution Expenses		
Transportation expenses	73.21	93.75
S and A Others	9.34	8.67
	82.55	102.42
Total	773.16	1,030.14

Note : 32.1 Consumption - Stores & Spares

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Opening Stock	34.98	31.65
Add: Purchases	180.34	272.69
	215.32	304.34
Less: Closing Stock	26.03	34.98
Cost of stores & spares consumed	189.30	269.36

Note : 33 Exceptional Items

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Related Party Liabilities (old) written back	-	289.71
Government Grant (PSI Scheme)	-	27.47
Total	-	317.18

Note : 34 Current Tax

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Current Tax - Current year	-	18.91
MAT credit entitlement	-	(11.81)
Current Tax - Prior period (Excess provisions of earlier years)	(4.35)	(12.92)
Total Current Tax Expense recognised in the statement of profit and loss	(4.35)	(5.82)

Note : 35 Deferred Tax

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Deferred Tax - Current Year	(8.36)	30.00
(for temporary timing differences including reversals thereof)		
Total	(8.36)	30.00

NOTES

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

Note 36 Additional information to the financial statements

Note	Particulars
a	Share Capital During the year, the Company has allotted 8,98,700 equity shares issued on preferential basis to its promoter & holding Company ENKEI CORPORATION, Japan after receiving the requisite approvals from the regulatory authorities.

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

Particulars	As at December 31, 2020	As at December 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6.85	6.15
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

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

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

Name of the subsidiary	Relationship	Amount outstanding as at December 31, 2020	Amount outstanding as at December 31, 2019
-	-	-	-

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

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

Particulars	As at December 31, 2020 in Foreign currency	As at December 31, 2019 in Foreign currency
Forward Contracts against Imports		
- In US Dollars Number of contracts.....(8)	2,454,904	808,434
- In Japanese Yen Nil Number of contracts.....(Nil)		-
	2,454,904	808,434
	In Indian Rupees	In Indian Rupees
- Equivalent Indian Rupees	179.34	57.60

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

e Details of CSR Expenditure : -

Particulars	As at December 31, 2020	As at December 31, 2019
Gross Amount to be spent during the year	2.54	2.81
a. Construction/acquisition of any asset	-	-
b. Purpose other than (a) above	3.88	2.94
Amount spent during the year	3.88	2.94
Balance amount unspent/ (excess spent) as at close of the financial year	(1.34)	(0.12)

f Auditors Remuneration

Particulars	As at December 31, 2020	As at December 31, 2019
Statutory Audit	1.40	1.40
Corporate Governance	0.10	0.10
Certification Fees	0.04	-
Limited Reviews	0.23	0.15
Out of Pocket Expenses	0.01	0.03
	1.77	1.68

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

Particulars	As at December 31, 2020	As at December 31, 2019
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts -		
Disputed tax liabilities under the Income Tax Act	30.76	30.76
Disputed tax liabilities under MVAT and CST (Amount of ₹ 44,69,468/- as being paid under protest. Refer Note 6. (Previous NIL)).	9.72	2.82
Disputed tax liabilities under Central Excise Act	41.90	41.90
Disputed tax liabilities under Service Tax	0.77	0.77
Disputed liabilities under Tahsildar, Shirur	2.43	-
(b) Guarantees issued by the banks	1.50	1.50
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets	225.08	890.99

Note :

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

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

- 3) The Company does not expect any reimbursements in respect of the above contingent liabilities, except for ₹ 2,430,155 Disputed liabilities under Tahsildar, Shirur.

h Earning per Share as computed in accordance with Accounting Standard 20

Particulars	As at December 31, 2020	As at December 31, 2019
Net profit / (loss) for the year	(313.58)	27.25
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	(313.58)	27.25
Weighted average number of equity shares for calculation of Basic EPS	17,456,792	16,899,288
Weighted average number of equity shares for calculation of Diluted EPS	17,456,792	16,899,288
Face value per share	₹ 5/- per share	₹ 5/- per share
Earnings per share - Basic	(17.96)	1.61
Earnings per share - Diluted	(17.96)	1.61

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

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

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Contributions to employee provident fund	10.04	9.39
Contribution to employee state insurance	0.40	0.73

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

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

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

Gratuity

Changes in present value of defined benefit obligation	For the year ended December 31, 2020	For the year ended December 31, 2019
Present value of defined benefit obligation at the beginning of the year	32.04	26.13
Current service cost	3.25	2.06
Interest cost	2.24	1.51

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

Changes in present value of defined benefit obligation	For the year ended December 31, 2020	For the year ended December 31, 2019
Actuarial loss / (Gain) recognised in other comprehensive income		
a) Financial (Gain)/Loss on plan liabilities	3.95	2.30
b) Demographic (Gain)/Loss on plan liabilities	-	-
c) Experience (Gain)/Loss on plan liabilities	(4.39)	0.79
Past service cost	-	-
Benefits paid	(1.99)	(0.74)
Present value of defined benefit obligation at the end of the year	35.11	32.04

Change in the fair value of plan assets	For the year ended December 31, 2020	For the year ended December 31, 2019
Fair Value of plan assets at the beginning of the period	27.90	24.30
Interest Income	1.90	1.50
Return on plan assets, excluding interest income	0.10	-
Contributions	1.00	3.00
Mortality charges and taxes	(0.20)	(0.10)
Benefit paid	(3.30)	(0.70)
Fair Value of plan assets at the end of the period	27.40	27.90

Analysis of defined benefit obligation	For the year ended December 31, 2020	For the year ended December 31, 2019
Present value of obligation as at the end of the year	35.11	32.04
Fair Value of Plan Assets at the end of the Period	27.42	27.91
Net (asset) / liability recognized in the Balance Sheet	7.69	4.13
Bifurcation of liability as per Schedule III		
Current Liability	7.69	4.13
Non-Current Liability	27.42	27.91
Net (asset) / liability recognized in the Balance Sheet	7.69	4.13

Components of employer expenses/remeasurement recognized in the statement of Profit and Loss	For the year ended December 31, 2020	For the year ended December 31, 2019
Current service cost	3.25	2.06
Net Interest Cost	0.31	0.02
Past Service Cost	-	-
Mortality charges and taxes	0.21	0.12
Expenses recognized in the Statement of Profit and Loss	3.77	2.20

Components of employer expenses/remeasurement recognized in the Other Comprehensive Income (OCI)	For the year ended December 31, 2020	For the year ended December 31, 2019
Actuarial loss / (gain)	(0.43)	3.09
Return on plan assets, Excluding interest income	(0.10)	0.03
Net (income)/expense recognized in the OCI	(0.53)	3.11

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

Analysis of defined benefit obligation	For the year ended December 31, 2020	For the year ended December 31, 2019
Net opening provision in books of accounts	4.13	1.82
Employee Benefit Expense	3.77	2.20
Amounts recognized in Other Comprehensive Income	(0.53)	3.11
Claims received from the insurer in lieu of Unpaid Gratuity Benefits	1.32	-
Contribution for the period	(1.00)	(3.00)
Net (asset) / liability recognized in the Balance Sheet	7.69	4.13

Composition of the plan assets	For the year ended December 31, 2020	For the year ended December 31, 2019
Policy of insurance	100%	100%
Total	100%	100%

Actuarial Assumptions:	For the year ended December 31, 2020	For the year ended December 31, 2019
Discount rate	6.40%	7.20%
Salary Escalation	6.00%	6.00%

Withdrawal rates per annum	For the year ended December 31, 2020	For the year ended December 31, 2019
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 36 to 45 years	3.00%	3.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

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

Sensitivity Analysis

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

Projected benefit obligation on current assumptions	For the year ended December 31, 2020		For the year ended December 31, 2019	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	32.94	37.48	30.11	34.15
Future salary growth (0.5 % movement)	37.30	33.07	34.01	30.22
Attrition rate (0.5% movement)	35.19	35.03	32.26	31.81

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	For the year ended December 31, 2020	For the year ended December 31, 2019
1st Following year	1.36	1.92
2nd Following year	1.33	1.37
3rd Following year	2.01	1.48
4th Following year	1.54	2.20
5th Following year	1.65	1.72
Sum of years 6 to 10	16.64	14.04

Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (contd.)

Weighted average assumptions used to determine net periodic benefit cost

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Number of active members	380.00	424.00
Per month salary cost for active members	6.00	6.00
Average monthly salary	0.01	0.01
Average age (years)	37.20	36.22
Weighted average duration of the projected benefit obligation (years)	10.68 years	9.51 years
Average expected future service (years)	14.97	15.34
Prescribed contribution for next year (12 Months)	-	2.00

Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (contd.)

Compensated Absences -

Privilege Leave

Changes in present value of defined benefit obligation	For the year ended December 31, 2020	For the year ended December 31, 2019
Present value of defined benefit obligation at the beginning of the year	18.19	14.50
Current service cost	2.50	1.52
Interest cost	1.22	0.83
Actuarial loss / (Gain)		
a) Financial (Gain)/Loss on plan liabilities	1.20	0.74
b) Demographic (Gain)/Loss on plan liabilities	-	0.78
c) Experience (Gain)/Loss on plan liabilities	0.70	0.60
Past service cost	-	-
Benefits paid	(2.52)	(0.78)
Present value of defined benefit obligation at the end of the year	21.28	18.19

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(All amounts in ₹ million, unless otherwise stated)

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

Change in the fair value of plan assets	For the year ended December 31, 2020	For the year ended December 31, 2019
Fair Value of plan assets at the beginning of the period	17.10	16.39
Interest Income	1.22	0.96
Return on plan assets, excluding interest income	(0.05)	(0.09)
Contributions	0.50	-
Mortality charges and taxes	(0.04)	(0.03)
Benefit paid	(0.83)	(0.13)
Fair Value of plan assets at the end of the period	17.89	17.10

Analysis of defined benefit obligation	For the year ended December 31, 2020	For the year ended December 31, 2019
Present value of obligation as at the end of the year	21.28	18.19
Fair Value of Plan Assets at the end of the Period	17.89	17.10
Net (asset) / liability recognized in the Balance Sheet	3.39	1.08
Bifurcation of liability as per Schedule III		
Current Liability	3.39	1.08
Non-Current Liability	17.89	17.10
Net (asset) / liability recognized in the Balance Sheet	3.39	1.08

Components of employer expenses/remeasurement recognized in the statement of Profit and Loss	For the year ended December 31, 2020	For the year ended December 31, 2019
Current service cost	2.50	1.52
Net Interest Cost	-	(0.13)
Remeasurement Cost/ (Credit) for the year	1.95	2.21
Past Service Cost	-	-
Mortality charges and taxes	0.04	0.03
Expenses recognized in the Statement of Profit and Loss	4.49	3.63

Analysis of defined benefit obligation	For the year ended December 31, 2020	For the year ended December 31, 2019
Net asset / (liability) recognized in the Balance Sheet	(1.08)	1.90
Employee Benefit Expense	(4.49)	(3.63)
Benefits directly paid by the company	1.69	0.65
Contributions	0.50	-
Net asset / (liability) recognized in the Balance Sheet	(3.39)	(1.08)

Composition of the plan assets	For the year ended December 31, 2020	For the year ended December 31, 2019
Policy of insurance	100%	100%
Total	100%	100%

NOTES

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(All amounts in ₹ million, unless otherwise stated)

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

Actuarial Assumptions:	For the year ended December 31, 2020	For the year ended December 31, 2019
Discount rate	6.40%	7.20%
Salary Escalation	6.00%	6.00%

Withdrawal rates per annum	For the year ended December 31, 2020	For the year ended December 31, 2019
- 25 years and below	5.00%	5.00%
- 26 to 35 years	4.00%	4.00%
- 36 to 45 years	3.00%	3.00%
- 46 to 55 years	2.00%	2.00%
- 56 years and above	1.00%	1.00%

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

Sensitivity Analysis

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

Projected benefit obligation on current assumptions	For the year ended December 31, 2020		For the year ended December 31, 2019	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5 % movement)	20.52	22.10	17.56	18.85
Future salary growth (0.5 % movement)	21.99	20.61	18.77	17.63
Attrition rate (0.5% movement)	21.59	20.96	18.44	17.92

Maturity profile of defined benefit plan

Projected benefits payable in future years from the date of reporting	For the year ended December 31, 2020	For the year ended December 31, 2019
1st Following year	0.72	1.23
2nd Following year	0.62	0.59
3rd Following year	0.70	0.59
4th Following year	0.60	0.65
5th Following year	0.60	0.57
Sum of years 6 to 10	5.39	3.93

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(All amounts in ₹ million, unless otherwise stated)

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

Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under" (contd.)

Weighted average assumptions used to determine net periodic benefit cost

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Number of active members	380.00	424.00
Total Monthly leave encashment salary in Rupees	12.00	13.00
Total Monthly leave availment salary in Rupees	18.00	17.00
Average age (years)	37.20	36.22
Total Leave Balances in days		
Privilege Leave	17,084	16,148
Average past services in years	10.68	9.50

j Transactions with the Related Parties are given below:

- List of related parties where control exists and relationships:

Holding Company

Enkei Corporation, Japan

Fellow Subsidiaries

(Only with whom the Company had transactions during the current year)

Enkei Audit & Computer Services Ltd.

Enkei Thai Co. Ltd.

Enkei Thai Mouldings Ltd.

Enkei Asia Pacific Co. Ltd.

PT Enkei Indonesia

Entities over which directors of the company are able to exercise significant influence

(Only with whom the Company had transactions during the current year)

Alicon Castalloy Ltd.

HU Consultancy Pvt. Ltd.

GSV Prasad & Co.

MRM & Associates

KMDS & Associates

Key Management Personnel (KMP)

Junichi Suzuki

Director

Shailendrajit Rai

Director

Haresh Shah

Independent Director

GSV Prasad

Independent Director

Shilpa Dixit

Independent Director

Kazuo Suzuki

Managing Director

Jitendra Parmar

Chief Financial Officer

Shrikant Joshi (till 22-11-2020)

Company Secretary

Others

Enkei Wheels India Ltd. Employees group gratuity scheme

Post Employment Benefits

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

2. Transactions with related parties:

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Sale of Goods to:		
Holding Company, Enkei Corporation	-	0.25
	-	0.25
Purchase of stores & spares from:		
Holding Company, Enkei Corporation	3.92	14.07
Fellow Subsidiaries:		
Enkei Thai Mouldings Ltd.	0.01	0.05
Enkei Asia Pacific Co. Ltd.	0.28	1.28
Entities over which directors of the company are able to exercise significant influence:		
Alicon Castalloy Ltd.	9.38	7.29
	13.59	22.68
Purchase of property, plant & equipment from:		
Holding Company, Enkei Corporation	108.42	228.77
Fellow Subsidiaries:		
Enkei Asia Pacific Co. Ltd.	5.95	-
Enkei Thai Mouldings Ltd.	31.47	33.36
	145.84	262.13
Services received from:		
Holding Company, Enkei Corporation	2.89	2.75
Fellow Subsidiaries:		
Enkei Audit & Computer Services Ltd.	0.92	0.58
Enkei Asia Pacific Co. Ltd.	10.05	4.61
Entities over which directors of the company are able to exercise significant influence:		
Alicon Castalloy Ltd.	17.98	23.86
HU Consultancy Pvt. Ltd.	2.09	1.56
GSV Prasad & Co.	1.50	1.17
MRM & Associates	0.14	0.57
KMDS & Associates	0.42	-
	35.99	35.10
Salaries & other reimbursements paid to:		
Holding Company, Enkei Corporation	53.07	45.02
Fellow Subsidiaries:		
Enkei Audit & Computer Services Ltd.	-	0.01
PT Enkei Indonesia	0.24	0.47
	53.31	45.50
Reimbursements received from:		
Holding Company, Enkei Corporation	0.34	-
	0.34	-

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(All amounts in ₹ million, unless otherwise stated)

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

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Rent paid to:		
Entities over which directors of the company are able to exercise significant influence:		
Alicon Castalloy Ltd.	20.61	14.63
	20.61	14.63
Royalty expenses:		
Holding Company, Enkei Corporation	34.52	39.12
	34.52	39.12
Interest expenses:		
Holding Company, Enkei Corporation	4.99	-
	4.99	-
Write back of liabilities from:		
Fellow Subsidiaries:		
Enkei Thai Co. Ltd.	-	289.71
	-	289.71
ECB Loan from:		
Holding Company, Enkei Corporation	443.51	-
	443.51	-
Issue of shares to:		
Holding Company, Enkei Corporation	368.47	435.29
	368.47	435.29

Note: Related Party Transactions are shown at gross amount

*Salary of MD of ₹ 6.90 Million (previous year ₹ 7.23 million) is included as transaction with Holding Company, Enkei Corporation.

Balances with related parties at the end of the period

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Trade receivables:		
Holding Company, Enkei Corporation	-	0.13
	-	0.13
Capital Advances:		
Enkei Thai Mouldings Ltd.	-	5.61
	-	5.61
Other financial assets (current assets)		
Enkei Wheels India Ltd. Employees group gratuity scheme	2.35	0.10
	2.35	0.10
Trade payables non-current:		
Enkei Thai Co. Ltd.	239.10	232.04
	239.10	232.04

NOTES

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Borrowings non-current:		
Holding Company, Enkei Corporation	476.04	-
	476.04	-
Gurantees		
Holding Company, Enkei Corporation	1,866.18	1,924.12
	1,866.18	1,924.12
Trade payable:		
Holding Company, Enkei Corporation	43.33	56.83
Fellow Subsidiaries:		
Enkei Thai Co. Ltd.	0.00	-
Enkei Audit & Computer Services Ltd.	0.05	0.10
Enkei Asia Pacific Co. Ltd.	2.29	2.53
PT Enkei Indonesia	-	0.06
Enkei Thai Mouldings Ltd.	0.78	-
Entities over which directors of the company are able to exercise significant influence:		
Alicon Castalloy Ltd.	5.49	3.91
	51.95	63.43
	767.09	301.21

3. Key management personnel Compensation:

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019
Short-term employee benefits	19.96	14.90
Post-employment benefits	0.16	0.13
Sitting Fee	0.18	0.22
Total Compensation	20.30	15.25
Directors Sitting Fee:		
Junichi Suzuki	0.01	0.01
Shailendrajit Rai	0.03	0.04
Haresh Shah	0.06	0.07
GSV Prasad	0.06	0.07
Shilpa Dixit	0.03	0.04
Salary		
Kazuo Suzuki	16.25	12.20
Jitendra Parmar	3.00	2.20
Shrikant Joshi	0.87	0.64
Total Compensation	20.30	15.25
Contribution to Post Retirement Benefit Plans:		
Others:		
Enkei Wheels India Ltd. Employees group gratuity scheme	1.00	3.00
	1.00	3.00

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

Note: As the post-employment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above. The amount included above is the contribution made by company.

Segment information

- k The Company operates in single segment, manufacture and sale of Alloy Wheels. The revenues from customers attributed to the Company's country of domicile amount to ₹ 2,352.6 Mln Previous Year ₹ 2,668.0 Mln (9 Months) and revenues attributed to all foreign countries amount to ₹ **Nil**. Previous ₹ 0.24 Mln (9 months). During the year three customers (previous year : three customer) of the Company contributed to more than 10% of the total Revenues amounting to ₹ 2,056.6 Mln Amt.- (1) ₹ 1,107.8 Mln Amt. (2) ₹ 506.1 Mln Amt.- (3) ₹ 442.7 Mln respectively. (previous year ₹ 2,336.4 Mln) Amt.- (1) ₹ 1,368.2 Mln Amt.- (2) ₹ 640.1 Mln Amt.- (3) ₹ 328.1 Mln respectively.

Net debt reconciliation

Position of net debt

Particulars	As at December 31, 2020	As at December 31, 2019
Borrowings		
Non-current borrowings	1,291.64	1,003.53
Current borrowings	230.00	380.00
Current maturities of long term loans	268.25	139.05
	1,789.89	1,522.58
Less:		
Cash & cash equivalents	298.14	412.34
Net debt	1,491.75	1,110.24

Movement in net debt

Particulars	As at December 31, 2020	As at December 31, 2019
Opening net debt	1,110.24	653.72
Cash flows	260.37	404.20
Foreign exchange adjustment-loss /(gain)	121.14	52.32
Interest accrued but not due at the beginning of the year	3.63	0.71
Interest accrued but not due as at end of the year	(3.38)	(3.63)
Interest expense	77.94	24.28
Interest paid	(78.19)	(21.36)
	1,491.75	1,110.24

- m In the opinion of the board, current assets have a value on realisation, in the ordinary course of the Company's business, equal to the amount at which these are stated.
- n Figures of the previous year have been regrouped, reclassified & restated wherever necessary to correspond with the current year classification /disclosure.

NOTES

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

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

Particulars	As at December 31, 2020	As at December 31, 2019
Profit before tax	(326.29)	51.42
Tax at the Indian Tax Rate	31.20%	33.38%
Expected tax expense	-	18.00
Effect of expenses that are not deductible in determining taxable profit		0.91
Total	-	18.91
Adjustments recognised in the current year in relation to the current tax of prior years	(4.35)	(12.92)
Adjustments recognised in the current year in relation to the current tax of prior years MAT	-	(11.81)
Total tax expense	(4.35)	(5.82)

p Financial Instruments

i) Financial Instruments by category

The carrying value of financial instruments by categories as on December 31, 2020 are as follows:

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Trade receivables	285.96	-	-	285.96
Cash and cash equivalents	298.14	-	-	298.14
Other financial assets	23.64	-	-	23.64
Total Assets	607.74	-	-	607.74
Liabilities				
Borrowings	1,521.64	-	-	1,521.64
Trade payables	582.24	-	-	582.24
Other financial liabilities	415.87	1.65	11.09	428.61
Lease liabilities	50.94	-	-	50.94
Total Liabilities	2,570.69	1.65	11.09	2,583.43

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

Particulars	Amortised cost	FVTPL	FVTOCI	Total carrying value
Assets				
Trade receivables	211.83	-	-	211.83
Cash and cash equivalents	412.34	-	-	412.34
Other balances with banks	-	-	-	-
Other financial assets	21.45	0.11	-	21.56
Total Assets	645.62	0.11	-	645.73
Liabilities				
Borrowings	1,383.53	-	-	1,383.53
Trade payables	566.09	-	-	566.09
Other financial liabilities	317.52	-	15.77	333.29
Lease liabilities	80.44	-	-	80.44
Total Liabilities	2,347.58	-	15.77	2,363.35

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

ii) Fair value hierarchy

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on December 31, 2020:

Particulars	As at December 31,	Fair value measurement as at December 31, 2020		
		Level 1	Level 2	Level 3
Derivative financial asset	-	-	-	-
Derivative financial liability	12.74	-	12.74	-

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

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

Valuation technique and significant unobservable inputs:

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. Company does not value any financial instruments under Level 1.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Financial Instruments measured/carried at amortised cost :

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

iii) Financial risk management

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

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

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

a. Credit risk

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

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

i. Trade receivables

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

Trade receivables that were not impaired

Particulars	Carrying amount (Rupees)	
	As at December 31, 2020	As at December 31, 2019
Less than six months old from due date	37.77	0.60
Not due as at balance sheet date	248.19	211.23
More than 180 days from due date	-	-
Total	285.96	211.83

Movement in allowance for credit impairment

Particulars	Amount in Rupees
As at April 01, 2019	-
Provided during the year	-
Amount written off during the year	-
As at December 31, 2019	-
Provided during the year	-
Amount written off during the year	-
As at December 31, 2020	-

ii. Financial instruments and Cash deposits

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

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

b. Liquidity risk

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

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

The liquidity position at each reporting date is given below:

Particulars	As at December 31, 2020	As at December 31, 2019
Cash and cash equivalents	298.14	412.34
Other balances with banks	-	-
Total	298.14	412.34

The following are the remaining contractual maturities of financial liabilities as on 31 December 2020.

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings - non-current	-	268.25	1,291.64	1,559.89
Borrowings - current	230.00	-	-	230.00
Trade payables -non-current	-	-	239.10	239.10
Trade payables -current	-	343.14	-	343.14
Other financial liabilities	-	428.61	-	428.61
Lease Liabilities	-	21.36	29.58	50.94

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

Particulars	Repayable on demand	Less than one year	More than one year	Total
Borrowings - non-current	-	139.05	1,003.53	1,142.58
Borrowings - current	380.00	-	-	380.00
Trade payables -non-current	-	-	232.04	232.04
Trade payables -current	-	334.05	-	334.05
Other financial liabilities	-	333.29	-	333.29
Lease Liabilities	-	27.84	52.60	80.44

c. Market risk

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

NOTES

forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

i. Foreign currency risk

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

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

Nature of exposure	Currency	As at December 31, 2020		As at December 31, 2019	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
External Commercial Borrowings	JPY	2,202.00	1,559.90	1,742.00	1,142.58
Payable towards Property, Plant and Equipment	JPY	-	-	11.21	7.35
	EUR	0.04	3.48	(0.11)	(8.68)
	USD	0.01	0.78	-	-
Trade Payables	USD	4.89	357.20	5.68	324.26
	JPY	17.38	12.31	21.69	14.23
Total Liabilities			1,933.66		1,479.73
Less : Trade Receivables and others	JPY	-	-	-	-
Net liabilities / (assets)		-	1,933.66	-	1,479.73

Foreign currency sensitivity on unhedged exposure

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax	Effect on pre-tax equity
For the year ended December 31, 2020	USD	+5%	(17.90)	(17.90)
		-5%	17.90	17.90
	EUR	+5%	(0.17)	(0.17)
		-5%	0.17	0.17
	JPY	+5%	(78.61)	(78.61)
		-5%	78.61	78.61
For the year ended December 31, 2019	USD	+5%	(16.21)	(16.21)
		-5%	16.21	16.21
	EUR	+5%	0.43	0.43
		-5%	(0.43)	(0.43)
	JPY	+5%	(58.21)	(58.21)
		-5%	58.21	58.21

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forming part of the financial statements

(All amounts in ₹ million, unless otherwise stated)

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

ii. Interest rate risk

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

Particulars	As at December 31, 2020	As at December 31, 2019
Fixed rate instruments		
Borrowings	-	-
Fixed rate instruments		
Foreign Currency Loan -External Commercial Borrowings	1,559.89	1,142.58
Variable rate instruments		
Working Capital Demand Loans	230.00	380.00

The sensitivity analysis below has been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest rate sensitivity on fixed rate instruments

Particulars	As at December 31, 2020	As at December 31, 2019
Impact on profit before tax		
Increase by 50 basis points	(7.80)	(5.71)
Decrease by 50 basis points	7.80	5.71

Interest rate sensitivity on variable rate instruments

Particulars	As at December 31, 2020	As at December 31, 2019
Impact on profit before tax		
Increase by 50 basis points (0.5%)	(1.15)	(1.90)
Decrease by 50 basis points (0.5%)	1.15	1.90

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company maintains healthy capital gearing ratio by keeping debts to the minimum possible and infusion of funds from shareholders by the preferential allotments.

No changes were made in the objectives, policies or processes for managing capital during the year ended December 31 2020 and December 31 2019.

NOTES

forming part of the financial statements

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

q Leases

The Company as a Lessee

The Company's leases primarily consists of leases for buildings and plant and equipments. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The incremental borrowing rate applied to lease liabilities as at Jan 1, 2020 is 9%

Following are the changes in the carrying value of right of use assets for the nine months ended December 31, 2020:

Particulars	As at December 31, 2020	As at December 31, 2019
Balance at the beginning	82.00	-
Additions	10.16	100.98
Deletions	11.77	-
Depreciation	35.30	18.98
Balance at the end	45.08	82.00

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense.

The following is the break-up of current and non-current lease liabilities as at December 31, 2020

Particulars	As at December 31, 2020	As at December 31, 2019
Current lease liabilities	21.36	278.44
Non-current lease liabilities	29.58	525.97
Total	50.94	804.41

The following is the movement in lease liabilities during the period ended December 31, 2020:

Particulars	As at December 31, 2020	As at December 31, 2019
Balance at the beginning	80.44	-
Additions	10.16	100.98
Finance cost accrued during the period	6.12	6.08
Deletions	11.98	-
Payment of lease liabilities	33.79	26.62
Balance at the end	50.94	80.44

NOTES

forming part of the financial statements

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

The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2020 on an undiscounted basis:

Particulars	As at December 31, 2020	As at December 31, 2019
Less than one year	25.05	33.89
One to five years	31.33	57.70
More than five years	-	-
Total	56.38	91.59

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Amount recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases :

Particulars	As at December 31, 2020	As at December 31, 2019
Depreciation charge of right-of use assets		
Buildings	32.03	15.49
Plant and Equipments	3.27	3.49
Total	35.30	18.98

Particulars	As at December 31, 2020	As at December 31, 2019
Interest expense on lease liabilities (Included in finance cost)	6.12	6.08
Expense relating to short term and low value leases (Included in other Expense)	10.65	-
Loss/(Gain) on cancellation of leases (Included in other Expense)	(0.21)	-
Total	16.55	6.08

The accompanying notes form part of these financial statements
As per our report of even date attached

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

Suhrud Lele
Partner
Membership No. : 121162

Place: Pune
Date: February 18, 2021

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

Kazuo Suzuki
(Managing Director)
(DIN : 08350372)

Jitendra Parmar
(Chief Financial Officer)

Place: Pune
Date: February 18, 2021

Haresh Shah
(Director)
(DIN : 00228471)

Jeevanjyoti Nayak
(Company Secretary)

**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 Number of Ordinary Share(s) held.....
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 Twelfth Annual General Meeting (AGM) of the Company to be held on Monday, 31st May, 2021 at 10:30 A.M. by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below :

Item No.	Description of Resolution	No. of ordinary Shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31 st December 2020 and the reports of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Shailendrajit Charanjit Rai (DIN: 00050950), who retires by rotation, and being eligible, seeks reappointment.			
3.	To Appoint of Ms. Smita Patti (DIN: 09150264) as an Independent Director.			

Date :
Place :_____
Signature of Shareholder

Note : Please read the instructions printed overleaf before filling the form, valid Ballot form received by the scrutinizer by IST 5.00 p.m. on 30th May, 2021 shall only be considered.

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. Shailesh Indapurkar, Practising Company Secretary, Unit: Enkei Wheels (India) Limited. C/o. Universal Capital Securities Pvt. Ltd., 21/25 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, so as to reach by IST 5.00 p.m. of 30th May, 2021. 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. 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.
6. There will be only one Ballot Form for every Folio / DPID Client ID irrespective of the number of joint members.
7. 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.
8. 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.
9. The Ballot Form is also placed on the website of the Company.

Note

Note



ENKEI WHEELS (INDIA) LIMITED

CIN : L34300PN2009PLC133702

Registered Office :

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Taluka Shirur, Dist. Pune - 412 208.

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Email : secretarial@enkei.in

Website : www.enkei.in