



alicon

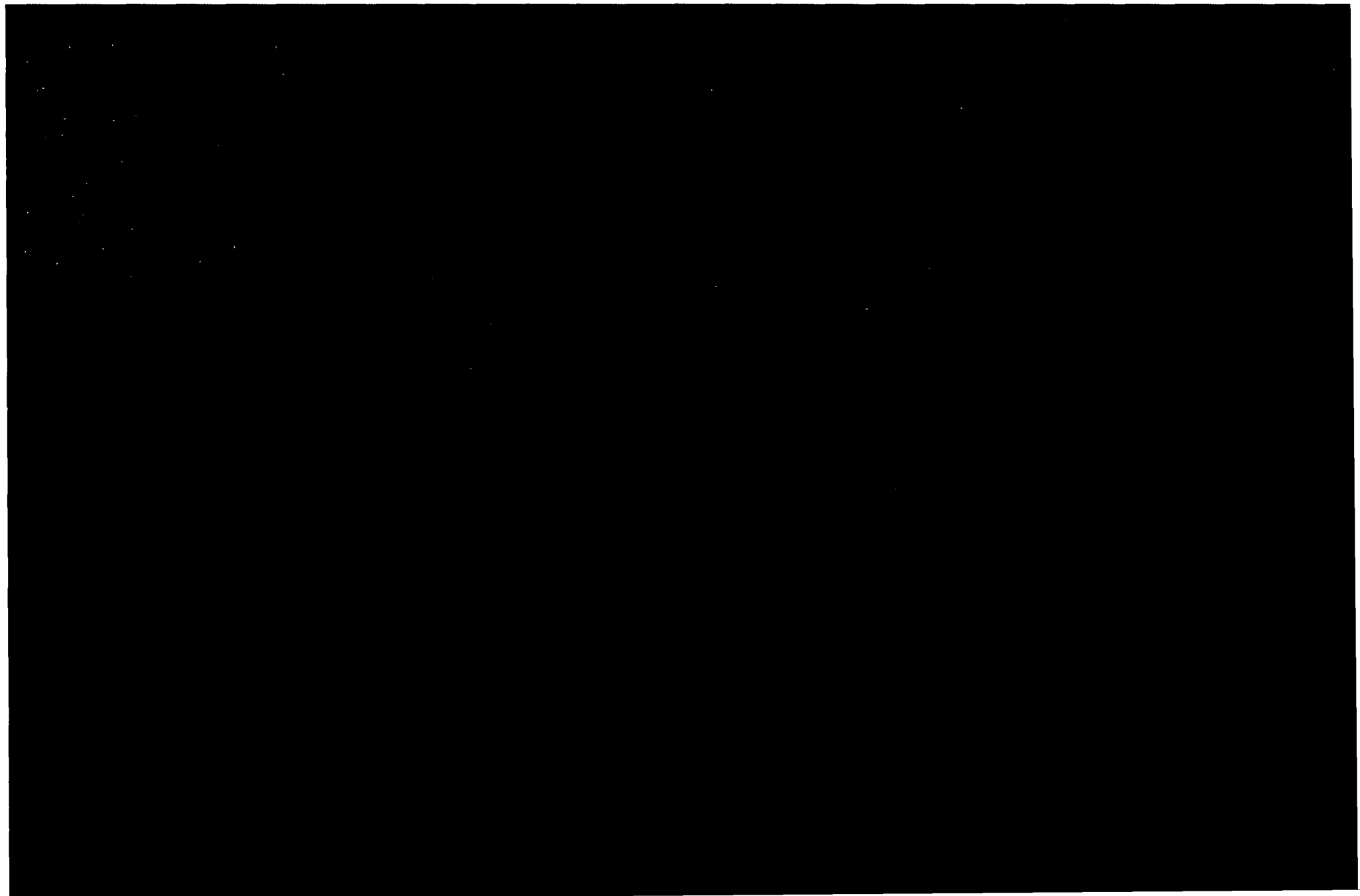
ENKEI CASTALLOY LIMITED

**CASTING
THE FUTURE**

ISO/TS 16949 COMPANY
EXPERTISE IN DESIGN, ENGINEERING
& ALUMINIUM CASTING

/ 20th ANNUAL REPORT / 2009 - 2010

HIGH LIGHTS	04
CORPORATE INFORMATION	06
MESSAGES FROM MD	08
NATIONWIDE NETWORK & GLOBAL PRESENCE	10
PRODUCT PROFILE-INDIA & EUROPE	12
NOTICE & NOTES	14
DIRECTOR'S REPORT	18
ANNEXURE TO DIRECTOR REPORT	23
CORPORATE GOVERNANCE REPORT	26
AUDITOR'S REPORT	32
ANNEXURE TO AUDITOR'S REPORT	34
FINANCIAL	36
NOTES TO ACCOUNTS	47
BALANCE SHEET ABSTRACT	58
PROXY FORM	59



alicon group has a long history for Innovation, a commitment to Quality, Delivery and Price performance. These fundamental principles have made us best-in-class. For us, Aluminium castings is not just a business, it is our passion and our way of life.

From sophisticated high performance cylinder heads to other critical engine components, alicon group is a leader in the Aluminum casting domain. We supply both raw castings as well as finished machined parts to USA, Europe and Asia.

Our state of the art plants are TS 16949 certified and employ the best talents in the die casting business.

Technologically superior and highly process driven, alicon supplies castings to the Automotive industry, extreme sports and both Tier 1 and Tier 2 companies. alicon works closely with its customers from the development stage of the project to understanding our customer needs and share our experience and knowledge to design and manufacture better products. It is our commitment to quality that has made alicon the partner of choice for many to various OEMs.

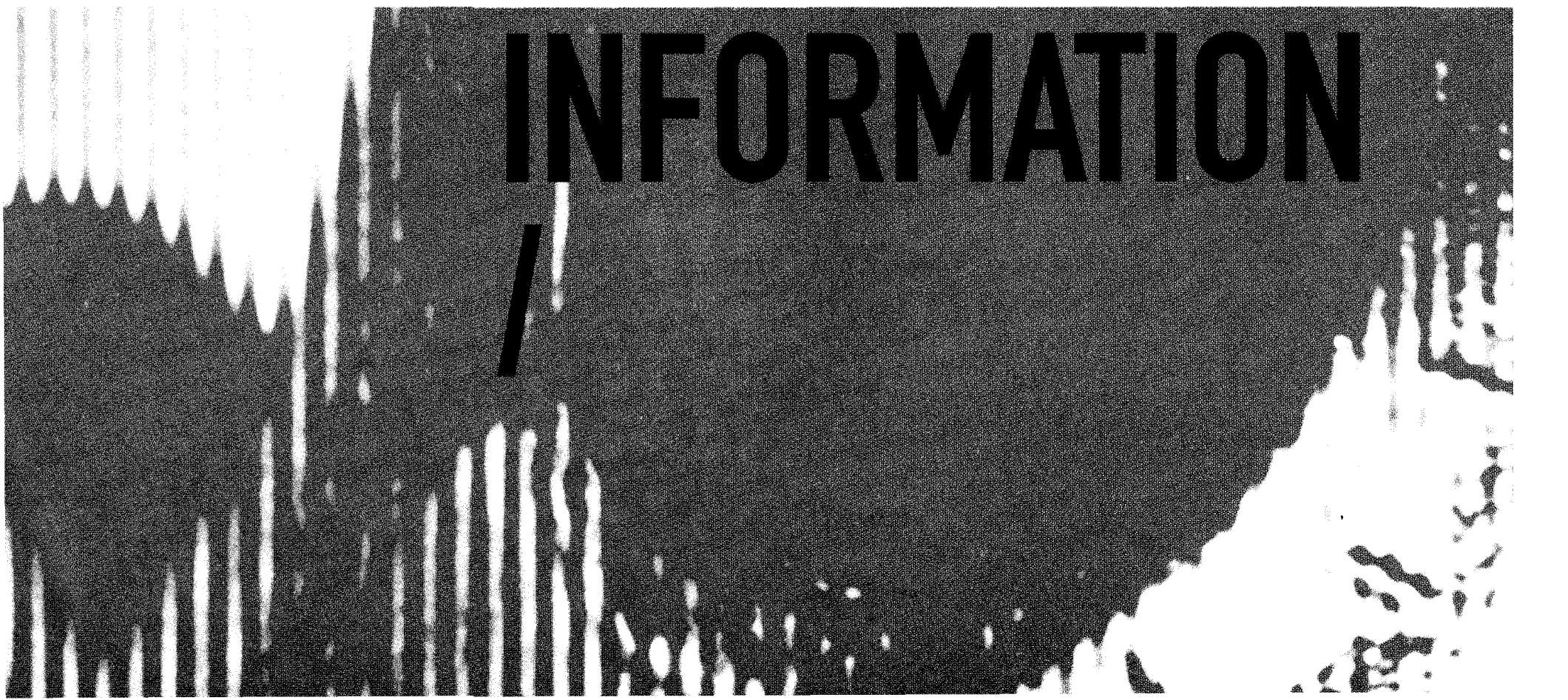
alicon holds a history for innovation, a commitment to quality, delivery and price performance.

EXPERTISE IN DESIGN, ENGINEERING & ALUMINIUM CASTING

CORPORATE

INFORMATION

/



Board of Directors

MR. S RAI,
MANAGING DIRECTOR

MR. JUNICHI SUZUKI

MR. TETSURO MASUI

MR. ASIS RAY

MR. A. D. HAROLIKAR

MR. S. C. KHANNA

MS. VINAY PANJABI

Registered Office & Works

REGISTERED OFFICE & WORKS

Gat No. 1426,
Village Shikrapur, Taluka Shirur,
District Pune 412 208
Maharashtra. INDIA
T: +91 2137 677100
F: +91 2137 677130
Email: ecl@enkeicastalloy.co.in

WORKS

57 -58 km Stone, Delhi Jaipur,
NH 8, Industrial Area, Village Binola,
Haryana. INDIA

Bankers

Bank of Maharashtra,
IFB Branch, Pune

ING Vysya Bank Ltd.,
F. C. Road, Pune

State Bank of India,
IFB Branch, Pune

Export Import Bank of India,
Shankarseth Road, Pune

Axis Bank Ltd.,
J. M. Raod, Pune

Share Transfer Agent

Mondkar computers Pvt. Ltd.
21, Shakil Nivas,
Mahakali Caves Road,
Andheri [E], Mumbai.
T: +91 22 2825 7641 / 28369704
Email: mcplrt@bom7.vsnl.net.in

Auditors

M/s. Asit Mehta & Associates



Today, we have restructured the company and reorganized internally, to provide higher level of service, under the group brand name 'alicon group company'. This allows us to grow both in India and also in international markets.

The year 2009-10 was a remarkable year during which your company has seen some vital developments that will have a significant, and I feel, very positive effect on the future of your company.

The Alloy Wheel business was demerged into a separate company - Enkei Wheels India Ltd on 1st April 2010. This enables Enkei Castalloy Ltd to focus its resources exclusively on the Foundry business. Additionally, this development now allows your company to offer more effective solutions to its Domestic and Global customer base, thus positioning alicon group in a stronger position to maximize its market potential. Similarly, I am sure that Enkei Wheels India Ltd. will be able to take advantage of the opportunities presented by the alloy wheel market. Since all shareholders are equally invested in both companies, this presents a win-win situation for all of us.

Today, we have restructured the company and reorganized internally, to provide higher level of service, under the group brand name 'alicon group company'. This allows us to grow both in India and also in international markets. The purpose of launching the new brand is to leverage the synergy and collaboration between the group companies – Atlas Castalloy, Enkei Castalloy, Silicon Meadows Design, Silicon Meadows Engineering Services, Illichmann Castalloy GmbH and Illichmann Castalloy s.r.o, all under one umbrella.

Your company took several measures that allowed it to successfully navigate the challenging times of 2009 and implement plans for future growth. As one such significant step towards implementing our long term vision, of having a global presence, we are very pleased to announce that we have successfully established a European operation through the acquisition of 'ILLICHMANN CASTALLOY-GmbH' in Austria & 'ILLICHMANN CASTALLOY-s.r.o' in Slovakia on the 7th of May 2010. 'ILLICHMANN' has a strong brand name in the European market along with a rich history of being a reputed supplier of aluminium components to some of the most prestigious customers in the industry. We are now working towards effectively integrating Illichmann and our Indian operations, this will not only provide us an effective gateway to the European market but Illichmann's strong technology base will help us create innovative solutions for the Indian market as well. These positives will stand your company in good stead for the coming future.

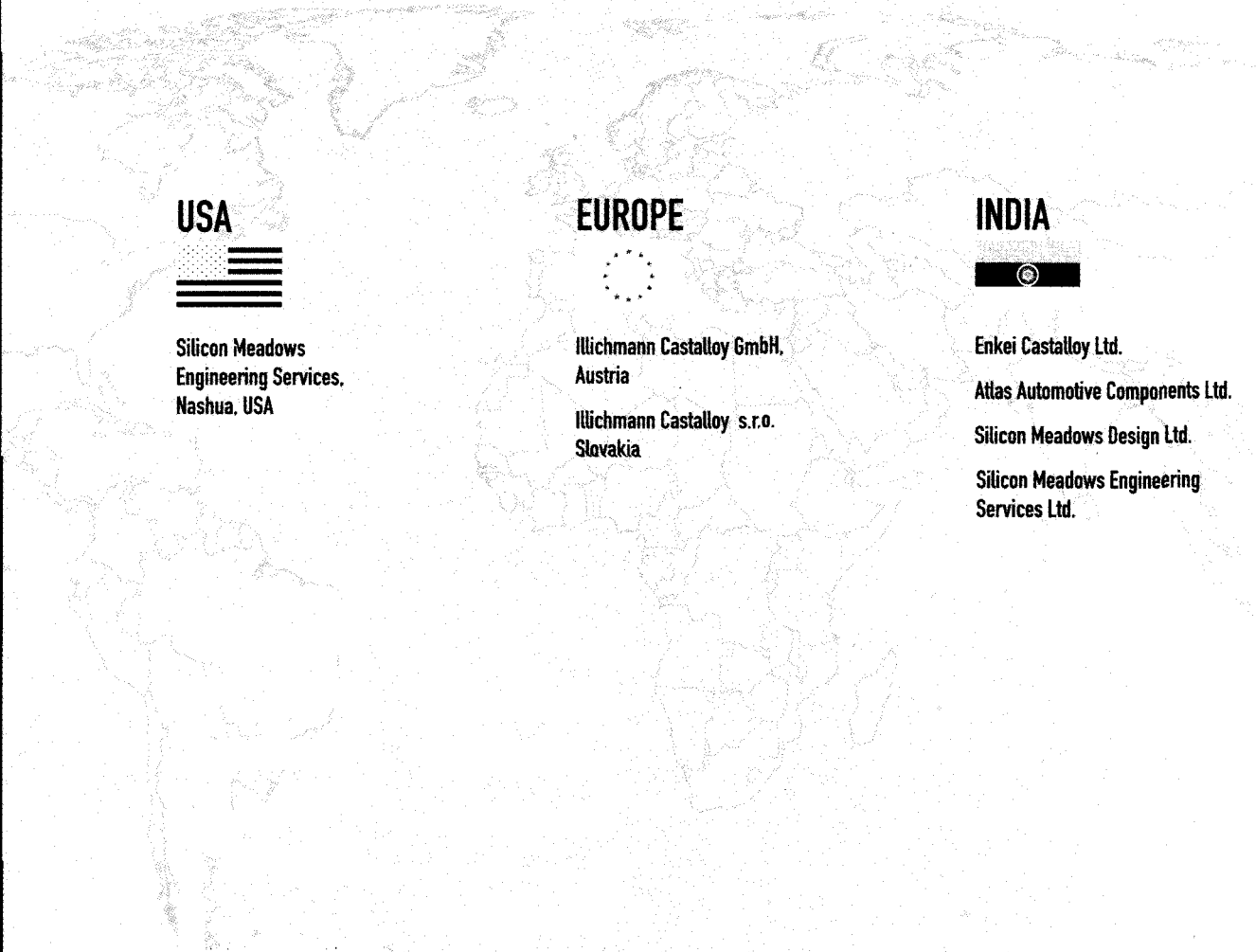
I would like to thank our valued customers and other stakeholders for their continued support and trust. I also place on record my deepest appreciation for our vendor partners, financial bodies, investors and bankers for their continuous support.

I remain equally appreciative of the commitment and effort of our dedicated employees, and would like to thank the management team for their relentless focus, drive and dedication.

The present Indian economy has experienced significant growth over the past year and we expect this trend to continue. As the momentum of India's growth continues, we remain committed to take on the challenges ahead of us, with courage, strength, and dignity, and deliver on our performance of sustainable growth.



Thank You
Shailendrajit Rai



USA



**Silicon Meadows
Engineering Services,
Nashua, USA**

EUROPE



**Illichmann Castalloy GmbH,
Austria**

**Illichmann Castalloy s.r.o.
Slovakia**

INDIA



Enkei Castalloy Ltd.

Atlas Automotive Components Ltd.

Silicon Meadows Design Ltd.

**Silicon Meadows Engineering
Services Ltd.**



alicon group

alicon group is union of Enkei Castalloy Ltd., Atlas Castalloy Ltd., Silicon Meadows Design Ltd, Silicon Meadows Engineering Services Ltd & Illichmann castalloy, GmbH & s.r.o grouped under one umbrella.

The name for the group company 'alicon' is coined from the words 'aluminum' and 'icon'. alicon is a conglomerate that reflects a group of companies coming together to form a large, trusted and respectable entity with the vision and passion to go with it.

Some of alicon Castalloy's customers are Maruti Suzuki Limited, Honda Sael Cars Limited, Tata Motors, Mahindra & Mahindra, Piaggio, Bajaj Auto Limited, Hero Honda Motors Limited, Honda Motorcycle & Scooters India Limited. International customers include John Deere, Behr Group, Atlas Copco, GE, Knorr Bremse, ZF Group, BMW, Audi and many more...

alicon group utilize the best of European engineering, Japanese quality & Indian ingenuity to produce exceptional and innovative aluminum casting products. alicon group currently leads the Indian market in manufacturing cylinder heads for two wheelers and 4 wheelers. alicon group has the distinction of being a single source supplier of many critical engine parts to some of India's largest OEMs.

Aggressively tapping on the opportunities in the Indian and International markets, alicon group is growing rapidly at almost 100% each year for the last 3 years. In continuation of its growth pursuit.

alicon is aggressively targeting international customers and has a vision to achieve sales of 1000 Cr by 2015-16.

The main site is located at Shikrapur, Pune with 1500 employees while the other site is at Gurgaon in North India. Plans for the new plant are under finalization which is expected to come up at Pantnagar, Uttaranchal.

vision

Become the globally preferred supplier, by choice, for Light Alloy Casting Solutions

mission

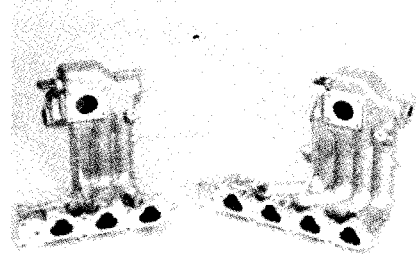
Grow the people Ensure customer satisfaction Increase share holder value

values

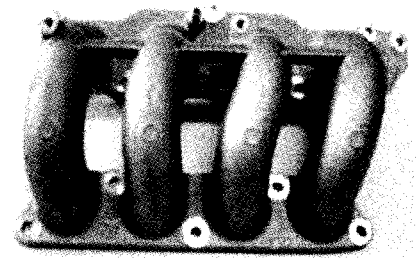
Quality, Integrity and Pride Encourage Entrepreneurship, Ownership and Decisiveness' Commitment to environment and community

PRODUCT PROFILE

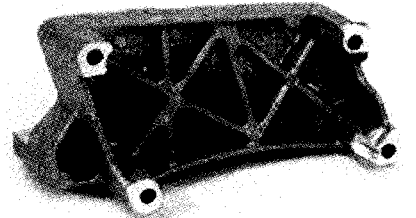
Intake Manifold - 4w



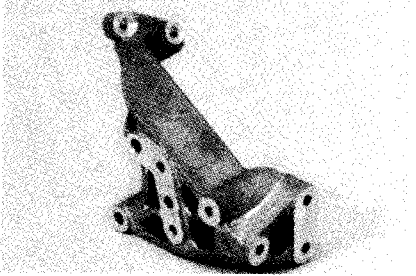
Intake Manifold - 4w



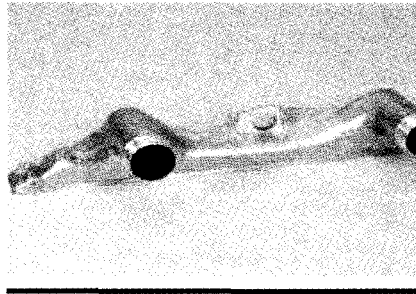
Engine Support Bracket - 4w



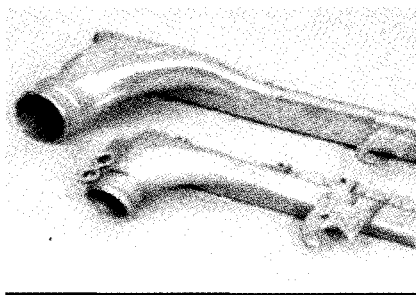
Engine Support Bracket - 4w



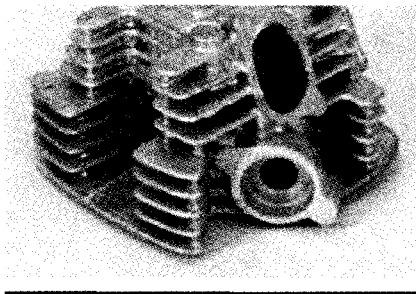
CAC Tanks - USA & Germany truck



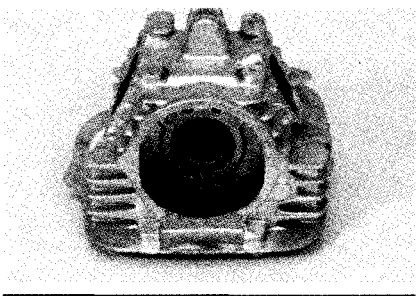
CAC Tanks - USA & Germany truck



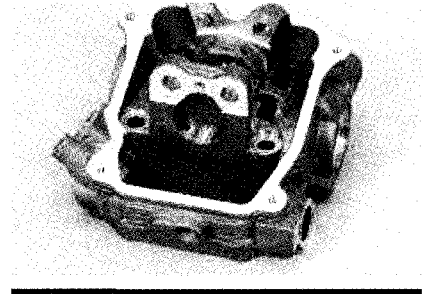
Cylinder Head - 2w



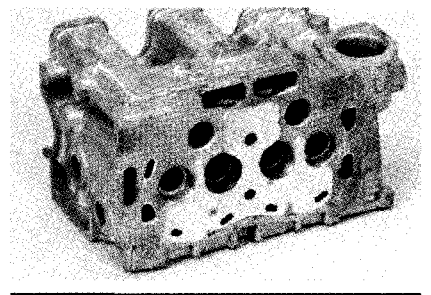
Cylinder Head - 2w



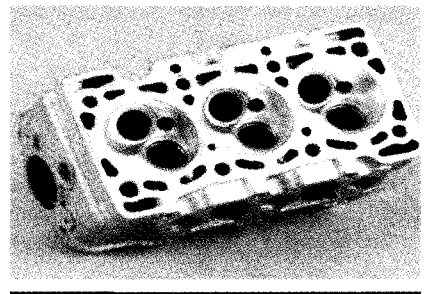
Cylinder Head - 2w



Cylinder Head - 4w



Cylinder Head - Com. Vehicles



NOTICE is hereby given that the 20th Annual General Meeting of the members of Enkei Castalloy Limited will be held at 10.30 a.m. on Wednesday, the 29th September, 2010 at the Registered Office of the Company at Gat No. 1426, Taluka Shirur, District Pune 412 208, Maharashtra, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet and Profit & Loss Account for the year ended on 31st March, 2010.
2. To consider and declare dividend.
3. To appoint a Director in place of Mr. Vinay H. Panjabi, who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Tetsuro Masui, who retires by rotation, but being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to approval of the Central Government in pursuance to the provisions of Section 21 of the Companies Act, 1956, the name of the Company be and is hereby changed from 'Enkei Castalloy Limited' to 'Alicon Castalloy Limited' and that the name 'Enkei Castalloy Limited' be replaced and substituted by 'Alicon Castalloy Limited' in the Memorandum and Articles of Association of the Company and in any other documents wherever it appears."

"RESOLVED FURTHER THAT the Managing Director of the Company be and is hereby authorized to sign and submit application to Central Government and such other authorities for change of name and to do all acts, deeds, matters and things as may be required for aforesaid purpose."

ON BEHALF OF THE BOARD OF DIRECTORS

Shailendrajit Rai

Managing Director

Place: Shikrapur

Date: August 25, 2010

Registered Office:

Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune, Maharashtra.

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY OR PROX(IES) SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
3. The Share Transfer Register and Register of Members will be kept closed from 25th September, 2010 to 29th September, 2010 (both days inclusive).
4. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividend over a period of 7 years have to be transferred by the Company to the Investors Education & Protection Fund constituted by the Central Government under Section 205(A) and 205(D) of the Companies Act, 1956.

Following are the details of dividend paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remains unpaid :

<i>Date of Declaration of dividend</i>	<i>Divided for the year</i>	<i>Due date of transfer to the Government</i>
29th September, 2003	2002-2003	27th October, 2010
29th September, 2004	2003-2004	27th October, 2011
30th September, 2005	2004-2005	28th October, 2012
30th September, 2006	2005-2006	28th October, 2013
29th September, 2007	2006-2007	27th October, 2014
27th September, 2008	2007-2008	25th October, 2015

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of the above, the shareholders are advised to send all the unencashed dividend warrants to the Company's Share Transfer Agents for revalidation and encash them before the due date for transfer to the Investor Education & Protection Fund.

5. As required under Clause 49 of the Listing Agreement, profile of Directors being re-appointed is mentioned in Corporate Governance Report.
6. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT Pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO: 6

As the members are aware that the Company has hived off its Wheel Division into a separate Company in the name and style Enkei Wheels (India) Limited and the Company would be concentrating on its core activities of manufacturing aluminium and aluminium alloys castings. The Company is planning expansion at global level including acquisitions abroad. The Company has made a humble beginning by setting-up a manufacturing units in Austria and Slovakia.

For stimulating the growth, the Company has become a member of alicon Group, who is pioneer in casting business. Besides castings, the Group offers various services including software, engineering design and development of various tools and moulds in casting industry. As the Company is expected to be a flagship member of the alicon Group, your Directors think it prudent to change the name of the Company by replacing the pre-fix 'Enkei' for 'alicon'.

The Registrar of Companies, Maharashtra has confirmed vide his letter dated 24/08/2010 the availability of the proposed name. Pursuant to the provisions of Section 21 of the Companies Act, 1956 the name of the Company can be changed with the consent of the members of the Company by way of Special Resolution. On receipt of the consent of members, necessary application will be filed with the Registrar of Companies for fresh Certificate of Incorporation. Consequent on change of name the Memorandum and Articles of Association will have to be amended accordingly.

A copy of the aforesaid letter received from the Registrar of Companies, Maharashtra, and the Memorandum and Articles of Association of the Company are available for inspection by members at the Registered Office of the Company during the normal business hours except on Sundays and public holidays.

None of the Directors is interested or concerned in the proposed resolution.

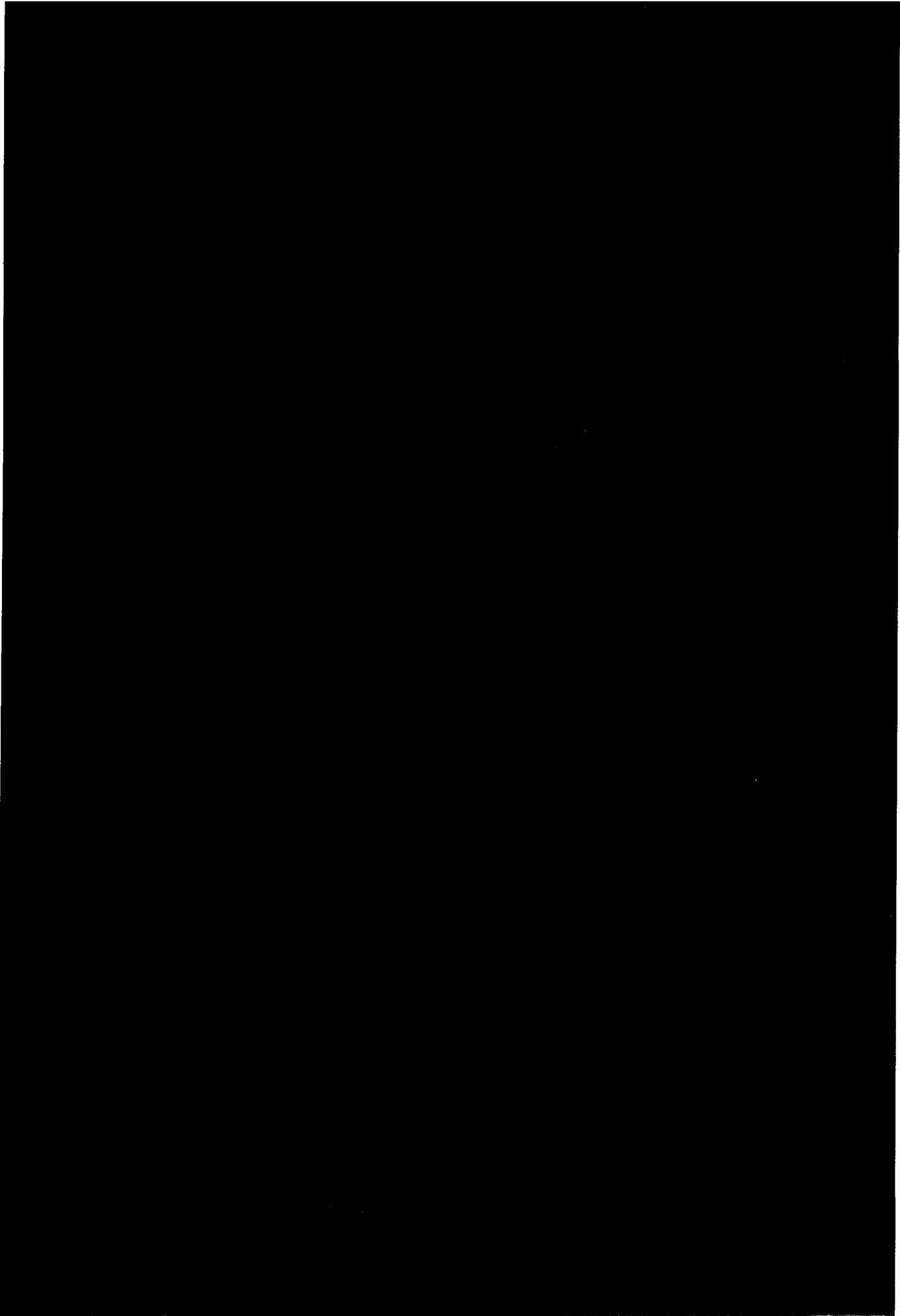
ON BEHALF OF THE BOARD OF DIRECTORS
Shailendrajit Rai
Managing Director

Place: Shikrapur

Date: August 25, 2010

Registered Office:

Gat No.1426, Village Shikrapur, Taluka Shirur, Dist, Pune, Maharashtra.



**TO,
THE MEMBERS,
YOUR DIRECTORS HAVE PLEASURE IN PRESENTING THEIR TWENTIETH
ANNUAL REPORT TOGETHER WITH THE AUDITED STATEMENTS OF
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.**

FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. in lakhs)	
	For the year ended March 31, 2010	For the year ended March 31, 2009
Gross Sales	2383.47	3436.69
Net Sales	2121.07	3027.36
Profit before Depreciation, Interest & Tax	366.83	312.82
Less: Depreciation & Prior Period adjustments	125.45	269.25
Less: Interest	76.55	167.87
Profit before Tax	164.83	113.70
Provision for Tax	30.85	31.50
Profit after Tax	133.98	111.12
Add: Balance brought forward	209.50	114.62
Net Profit Available for appropriation	343.48	209.50

Dividend

Enthusied with the working of the Company, your Directors recommend a dividend of Rs.1/- per share (20%). The dividend if declared by the members, will be the highest in the history of the Company. The total pay out on account of Dividend and tax thereon for the year entails cash out-flow of Rs. 128 lacs.

THE INDIAN ECONOMY HAS SHOWN GROWTH OF OVER 8% OVER THE LAST FEW YEARS AND WITH STIMULUS PROVIDED BY THE CENTRAL GOVERNMENT AND RBI, THIS GROWTH WILL PICKUP THE MOMENTUM. YOUR COMPANY IS FULLY GEARED TO LEVERAGE THIS OPPORTUNITY.

Scheme Of Arrangement And Share Capital

During the year under review, the Hon'ble High Court of Bombay approved the Scheme of arrangement between the Company and Enkei Wheels (India) Limited and their shareholders and creditors (the Scheme) vide its order dated 26th February 2010 without any modification as approved by the shareholders of the Company in the Court convened meeting held on 09th January 2009 under the Chairmanship of Mr. Milind D. Narvekar, an official of Hon'ble High Court of Bombay.

As per the Scheme and in terms of sections 391-394 and other applicable provisions of the Companies Act, 1956, the Demerged Undertaking, namely entire business of the "Wheel Division" of the Company comprising of all properties (with rights and powers of every description), investments, assets and liabilities (includes duties of every description) stood transferred to / vested in Enkei Wheels (India) Limited as a going concern from the Appointed date, namely 01st April 2009.

In pursuance of the said Scheme, the shareholders of the Company will be issued and allotted 1(One) Equity Share of Rs.5/- each fully paid in Enkei Wheels (India) Limited for every 1(One) Equity Share of Rs.5/- each held by them in Company. The existing Investment of Company in the Equity Shares of Enkei Wheels (India) Limited of Rs 10 (Ten) lac shall stand cancelled as an integral part of the Scheme. There will not be any change in the Share Capital of the Company pursuant to the Scheme.

Subsidiaries

M/s. Enkei Wheels (India) Limited ceased to be a wholly owned subsidiary of the Company consequent to the cancellation of 2,00,000 Equity Shares of Rs. 5/- each held by the Company, including the equity shares held by its nominees from the Effective date namely 31st March 2010, in terms of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Bombay vide its order dated 26th February 2010.

Management Discussion And Analysis Report :

a. Industry Structure and Development :

The Company is engaged in manufacturing of aluminium alloy castings and caters to the automobile industry. The casting industry can be divided into two segments – organized and unorganized sectors. The organized sector caters to the original equipment manufacturers (OEM) and its growth is dependent on the demands from the automotive industry. The unorganized sector caters to the replacement market and serves to the very low end market.

The global economic crises which began in 2008 lasted till first half of 2009. These crises had an impact on the global auto industry. In turn the auto ancillary industry was severely affected due to very low demand. However, unexpected recovery in domestic market and increase in demand for the automobile industry, resulted into positive growth in terms and production of sales and benchmarking the performance in net profits of the Company.

b. Review of Operation :

The financial results of the Company for the year under review is not strictly comparable with that of the previous year since the working of the Wheel Division is not accounted for as per the restructuring scheme approved by the Hon'ble Bombay High Court. The Company recorded the net sales of Rs.2121.07 millions. The total income for the year was Rs.2124.86 millions. The Company recorded a pre-tax profit of Rs.164.83 millions as against a loss of Rs.123.70 millions in the last year.

c. Opportunities :

The demand for the castings manufactured by the Company is mainly derived from the automotive industry and your Company is one of the largest aluminium casting supplier in India. As the automobile industry world wide is slowly and gradually shifting towards Asian low cost countries, India has emerged as one of the fastest growing passenger car markets in the world and it is the second largest two-wheeler manufacturer globally.

Our mission for better technologies is currently directed towards making lighter castings with higher yields and so lesser energy consumptions. Aluminum castings are an intrinsic part of the vehicle. We believe that our contributions in making lighter and greener castings will help the industry & society in meeting the stringent and ambitious environmental targets.

The Indian domestic market will continue to be dominated by

small cars. Replacement of commercial vehicles will boom as older vehicles get scrapped and logistics hubs emerge. As per KPMG report, vehicle penetration in India is quite small, even in comparison to other Asian countries. In passenger vehicles, for example, India has 8 vehicles per 1000 people, which is lower than countries like China and Thailand. Passenger car production in India is projected to cross three million units in 2014-15 with CAGR of around 10%. In two wheelers also, the penetration level in India at 51 per 1000 is low compared to Indonesia, Malaysia and Thailand. Motorcycle sales will perform positively & projected to exceed 10 million units by 2012-13. This gap indicates the potential for growth in aluminium casting industry over a long term. Your company is also introducing new customer base in Auto segment like M&M, Piaggio, Valeo & in Agriculture segment like John Deere.

The Indian economy has shown growth of over 8% over the last few years and with stimulus provided by the Central Government and RBI, this growth will pick up the momentum. Your Company is fully geared to leverage this opportunity.

d. Future Markets :

In the beginning of the current financial year the revival of the demand is experienced. Directors are optimistic that considering the revival in demand in the first quarter, the economy will take U turn by the end of the second quarter. Though U.S.A. and other developed countries may continue to have the economic melt-down, India being a vast country with huge domestic demand that stimulates incentives provided by the Central Bank and the Government, will sustain its economic growth and the demand will pick up in near future.

The casting industry supplies castings also for Non Auto Segment like Agriculture, Power, Locomotives, Industrial equipments & machines supplier like compressor & machine tools manufacturers & company is exploring these opportunities to avoid seasonal effect in auto industry demands. The company is also focusing on opportunities for offering value addition in castings like machining & sub-assembly for existing as well as new customers.

Your Directors are actively considering of restructuring the entire operations of the Company. The management is studying various options available in consultation with the consultants. Your Directors assure that the restructuring exercise will enhance the value of stake holders.

e. Expansion & Capital Expenditure

During the year the Company has not gone for major expansion and capital expenditure were made only for replacement of old machines or required for new products. The entire expansion was funded from the internal accruals.

The Company is exploring the business opportunities for alloy castings business in Europe. For this purpose the Company has set up 100% subsidiary in Austria, which will be used as Special Purpose Vehicle (SPV) for further investments in subsidiary companies for acquiring the business in Austria and Slovakia.

f. Threats, risks and concern of the management :

- The delay in monsoons could act as an impediment in the India's economy revival.
- Exports opportunity will be minimal as world economy sees recession until end 2009 & foundries abroad are reducing prices to maintain existing business.
- The rise in crude prices may slow down the demand for automobiles;
- Increased competition from China & other Indian competitors.
- The price of aluminium, one of the key inputs is highly volatile;
- Any slackness in implementation of infrastructure projects may slow down the demand for automobiles.

g. Internal Control System :

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

The Company has engaged the services of M/s. Phoenix Consulting Group, who are continuously conducting audit of each segment of operations and reports to the Internal Audit Committee. The Audit Committee makes analytical review of the reports submitted by the internal Auditors and also makes the follow up of implementation of recommendations made by the Audit Committee to further improve the efficiency.

The Company is setting up high level of ERP System which will further improve the internal Control System.

h. Human Resource Development:

The Company is giving utmost importance to human resource development. In this direction, the Company is providing intensive training in India and overseas to employees of all levels for improving competence, production, enhancing safety and social values. Achieving high morale and motivation is the ultimate goal of each training program. The management expects to continue the customized development program of employees during the current year also.

The management of the Company enjoys cordial relations with its employees at all levels. The Board of Directors wish to place on record its highest appreciation of the contribution made by all the employees in achieving the excellent growth during the year.

i. Cautionary Statement:

The Management Discussion and Analysis Report is a forward looking statement based on the Company's projections, estimates and perceptions. These statement reflect the Company's current views with respect to future events and are subject to risk and uncertainties. Actual results may vary materially from those projected here.

THE CASTING INDUSTRY SUPPLIES CASTINGS ALSO FOR NON AUTO SEGMENT LIKE AGRICULTURE, POWER, LOCOMOTIVES, INDUSTRIAL EQUIPMENTS & MACHINES SUPPLIER LIKE COMPRESSOR & MACHINE TOOLS MANUFACTURERS & COMPANY IS EXPLORING THESE OPPORTUNITIES TO AVOID SEASONAL EFFECT IN AUTO INDUSTRY DEMANDS. THE COMPANY IS ALSO FOCUSING ON OPPORTUNITIES FOR OFFERING VALUE ADDITION IN CASTINGS LIKE MACHINING & SUB-ASSEMBLY FOR EXISTING AS WELL AS NEW CUSTOMERS.

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to information and explanations provided to them, your Directors make the following statement, pursuant to Section 217(2AA) of the Companies Act, 1956 that:

In the preparation of annual accounts, the applicable accounting standards have been followed and that no material departure have been made from the same;

Appropriate accounting policies have been selected and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year March 31, 2010 and of the profit of the Company for the year ended on that date;

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing, detecting fraud and other irregularities;

The annual accounts have been prepared on a 'going concern' basis.

DIRECTORS

To comply with the requirement of the Companies Act, 1956 Mr. Vinay Hiru Panjabi and Mr. Tetsuro Masui, Directors shall retire by rotation and being eligible, they offer themselves for reappointment. Details of Directors seeking re-appointment are included in the Corporate Governance Report.

CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

CONSERVATION OF ENERGY, ETC. :

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

EMPLOYEES :

Information as required in pursuance of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. is annexed and forms part of this report.

AUDITORS' REPORT:

Notes to the account gives full explanation to the remarks made by auditors in their report.

AUDITORS:

Asit Mehta & Associates, Statutory Auditors of the Company shall retire at the forthcoming Annual General Meeting and are eligible for reappointment.

Members are requested to appoint Auditors for the current financial year and fix their remuneration.

ACKNOWLEDGEMENT

Your Directors wish to thank Enkei Corporation, Japan, our technical collaborator for their valued support and guidance in technical matters. Your Directors also wish to place on record the unstinted support received from customers and employees of the Company at all levels.

Your Directors thank the shareholders for the confidence reposed in the management.

On behalf of the Board of Directors

(S. Rai)
Managing Director

(A.D. Harolikar)
Director

Place: Shikrapur, Pune

Date: April 10, 2010

ANNEXURE TO DIRECTOR'S REPORT

Annexure 'A'

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

A. CONSERVATION OF ENERGY

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

- Installation of capacitor banks to improve power factor
- Installation of automatic voltage regulators
- Utilization of natural light for factory lighting during day time

Details of energy consumption: FORM 'A'

A. POWER AND FUEL CONSUMPTION:

1. ELECTRICITY		FOR THE YEAR ENDED 31.3.2010	FOR THE YEAR ENDED 31.3.2009
a. Purchased Quantity	Units	18,170,841	22,669,417
Total Amount	Rs.	84,942,537	90,709,179
Average Rate Per Unit	Rs.	4.67	4.00
b. Generated Quantity	Units	3,253,278	2,941,805
Total Amount	Rs.	38,639,373	51,77,980
Average Rate Per Unit	Rs.	11.88	17.59
2. LDO / FURNACE OIL			
Quantity	Litre	2,840,816	4,327,407
Total Amount	Rs.	69,025,935	80,84,070
Average Rate Per Unit	Rs.	24.30	18.67
B. CONSUMPTION PER UNIT OF PRODUCTION			
1. Electricity	Units	3.88	4.67
2. LDO / Furnace Oil	Litre	0.51	0.67

The Company is producing a variety of castings and the consumption of electricity and fuel for the same is not uniform. Hence, allocation of energy per unit of production may not be relevant.

B. TECHNOLOGY ABSORPTION

FORM 'B'

Form for disclosure of particulars with respect to -

RESEARCH AND DEVELOPMENT

Specific area in which R&D carried out by the Company:

The Company is continuously working for enhancing research and development capabilities. The innovation team of the Company is continuously working for improvement in the process of gravity and low pressure die castings.

Benefit derived as a result of above R & D:

This has resulted in improved quality of castings and winning new orders from existing as well as new customers.

Future plan of action:

The Company proposes to further strengthen its innovation team and develop the best technology across the globe for gravity and low pressure die castings.

Expenditure on R & D for the year ended 31st March, 2010

The details are not given since the expenditure on R&D is negligible to total revenue of the Company.

Technology absorption, adoption and innovation

The Company has successfully absorbed technology obtained from the foreign collaborators for aluminium die castings.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchange earned:	Rs. 13.82 Million
Total foreign exchange used:	Rs. 102.55 Million

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

Annexure 'B'

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2010.

Sr. No.	Name	Remuneration Gross (Rs. in million)	Designation	Qualification	Date of Employment	Total Experience (Years)	Age (Years)	Particulars of Last Employment	Last Designation
1.	Mr. Rajesh Saxena	5.31	Group CEO	MBA	03.12.2005	28 yrs	38 yrs	Motherson Soni Systems Ltd	Head International Business

NOTES:

- Employment in the Company is non-contractual.
- Remuneration includes salary, allowances and value of perquisites.
- Employee mentioned above does not hold (by himself or alongwith his spouse & dependent children) more than two percent of equity shares of the Company.
- The employee mentioned above is not related to any of the directors of the Company.

Expenditure on R & D for the year ended 31st March, 2010

The details are not given since the expenditure on R&D is negligible to total revenue of the Company.

Technology absorption, adoption and innovation

The Company has successfully absorbed technology obtained from the foreign collaborators for aluminium die castings.

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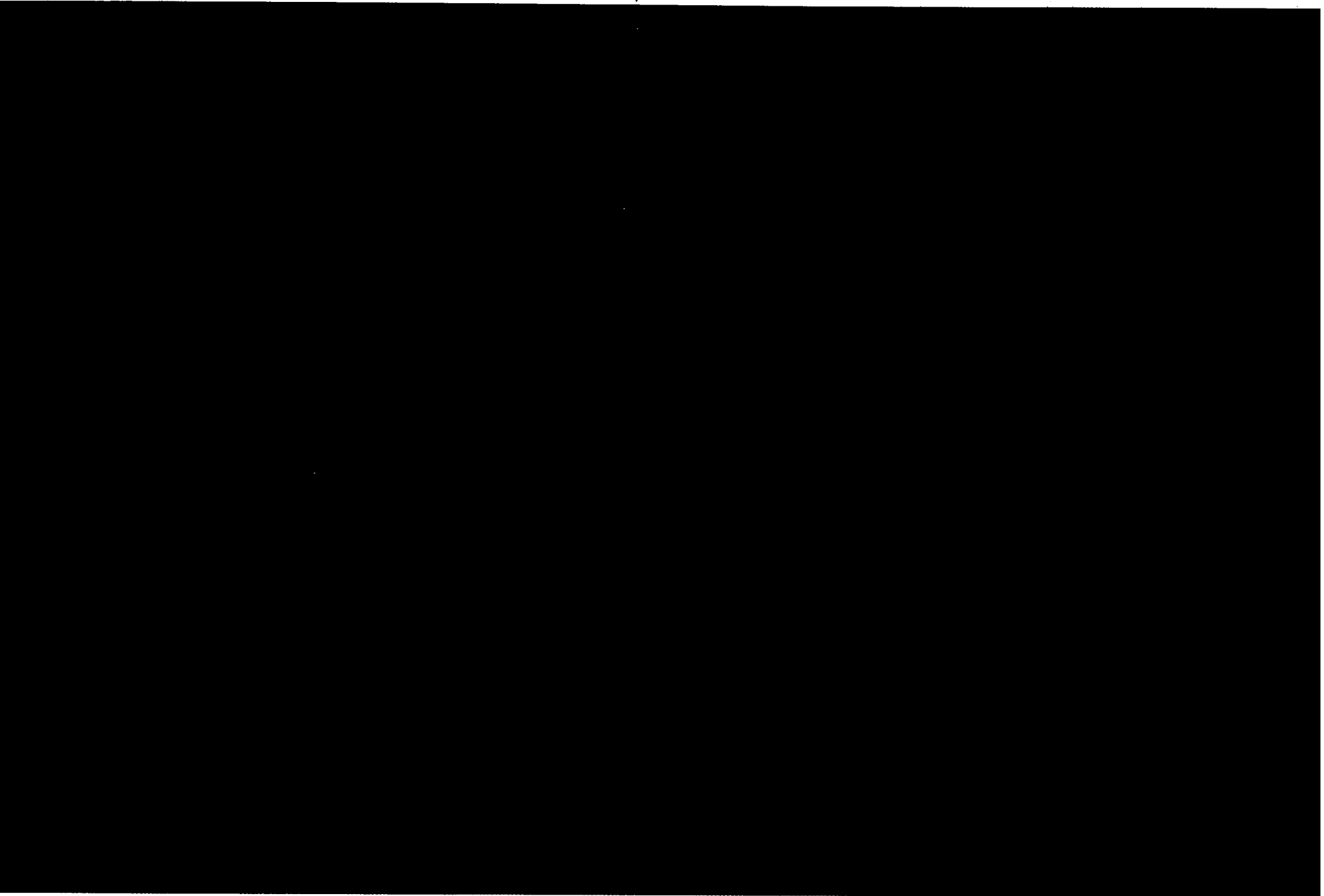
Annexure 'B'

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2010.

Sr. No.	Name	Remuneration Gross (Rs. in million)	Designation	Qualification	Date of Employment	Total Experience (Years)	Age (Years)	Particulars of Last Employment	Last Designation
1.	Mr. Rajeev Sikand	5.31	Group CEO	MBA	03.12.2005	28 yrs	49 yrs	Motherson Sumi Systems Ltd.	Head-International Business

NOTES:

- Employment in the Company is non-contractual.
- Remuneration includes salary, allowances and value of perquisites.
- Employee mentioned above does not hold (by himself or alongwith his spouse & dependent children) more than two percent of equity shares of the Company.
- The employee mentioned above is not related to any of the directors of the Company.



CORPORATE GOVERNANCE REPORT

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**CORPORATE GOVERNANCE REPORT
PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT,
A REPORT ON CORPORATE GOVERNANCE IS GIVEN BELOW :**

A. MANDATORY REQUIREMENTS

1 Company's philosophy on Code of Governance

The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance shareholders' value. In this pursuit, the Company is committed to conducting 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. Composition, Status, Attendance at the Board Meetings & the last AGM :

NAME OF DIRECTOR	Status i.e. Executive/ Non-Executive/Independent	No. of Board Meetings Attended	Attendance at the last AGM
Mr. S. Rai	Managing Director	4	Yes
Mr. A. D. Harolikar	Independent	4	Yes
Mr. J. Suzuki	Non-Executive	0	No
Mr. Tetsuro Masui	Non-Executive	1	No
Mr. Asis Ray	Non-Executive	2	No
Mr. Vinay Panjabi	Independent	1	No
Mr. S. C. Khanna	Alternate Director	4	No

Number of Public Limited Companies or Committees in which the Director is a Director/Chairman

NAME OF DIRECTOR	No. of other Directorship held#	No. of Committees of other Companies in which member/chairman	No. of Shares held in the Company as at March 31st, 2010
Mr. S. Rai	4	0	28000
Mr. A. D. Harolikar	0	0	200
Mr. J. Suzuki	0	0	0
Mr. Tetsuro Masui	0	0	0
Mr. Asis Ray	0	0	0
Mr. Vinay Panjabi	2	0	0
Mr. S. C. Khanna	0	0	2724

#Excluding Directorship in Foreign Companies and Companies under Section 25 of the Companies Act, 1956
No Director is related to any other Director on the Board in terms of the provisions of the Companies Act, 1956.
Four Board Meetings were held during the financial year on 29/05/2009, 30/07/2009, 31/10/2009 and 30/01/2010.

b. Board Procedure

All the Directors on the Board are informed the date and venue of the each Board Meeting at least fifteen 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 and Chief Financial Officer appraises the Board the overall performance of the Company, followed by the presentation by Chief Executive Officer. 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.

c. Code of Conduct

The Board has laid down Codes of Conduct for the Board Members and other senior management and employees of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Codes of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report. In addition to this a separate code of conduct for dealing in equity shares of the Company is also in place.

3 AUDIT COMMITTEE

The Audit Committee comprises of Mr. A.D. Harollikar, Chairman of the Committee and Mr. Vinay Panjabi, both being Independent Directors and Mr. S.C. Khanna, Non-Executive Director. The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreement and Section 292A of the Companies Act, 1956. The meetings of the Committee were held on 29/05/2009, 30/07/2009, 31/10/2009 and 30/01/2010. While Mr. A. D. Harollikar and Mr. S. C. Khanna attended all meetings, Mr. Vinay Panjabi attended one meeting.

4 REMUNERATION COMMITTEE

The Remuneration Committee comprises of three Directors. Mr. A. D. Harollikar (Chairman of the Committee) and Mr. Vinay Panjabi, two Independent Directors and Mr. S. C. Khanna, Non-Executive Director. During the year under review one meeting of the Remuneration Committee was held on 30th July, 2009. The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director and retirement benefits.

The Company has no pecuniary relationship for transaction with its Non-Executive Directors except payment of sitting fees for attending the Board and Committee Meetings.

Remuneration Policy:

The Remuneration of the Managing Director is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro economic review on remuneration packages of heads of other organizations and is decided by the Board of Directors.

a. Details of remuneration paid to Managing Director:

NAME	Salary	Perquisites	Commission	Total
Mr. S. Rai	15,52,208/-	NIL	NIL	15,52,208/-

b. Details of sitting Fees paid to the Non-Executive Directors for attending the Board and Committee Meetings during the financial year 2009-2010 :

S/NO.	Name of Director	Sitting Fees Paid (Rs.)
1	Mr. A. D. Harollikar	9,000/-
2	Mr. S.C. Khanna	9,000/-
3	Mr. Asis Ray	3,000/-
4	Mr. Vinay Panjabi	3,000/-
5	Mr. Tetsuro Masui	1,000/-

5 INVESTORS/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Committee functions under the Chairmanship of Mr. A.D. Harollikar, an independent Director, and Mr. S. Rai and Mr. S.C. Khanna as members.

The Compliance Officer is Mr. Vimal Gupta, Chief Finance Officer.

There were three complaints received from the shareholders during the year and all have been duly addressed.

All valid share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2010.

6 GENERAL BODY MEETINGS

The location and time of the Annual General Meetings held during the last three years are as below. One Court convened Meeting of the Equity Shareholders of the Company was held during the financial year ended 31st March, 2010.

DATE	Venue	Time	No. of Special Resolutions passed
09.01.2010 (Court convened Meeting)	Gat No.1426, Village Shikrapur, Taluka Shirur, District Pune	11.30 am	One
23.09.2009	- do -	12.30 pm	One
27.09.2008	- do -	12.00 pm	NIL
29.09.2007	- do -	12.30 pm	NIL

7 NOTES ON DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT ARE GIVEN BELOW

MR. VINAY PANJABI

Name of Director	Mr. Vinay H. Panjabi
Date of Birth	19.01.1966
Date of Appointment	27.04.2005
Qualification	Chartered Accountant
Special Expertise	Tax & Investment Consultant
Other Directorship (Public Ltd.)	1. Polyflex India Limited 2. P.J.L Clothing India Limited
Chairman/Member of Committee of other Companies	Nil

MR. TETSURO MASUI

Name of Director	Mr. Tetsuro Masui
Date of Birth	25.01.1948
Date of Appointment	29.10.2002
Qualification	Economics Graduate
Special Expertise	Finance & Management
Other Directorship Incorpo. in India	NIL
Chairman/Member of Committee of other Companies	Nil

8 DISCLOSURES

- a. CEO & CFO Certificate: The Managing Director and Chief Finance Officer have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement and the same was placed before the Board.
- b. Transaction with related parties are disclosed under clause no. 15 of schedule 21 part-B forming part of the Accounts. All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business, required to be placed before the audit committee and that may have a potential conflict with the interest of the Company. The register of contracts containing the transactions in which Directors are interested is placed before the Board for its approval.
- c. All accounting standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- d. All pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company have been disclosed in item no: 4(b) of this report. The Company has only one Managing Director whose appointment and remuneration has been fixed by the Board in terms of the resolution passed by the members. The remuneration paid/payable is mentioned in item no: 4(a) of this report.
- e. During the last three years, there were no strictures or penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

9 MEANS OF COMMUNICATION

i. Half yearly report sent to each household of shareholders/ Quarterly Results:	No
ii. Newspapers in which results are normally published in	The Economic Times (English), The Free Press Journal, Business Standard, (English) Nav Shakti, Marathi Daily.
iii. Any website where displayed	www.alicongroup.co.in
iv. Presentation made to institutional investors or to Analyst	No
v. Whether Management Discussion and Analysis Report is a part of Annual Report or not	Yes

10 GENERAL SHAREHOLDER INFORMATION

I. ANNUAL GENERAL MEETING

Date	Wednesday, Sept. 29, 2010
Time	10.30 am
Venue	Gat No. 1426, Village Shikrapur Taluka Shirur, District Pune, Maharashtra, India

II. FINANCIAL CALENDAR

APRIL 2010 TO MARCH 2011

a. First Quarter results	Fourth week July, 2010
b. Second Quarter results	Fourth week October, 2010
c. Third Quarter results	Fourth week January, 2011
d. Results for year ending March 2011	July, 2011

III. DATE OF BOOK CLOSURE

25.09.10 TO 29.09.10
(both days Inclusive)

IV. DIVIDEND PAYMENT DATE

11th OCTOBER, 2010

V. LISTING ON STOCK EXCHANGE

- a. The Bombay Stock Exchange Ltd., Mumbai
- b. The National Stock Exchange of India Ltd.
- Listing Fees has been paid to the Stock Exchange for the financial year 2010-11.

VI. STOCK CODE

The Bombay Stock Exchange Ltd.	531147
The National Stock Exchange of India Ltd.	ENKEI
Demat ISIN No. for NSDL and CDSL	INE062D01024

VII. MARKET PRICE DATA

Monthly Highs and Lows of Market Price of the Company's shares traded for the period April 2009 to March 2010 on The Bombay Stock Exchange Ltd., Mumbai (High / Low in Rupees)

Month	High	Low	Month	High	Low
April, 2009	27.00	20.00	October, 2009	64.25	48.10
May, 2009	30.00	21.50	November, 2009	73.80	52.00
June, 2009	38.20	27.10	December, 2010	85.00	66.00
July, 2009	64.40	36.20	January, 2010	104.50	75.90
August, 2009	58.70	50.30	February, 2010	109.00	90.30
September, 2009	58.85	49.60	March, 2010	94.00	64.25

Since the Company's script is not included in BSE Sensex, analysis showing Company's share prices vis-à-vis BSE Sensex is not given.

VII. REGISTRARS AND SHARE TRANSFER AGENTS

M/s. Mondkar Computers Pvt. Limited
21 Shakil Niwas, Opp Sai Baba Temple,
Mahakali Caves Road, Andheri (E), Mumbai – 400093

VIII. SHARE TRANSFER SYSTEM

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

IX. DISTRIBUTION & SHAREHOLDING PATTERN AS ON 31ST MARCH, 2010

No. of Equity Shares	No. of Folios	%	No. of tShares	% of Shareholding
01-500	1685	76.42	299090	2.72
501-1000	219	9.93	176651	1.61
1001-2000	113	5.12	185931	1.69
2001-3000	40	1.81	99353	0.90
3001-4000	20	0.91	72954	0.67
4001-5000	22	1.00	98379	0.89
5001-10000	41	1.86	319354	2.90
10001 & Above	65	2.95	9748288	88.62
TOTAL	2205	100.00	11000000	100.00
In Physical Mode				38.28%
In Electronic Mode				61.72%

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2010

Category	No. of Shares	% of Shareholding
Indian Promoters	3886000	35.33
Foreign Collaborators	3800000	34.55
Mutual Funds & UTI	560293	5.09
Private Corporate Bodies	727033	6.61
Indian Public	1858413	16.89
Directors & Relatives (other than Promoter Directors)	2924	0.03
N.R.Is.	153903	1.40
Flls	11434	0.10
Total	11000000	100.00

X. DEMATERIALISATION SHARES AND LIQUIDITY

67,89,378 (61.72%) shares of the paid-up capital has been dematerialized as on 31/3/2010. However, the promoters' capital of 2,50,760 (2.28%) shares has not been dematerialised.

XI. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATES AND LIKELY IMPACT ON EQUITY.

Not issued

XII. PLANT LOCATION

a. Gat No. 1426, Village Shikrapur, Taluka Shirur, District Pune, Maharashtra

b. 57-58 Km Stone, Delhi –Jaipur, NH-8, Industrial Area, Village Binola, Haryana.

XIII. ADDRESS FOR CORRESPONDENCE

i. For transfer/dematerialization of shares, change of address of members and other queries relating to the shares of the Company:

M/s. Mondkar Computers Pvt. Limited
21 Shakil Niwas, Opp Sai Baba Temple Mahakali Caves
Road, Andheri (E), Mumbai – 400093

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

B NON-MANDATORY REQUIREMENTS

1. Shareholders rights

As the Company's quarterly/half-yearly results are published in English and Marathi newspapers having wide circulation the same is not being sent to the shareholders household.

2. Postal Ballot

No Resolution was passed by the Company through Postal Ballot

3. Training of Board Members

There is no formal policy at present for training of the Board members of the Company as the members of the Board are eminent and experience professional persons.

4. Whistle Blower Policy

The Company has established a formal whistle blower policy. The employees of the Company have access to approach the Management on any issue relating to code of conduct /Business ethics.

Place: Shikrapur

Date: April 10, 2010

ANNEXURE -I

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

Enkei Castalloy Limited,
Gat No. 1426, Village Shikrapur,
Taluka Shirur, Dist. Pune,
Maharashtra

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, I, Shailendrajit Rai, Managing Director of Enkei Castalloy Limited hereby confirm that, all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Codes of Conduct.

S. Rai
Managing Director

Place: Shikrapur
Date: April 10, 2010

CERTIFICATION ON COMPLIANCE WITH THE CONDISION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

To
The Members,
Enkei Castolly Ltd.

We have examined the compliance of conditions of Corporate Governance by Enkei Castalloy Ltd. for the year ended 31st March 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that in respect of investor grievances received during the year ended 31st March 2010, no investor grievances were pending for a period exceeding one month against the company as per the records maintained by the shareholders and investors' Grievance Committee and further certified by the registrars & share transfer agents of the Company.

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

For Asit Mehta & Associates
Chartered Accountants

Sanjay Rane
Partner
Membership No 100374

Place: Shikrapur
Date: April 10, 2010

AUDITORS' REPORT

To,
The Members
Enkei Castalloy Limited

1.

We have audited the attached Balance Sheet of Enkei Castalloy Limited (the Company) as at 31st March, 2010, the Profit and Loss Account and the Cash Flow statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The attached financial statements of the Company for the year ended 31st March, 2010 are in respect of its Foundry Division only and are thus strictly not comparable with that of the previous year which also included the financials of Wheels Division. During the year, pursuant to the Scheme of Arrangement (de-merger) sanctioned by the Hon'ble High Court of Bombay, the Wheel Division of the Company was de-merged into its wholly owned subsidiary viz. Enkei Wheels (India) Limited with effect from end of the day of 31st March 2010. However, since the Scheme had provided for transfer and vesting of all assets and liabilities of the Wheel Division of the Company to Enkei Wheels (India) Limited w.e.f. the Appointed Date which is 01.04.2009, the balances as of 01.04.2009, as identified and mutually agreed by the managements of the respective companies have been carried forward in the accounts of the respective companies. We have placed reliance on management confirmations, wherever direct evidence was not available in this regard.

2.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3.

As required by the Companies (Auditor's Report) Order, 2003, (as amended by DCA Notification G.S.R. 766(E), dated November 25, 2004) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

4.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit unless stated otherwise;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books unless stated otherwise;
- c. The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply in all material respects with the Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, unless stated otherwise in notes to accounts;

Further, during the year, the Company has changed its policy and method of valuation of inventories of all items of semi-finished to lesser of cost or net realizable value. The change in policy was required by the statute and thus is in compliance of the policy and method of valuation prescribed under the Accounting Standard (AS-2) 'Valuation of Inventories'

Had there been no change in the accounting policy in respect of valuation of inventories, the Company's profit before taxes would have been more by Rs.43.79 lakhs.

e. On the basis of written representations received from the directors as at 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors was disqualified as at 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with and subject to notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Asit Mehta & Associates

Chartered Accountants
Firm Regn No. 100733W

Sanjay Rane
Partner
Membership No 100374

Place: Shikrapur
Date: April 10, 2010

ANNEXURE TO THE AUDITOR'S REPORT
(Referred to in paragraph 3 of our report of even date)

On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we state that:

I.

a. The Company is maintaining records showing details and situation of fixed assets. However, asset numbering exercise is stated to be under completion.

b. As explained to us, a significant portion of the fixed assets has been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.

c. A substantial part of the fixed assets has not been disposed off during the year.

II.

a. The inventories comprising semi-finished goods, raw materials, stores and spares have been physically verified by the management at the end of the financial year covered by the audit. In our opinion, the frequency of verification is reasonable.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company needs to improve its inventory records so as to contain all details of each transaction and for each item of the stock. The closing inventory is established on the basis of year end physical verification.

III.

a. In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties that would require to be listed in the register maintained under section 301 of the Companies Act, 1956.

b. In our opinion and according to the information and explanations given to us, during the year, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties that would require to be listed in the register maintained under section 301 of the Companies Act, 1956.

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods.

During the year, the Company could not reconcile and trace out old supplier advances and thus has written off the advances with book value of Rs. 422.86 lakhs to 'Business Reconstruction Reserve' as a part of scheme of arrangement/demerger, more appropriately explained in the notes to the accounts. Other than this, no major weakness was noticed in the internal control system.

IV.

a. According to information, explanation and management representation provided to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions in pursuance of such contracts or arrangements that need to be entered in the register covered under section 301 have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, to the extent that such comparative prices are available.

V.

The Company has not accepted any deposits from the public.

VI.

The Company has an internal audit system commensurate with its size and nature of its business.

VII.

According to the information and explanations given to us and test-verification of records, the Company has initiated the exercise of maintaining the cost records required to be maintained under section 209(1)(d) of the Companies Act, 1956.

VIII.

a. Based on test-verification of records and information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of statutory dues including Provident Fund, Workmen Compensation, Income-tax, Sales-tax, Value Added Tax, Custom Duty, Excise Duty and Service Tax.

b. According to the information and explanations given to us, there are no dues payable by the Company under the Employees State Insurance Scheme.

c. According to the information and explanation given to us, no undisputed materials amounts payable in respect of Income-tax, Customs Duty and Excise Duty were in arrears as at 31st March 2010 for the period more than six month from the date they became payable.

d. According to the information and explanations given to us, there are no dues, to the extent applicable, of Sales-tax, / Income-tax// Customs Duty/ Wealth Tax / Excise Duty /Cess, which have not been deposited on account of any dispute.

IX.

The Company does not have any accumulated losses as at the end of the financial year under audit. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

X.

Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to the banks. The Company has not borrowed money in the form of debentures.

XI.

Based on our examination of records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

XII.

The Company is not a chit/nidhi/mutual benefit fund/society and therefore provisions of clause 4 (xiii) of the Order are not applicable to the Company.

XIII.

The Company is not dealing or trading in shares, securities, debentures and other investments.

XIV.

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

XV.

In our opinion and according to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that, the term loans have been applied for the purpose for which they were obtained.

XVI.

According to the information and explanation given to us, management representations and on overall examination of the balance sheet of the Company read with notes thereupon, we are of the opinion that no funds raised on short-term basis have prima facie been used for long-term investment.

XVII.

During the year under audit, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

XVIII.

The Company did not have any outstanding debentures at the year-end.

XIX.

The Company has not raised any money by public issues during the year under audit .

XX.

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Asit Mehta & Associates
Chartered Accountants
Firm Regn No. 100733W

Sanjay Rane
Partner
Membership No 100374

Place: Shikrapur
Date: April 10, 2010

FINANCIAL

/

BALANCE SHEET AS AT MARCH 31st. 2010	Schedule	March 31, 2010		March 31, 2009
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	55,000,000		55,000,000
Share Application Money				131,652,000
Reserves and Surplus	2	483,713,241	538,713,241	413,492,960
				600,144,960
LOAN FUNDS				
Secured Loans	3	503,911,953		1,103,342,727
Unsecured Loans	4	48,155,467	552,067,420	478,281,141
				1,581,623,868
DEFERRED TAX LIABILITY (NET)			22,571,901	45,293,804
			1,113,352,562	2,227,062,632
APPLICATION OF FUNDS				
FIXED ASSETS				
	5			
Gross Block		1,583,228,871		3,006,965,263
Less : Depreciation		559,208,356		711,925,093
NET BLOCK		1,024,020,515		2,295,040,170
Capital Work-in-progress		19,164,649	1,043,185,164	31,584,020
				2,326,624,190
INVESTMENTS			70,300	70,300
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	7	138,784,760		296,532,720
Sundry Debtors	8	390,788,752		526,672,983
Cash and Bank Balances	9	49,302,325		144,977,177
Loans & Advances	10	77,350,489		118,324,287
		656,226,325		1,086,507,167
LESS: CURRENT LIABILITIES & PROVISIONS				
Liabilities	11	546,365,184		1,217,710,709
Provisions	12	39,764,043		12,993,117
		586,129,227		1,230,703,826
NET CURRENT ASSETS			70,097,098	-144,196,659
MISCELLANEOUS EXPENDITURE				
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)				
	13			44,564,801
			1,113,352,562	2,227,062,632
Notes forming part of Accounts	21			

As per our Report of even date attached

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

Sanjay Rane
(Partner)
M. No. 100374

Place: Shikrapur
Date: April 10, 2010

On behalf of the Board Of Directors

S. Rai
Managing Director

A. D. Harolikar
Director

P. S. Rao
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31st, 2010

Schedule || Year ended 31.03.2010 || Year ended 31.03.2009 ||

INCOME

Income from Operations (Gross)	14	2,383,473,103	3438991032
Less: Excise Duty		262,405,828	411630456
Income from Operations (Net)		2,121,067,275	3,027,360,576
Other Income	15	3,794,603	4216255
		2,124,861,878	3,031,576,831

EXPENDITURE

Materials & Finished Goods	16	812,237,087	1433884860
Personnel Cost	17	192,906,370	250901705
Manufacturing Expenses	18	579,587,710	764668341
Administration & Other Expenses	19	155,807,321	242537081
Financial Expenses	20	76,549,867	167073229
Royalty		17,494,714	26963515
Depreciation & Amortisations	5	125,452,981	269251527
		1,960,036,050	3,155,280,257

PROFIT BEFORE TAX**164,825,828 (123,703,426)**

Provision for Taxes			
Current Tax		28,007,760	0
Deferred Tax		2,844,884	402877
Fringe Benefit Tax		-	1875000
Previous years tax adjustments		-	(10862874)
PROFIT AFTER TAX		133,973,184	(115,118,429)

PROFIT AVAILABLE FOR APPROPRIATION**133,973,184 (115,118,429)****APPROPRIATION**

General Reserve		12,500,000	-
Proposed Dividend		11,000,000	-
Tax on Dividend		1,826,962	-

PROFIT CARRIED TO BALANCE SHEET**108,646,222 (115,118,429)**

EARNING PER SHARE (FACE VALUE RS.5) (Basic & Diluted)		12.18	(10.47)
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Notes forming part of Accounts

21

As per our Report of even date attached

On behalf of the Board Of Directors

For Asit Mehta & Associates
Chartered Accountants
Firm Regn. No. 100733W

S. Rai
Managing Director

A. D. Harolikar
Director

Sanjay Rane
(Partner)
M. No. 100374

P. S. Rao
Company Secretary

Place: Shikrapur
Date: April 10, 2010

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31st, 2010
Year ended 31.03.2010
Year ended 31.03.2009

PARTICULAR		
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	164,825,828	(123,703,426)
Adjustment for :		
Depreciation and Amortisation	125,452,981	269,251,526
Interest and Dividend received.	(3,468,645)	(2,995,306)
Financial Expenses	76,549,867	167,073,229
Provision for Gratuity and Leave Salaries (net of payment)	4,752,752	5,784,792
Sample Sales written off	163,222	259,061
Prior Period Adjustments	(139,566)	-
Unearned foreign exchange loss	190,310	(6,400,462)
Deferred Revenue Expenses written off	-	2,768,679
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	368,326,750	312,038,093
Adjustment for :		
Trade & Other Receivables	135,884,231	18,075,737
Inventories	157,747,960	53,532,940
Loans and Advances (Net of repayment)	5,561,295	48,547,372
Foreign Currency Monetary Item Translation Difference	-	(72,192,270)
Trade Payables	(635,513,709)	(444,940,627)
Other Current Liabilities & Provisions	(35,771,855)	270,399,876
	(372,092,077)	(126,576,972)
CASH GENERATED FROM OPERATING ACTIVITIES.	(3,765,328)	185,461,121
Taxes paid	(29,319,431)	(769,1129)
	(29,319,431)	(769,1129)
NET CASH FROM OPERATING ACTIVITIES.	(33,084,759)	177,769,992
B CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to Fixed Assets	(220,149,508)	(420,264,430)
Transfer of Fixed Assets to EWIL on de-merger	1,641,982,530	-
Capital Work in Progress	(17,724,743)	126,653,979
Interest Received	3,468,645	2,466,545
NET CASH USED IN INVESTING ACTIVITIES.	1,407,576,925	(291,143,906)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Financial Expenses	(76,549,867)	(167,073,229)
Term Loans net of repayments	(539,740,329)	(5,894,410)
Cash Credit Facility	(59,690,445)	50,993,395
Unsecured Loans	(430,125,674)	193,329,971
Transfer of Share Application money to EWIL on de-merger	(131,652,000)	131,652,000
Transfer of Profits/General Reserve to EWIL on de-merger	(90,892,308)	-
Reduction in Deferred Tax Liability	(25,566,787)	-
Write-off Assets and Expenses post de-merger (net of exp)	(115,889,648)	-
Dividend and Tax thereon paid	(59,961)	(8,138,424)
NET CASH FROM FINANCING ACTIVITIES.	(1,470,167,019)	194,869,303
NET CASH INCREASE/(DECREASE) IN CASH EQUIVALENTS	(95,674,853)	81,495,389
Opening Balance of Cash and Cash Equivalents	144,977,178	63,481,789
Closing Balance of Cash and Cash Equivalents	49,302,325	144,977,178
TOTAL OF (A+B+C+D)	(95,674,853)	81,495,389

As per our Report of even date attached

On behalf of the Board Of Directors

For Asit Mehta & Associates, Chartered Accountants

S. Rai, Managing Director

A. D. Harolikar, Director

Firm Regn. No. 100733W

Sanjay Rane (Partner), M. No. 100374

P. S. Rao, Company Secretary

Place: Shikrapur, Date: April 10, 2010

SCHEDULES	March 31, 2010	March 31, 2009
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
1,10,00,000 Equity Shares of Rs 5/- each	55,000,000	55,000,000
(Previous year 1,10,00,000 Equity Shares of Rs 10/- each)		
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
1,10,00,000 Equity Shares of Rs 5/- each fully paid-up	55,000,000	55,000,000
(Previous year 110,00,000 Equity shares of Rs. 5/- each fully paid up)		
	55,000,000	55,000,000
Share Application Money		131,652,000
	55,000,000.00	186,652,000
SCHEDULE 2		
RESERVES & SURPLUS		
SECURITIES PREMIUM		
Opening Balance	210,200,000	210,200,000
Addition during the year		
Less : Cancellation of Equity Shares held in EWIL on Demerger	1,000,000	
Less : Transfer to Business Reconstruction Reserve	10,000,000	
	199,200,000	210,200,000
REVALUATION RESERVE		
Opening Balance		
Addition during the year	162,135,850	
Less : Transfer to Business Reconstruction Reserve	162,135,850	
BUSINESS RECONSTRUCTION RESERVE		
Opening Balance		
Addition during the year		
Transfer from Revaluation Reserve	162,135,850	
Transfer from Securities Premium Account	10,000,000	
Less : Expenses Written Off	121,169,483	
	50,966,367	
GENERAL RESERVES		
Opening Balance	7,500,000	7,500,000
Addition during the year	12,500,000	20,000,000
		7,500,000
PROFIT & LOSS ACCOUNT:		
Opening Balance	195,792,961	324,606,911
Less : Transfer to EWIL on demerger	90,892,308	
Addition during the year	108,646,222	(115,118,430)
Less : Exchange fluctuation loss of previous year		13,695,521
	213,546,874	195,792,960
	483,713,241	413,492,960

SCHEDULES CONTINUED
March 31, 2010
March 31, 2009
SCHEDULE 3
SECURED LOANS

Term Loan from Banks and Institutions *	341,794,775	881,535,104
Cash Credit from Banks **	162,117,178	221,807,623
	503,911,953	1,103,342,727

Secured By:

* First parri-apsu charge by way of equitable mortgage on the existing fixed assets, in favour of State Bank of India and Export Import Bank of India and Axis Bank

* Personal Guarantee of Managing Director to Bank of Maharashtra.

* Repayable in next one year : Rs. 1945.75 Lac (Previous year Rs. 3095.61 Lac)

** First parri-passu charge in favour of Bank of Maharashtra, ING Vysya Bank Ltd., Axis Bank and State Bank of India by way of Hypothication of all stocks and Receivables.

** Second parri-passu charge in favour of Bank of Maharashtra, ING Vysya Bank Ltd., Axis Bank and State Bank of India by joint Deed of Hypothication on all fixed assets of the Company.

SCHEDULE 4
UNSECURED LOANS

Pre-shipment Working capital	48,155,467	284,154,124
Sales Tax Deferral	-	2,124,226
External Commercial Borrowing in Foreign Currency	-	192,002,791
	48,155,467	478,281,141

SCHEDULE 5
FIXED ASSET

Description	(Amt. in Rs.)									
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Op. Block as at April 1st, 2009	Additions During The Year	Assets Sold/Discarded During The Year	Total Block as at March 31, 2010	as at April 1st, 2009	For The Year	Assets Sold/Discarded During The Year	Dep. (as at March 31, 2010)	as at March 31, 2010	as at March 31, 2009
Land	13,674,100	162,135,850	-	175,809,950	-	-	-	-	175,809,950	13,674,100
Building	198,447,575	3,751,344	-	202,198,919	25,127,649	6,951,129	-	32,078,778	170,120,141	173,319,926
Factory Equipment	48,736,188	15,297,489	-	64,033,677	7,064,650	5,667,651	-	12,732,301	51,301,375	41,671,538
Plant & Machinery	835,982,016	34,772,231	31,785,347	838,968,904	306,016,592	82,968,256	10,272,397	378,712,451	460,256,453	529,965,424
Electrical Installation	81,151,139	577,741	262,140	81,466,740	26,932,746	7,645,012	47,147	34,530,610	46,936,130	54,218,394
Furniture & Fixtures	32,975,183	2,107,784	-	35,082,967	5,844,651	2,139,027	-	7,983,678	27,099,288	27,130,532
Computers/Softwares	16,580,847	1,129,976	-	17,710,823	7,942,520	2,255,611	-	10,198,130	7,512,693	8,638,328
Office Equipments	12,797,146	2,127,643	-	14,924,788	2,125,792	879,284	-	3,005,076	11,919,712	10,671,353
Quality Control Equipments	14,715,742	542,546	-	15,258,288	5,653,251	1,413,713	-	7,066,964	8,191,324	9,062,491
Motor Vehicles	10,874,022	1,066,744	-	11,940,766	3,614,843	970,342	-	4,585,185	7,355,581	7,259,179
Dies And Patterns	129,192,888	(3,359,839)	-	125,833,049	53,752,225	14,562,957	-	68,315,181	57,517,867	75,440,663
Total (A)	1,395,126,846	220,149,508	32,047,487	1,583,228,871	444,074,919	125,452,981	10,319,544	559,208,356	1,024,020,514	951,051,927
Capital Work In Progress Including Advances On Capital Account										
(As Certified By The Management)	1,439,907	7,209,730		8,649,637					8,649,637	1,439,907
Advance For Land (Pant Nagar)		10,515,012		10,515,012					10,515,012	
Total (B)	1,439,907	17,724,742	0	19,164,649	0	0	0	0	19,164,650	1,439,907
Total Current Year (A+B)	1,396,566,753	237,874,250	32,047,487	1,602,393,520	444,074,919	125,452,981	10,319,544	559,208,356	1,043,185,164	952,491,834
Total Previous Year	2,490,373,338	516,591,925	0	3,006,965,263	442,673,566	269,251,527		711,925,093	2,295,040,170	2,205,937,770

Note - Fixed assets of wheel division of gross value Rs.1,641,982,530/- and accumulated depreciation of Rs.267,850,173/- have been transferred to Enkei Wheels (India) Ltd. on 01-04-2009, being the appointed date of demerger and the same have been reduced from the respective block on 01-04-2009.

SCHEDULES CONTINUED
SCHEDULE 6
INVESTMENTS

Shamrao Vithal Co.Op.Bank - 2000 Shares (Unquoted)	50,000	50,000
Bank of Maharashtra -IPO (quoted) - 900 Shares	20,300	20,300
	70,300	70,300
Note: Market value of quoted investment (900 Equity shares) (Based on last traded price available as at 31st March 2010)	18,675	18,675
	18,675	18,675

SCHEDULE 7
INVENTORIES

Raw Materials	55,627,251	83,351,334
Consumables	30,474,307	76,121,772
Semi-finished Goods	32,158,817	95,811,819
Dies under Development	20,242,436	40,351,840
Packing Material	281,948	895,955
	138,784,760	296,532,720

SCHEDULE 8
SUNDRY DEBTORS (Unsecured)

Debts outstanding for a period exceeding six months		1,602,115
Considered good	58,280	
Considered doubtful	13,471,908	
	13,530,188	
Less : Provision for doubtful debts	13,471,908	58,280
Others (Considered Good)	390,730,472	525,070,868
	390,788,752	526,672,983

SCHEDULE 9
CASH AND BANK BALANCES

Cash on Hand	2,298,504	2,386,552
With Scheduled Bank	17,631,320	83,163,126
By way of margin on Letter of Credit	29,372,500	59,427,500
	49,302,325	144,977,177

SCHEDULE 10
LOANS AND ADVANCES (Unsecured, Considered Good)

Advances recoverable in cash or in kind for value to be received	2,185,093	2,023,727
Advance Tax and Tax Deducted at Source (Net of Provisions)	33,315,030	58,212,522
Balances with Excise & Other Authorities	36,442,275	45,847,772
Deposits	3,837,950	5,651,715
Prepaid Expenses	1,570,141	3,418,671
Others		3,169,880
	77,350,489	118,324,287

SCHEDULES CONTINUED

March 31, 2010

March 31, 2009

CURRENT LIABILITIES AND PROVISIONS**SCHEDULE 11****CURRENT LIABILITIES**

Due to Micro and Small Enterprises	9,569,414	-
Creditors for Purchase of Goods & Services	232,066,024	234,651,753
Creditors for Capital Goods	9,929,891	306,053,765
Payables to Group Companies	180,110,565	526,484,084
Unclaimed Dividend	287,578	347,539
Other Current Liabilities	88,197,816	141,962,951
Advances from Customers	26,203,896	8,210,616
	546,365,184	1,217,710,709

SCHEDULE 12**PROVISIONS**

Proposed Dividend	11,000,000	-
Provision for Gratuity & Leave Encashment	13,465,172	12,993,117
Provision for Tax on Proposed Dividend	1,826,963	-
Provision for bad & doubtful Debts	13,471,908	-
	39,764,043	12,993,117

SCHEDULE 13

Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-
Deferred Revenue Expenditure	-	5,566,969
Foreign Currency Monetary Item Translation Difference account	-	38,997,832
	-	44,564,801
	Year ended 31.03.2010	Year ended 31.03.2009

SCHEDULE 14**INCOME FROM OPERATIONS**

Sales	1,585,874,016	2,549,142,406
Conversion Income	510,984,107	457,815,082
Sales-Scrap	24,209,152	20,403,088
	2,121,067,275	3,027,360,576

SCHEDULE 15**OTHER INCOME**

Interest received (Gross)	3,468,645	2,995,306
(TDS of Rs. 2,83,319/- PY (Rs. 5,84,747/-)	-	-
Packing & Forwarding	-	(176,102)
DEPB Claim	-	200,698
Miscellaneous Income	325,958	1,196,354
	3,794,603	4,216,255

SCHEDULES CONTINUED

Year ended 31.03.2010

Year ended 31.03.2009

SCHEDULE 16**MATERIALS AND SEMI-FINISHED GOODS**

Raw Materials Consumed:

Opening Stock	79,706,229		208,783,917	
Add: Purchases	812,350,433		1,342,174,824	
Add Cost - Dies under development	2,097,957		38,177,096	
	894,154,619		1,589,135,837	
Less: Closing Stock	100,652,928	793,501,691	160,369,062	1,428,766,776
(Increase)/Decrease in stock of Semi-Finished Goods:				
Closing stock of Semi - Finished goods	32,158,817		95,811,819	
Opening stock of Semi - Finished goods	36,941,622	4,782,805	106,483,195	10,671,376

(Increase)/Decrease in stock of Dies under Development

Closing stock of Dies under Development	26,399,249		40,351,840	
Opening stock of Dies under Development	40,351,840	13,952,591	34,798,548	(5,553,292)

812,237,087

1,433,884,860

SCHEDULE 17**PERSONNEL EXPENSES**

Salaries & Wages	155,619,007		207,109,389	
Gratuity & Leave Encashment	8,494,147		8,827,747	
Contribution to Provident and other Funds	8,445,780		11,231,356	
Welfare Expenses	20,347,436		23,733,213	
	192,906,370		250,901,705	

SCHEDULE 18**MANUFACTURING EXPENSES**

Consumption- Stores and Spares	287,856,698		393,967,035	
Carriage Inward	6,382,773		11,696,729	
Power and Fuel	133,399,572		199,965,919	
Water Charges	1,177,809		1,557,052	
Repairs and Maintenance- Building	8,406,335		1,190,386	
Repairs and Maintenance- Machinery & Others	37,914,653		20,135,496	
Processing Charges	104,449,871		136,155,724	
	579,587,710		764,668,341	

SCHEDULES CONTINUED	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 19		
ADMINISTRATION & SELLING EXPENSES		
Communication	2,660,487	2,976,776
Travelling	9,570,662	11,574,178
Rates and Taxes	841,235	875,509
Insurance	3,084,219	3,281,826
Conveyance	779,690	1,320,741
Legal and Professional charges	26,642,393	22,200,908
Printing and Stationery	4,339,180	5,185,702
Selling & Distribution Expenses	89,429,723	128,343,289
Miscellaneous Expenses	15,109,026	15,365,767
Directors' sitting fees	25,000	38,000
Loss on Foreign Exchange Fluctuation	1,332,771	44,896,502
Guest House Maintenance	1,992,936	6,477,883
	155,807,321	242,537,081
SCHEDULE 20		
FINANCIAL EXPENSES		
Interest on Term Loan	51,868,469	96,714,631
Interest on Working Capital	22,225,647	22,776,211
Other Finance charges	2,455,752	47,582,387
	76,549,867	167,073,229

SCHEDULE 21

ENKEI CASTALLOY LTD ('ECL/THE DEMERGED COMPANY')

NOTES ATTACHED TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2010

1.

Pursuant to the Scheme of Arrangement (de-merger) sanctioned by the Hon'ble High Court of Bombay, the Wheel Division of Enkei Castalloy Limited (ECL) was de-merged into its wholly owned subsidiary viz. Enkei Wheels (India) Limited, (EWIL) with effect from end of the day of 31st March 2010.

The Scheme had provided that 'though it shall become effective from the Effective Date, i.e. the date on which the certified copy of the order of High Court of Bombay under sections 391 and 394 of the Companies Act, 1956, sanctioning the scheme is filed with the Registrar of Companies, Pune, (and which is end of the day of 31st March 2010), the provisions of the Scheme shall be applicable and come into operation from the Appointed Date, which means the 1st day of April 2009 or such other date as may be approved by the High Court of Bombay'.

Now, since the High Court of Bombay has sanctioned the Scheme of de-merger, and the Appointed Date being as defined in the Scheme, all assets and liabilities of the Wheel Division of ECL/the Demerged Company as appearing in the books of ECL/ Demerged Company as on 1st April 2009, i.e. the Appointed Date as defined in the Scheme, were transferred to and vested with EWIL/ Resulting Company'.

In the light of the above and the clause 4 of the Scheme which provides that,

"upon the coming into effect of this Scheme and on and from the Appointed Date, entire business of the 'Wheel Division' of ECL/ Demerged Company shall, without any further act, instrument or deed, subject to other provisions of the Scheme and pursuant to sections 391 & 394(2) and other relevant provisions of the Act, be transferred to and vested in or be deemed to have been demerged from ECL/Demerged Company and be transferred to and vested in EWIL/ Resulting Company, as a going concern.", the old shareholding of ECL/Demerged Company in EWIL/ Resulting Company stood automatically cancelled and EWIL/ Resulting Company have ceased to be a wholly owned subsidiary of ECL/ Demerged Company as an integral part of the Scheme, pending the allotment of shares by EWIL/Resulting Company to the existing shareholders of ECL/Demerged Company and completion of all necessary legal formalities including payment of stamp duty, incidental to the demerger by the respective companies.

As a result of all the above, accounting entries pursuant to PART-IV of the Scheme have made in the books of the ECL/Demerged Company retrospectively from the Appointed Date, i.e. 1st April 2009 and which are summarised below.

A sum of Rs 908.92 lakhs, being the excess of assets over liabilities of Wheel Division as appearing in the books of ECL/ Demerged Company was transferred to EWIL/Resulting Company viz. and the same is reflected in the attached accounts of ECL/ Demerged Company as under:

Reduction in Balance in Profit and Loss Account - Rs. 908.92 lakhs
Reduction in Securities Premium Account - Rs. 10.00 lakhs

Figures for the current year are not strictly comparable with that of the last year in view of the de-merger of the Wheel Division of the Company.

2.

In pursuance of the arrangement between ECL/Demerged Company and EWIL/ Resulting Company and their respective shareholders and creditors and Part IV of the Scheme, post demerger, the Board of Directors of ECL/Demerged Company, has identified immovable properties of Foundry Division for valuation thereof at their present fair value.

Accordingly, the ECL/Demerged Company has revalued its land based on the valuation report received from an independent valuer and the excess of such value over the book value has been credited to 'Revaluation Reserve' for its subsequent transfer to 'Business Reconstruction Reserve'

In accordance with Part IV of the Scheme, ECL/Demerged Company, has written off the below-listed expenses of Rs.1211.63 lakhs against the balance available in 'Business Reconstruction Reserve'

DIMINUTION IN VALUE OF VARIOUS ASSETS	RS. IN LAKHS
Fixed Assets	217.05
Advances to Suppliers	422.86
Sundry Debtors	302.77
Miscellaneous Expenditure	41.95
Inventories	204.26
Total	1188.89
INCREASE IN AMOUNT OF LIABILITIES	NIL
EXPENSES INCURRED FOR THE DEMERGER	22.80

NOTES FORMING PART OF ACCOUNTS**PART A - SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention, on accrual basis and are in accordance with the Indian Generally Accepted Accounting Principals ('GAAP'), the provisions of the Companies Act, 1956 and the Accounting Standards notified under Companies (Accounting Standard), Rules, 2006 as amended from time to time except as otherwise stated.

However, during the year, post-demerger, ECL has revalued its land forming part of its fixed assets not intended for sale during the ordinary course of its business activities. The excess of fair market value over cost of the assets has been recognised in 'Revaluation Reserve' for its subsequent transfer to 'Business Construction Reserve'.

2. Use of Estimates

Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

3. Revenue Recognition

- i. All material items of revenue and expenditure are recognised on accrual basis except as otherwise stated.
- ii. Domestic sales are recognised on despatch of goods by the Company from its factory premises and Export sales are accounted on the basis of dates of Bill of Lading and are reflected in the accounts net of excise duty, sales tax, and other levies.
- iii. The Company, besides manufacturing its products from raw materials purchased directly by it, also converts raw materials supplied by the customers and thus accounts gross receipts as 'Conversion Income'.
- iv. Sales returns are accounted for only upon physical receipts of the rejected goods at the factory premises.
- v. Benefit on account of entitlement to import goods free of duty under the Duty Entitlement Pass Book (DEPB) scheme, is accounted in the year of export and shown under 'Other Income'.

4. Price Escalation Claims/Negotiations

The effect of price amendments is accounted for on the basis of agreement with the customers from time to time. However, escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

5. Purchases

All purchases of raw materials, stores and spares are accounted in the system once Goods Received Note (GRN) is prepared. GRN is prepared only after goods are inspected and tested for qualities after the receipt at the factory gate.

6. Fixed Assets & Depreciation

- i. Fixed Assets are stated at cost less accumulated depreciation and impairment loss ascertained, if any. The cost represents purchase price (net of recoverable taxes) and all other direct expenses including financing cost in respect of acquisition or construction of fixed assets incurred for the period till commencement of commercial production.
- ii. Fixed Assets other than Dies and Moulds are depreciated on Straight Line Method at the rates prescribed in schedule XIV to the Companies Act, 1956.
- iii. Dies and Moulds are depreciated at Written Down Value at the rates prescribed in schedule XIV to the Companies Act, 1956.
- iv. Depreciation on additions during the year is provided on pro-rata basis from the middle of the quarter in which capitalisation takes place.
- v. Where CENVAT is claimed on capital goods, the relevant excise duty under CENVAT has been deducted from the value of the asset for claiming depreciation.
- vi. In case where specific arrangement exists with a customer for amortisation of capital equipment, depreciation provided equals such agreed amortisation. In such cases, cumulative depreciation at least equals the minimum prescribed under Schedule XIV of the Companies Act, 1956.
- vii. In case of new production facilities, the project costs incurred are capitalised from the date the facilities are commenced and trial production is obtained successfully. The project costs incurred till year-end and relatable/identified to/particular project/production facilities are debited to individual fixed assets such as land, building, plant & machinery. The project cost incurred in respect of facilities not commenced/expanded and/or which has not been identified/allocated to individual fixed assets have been accounted under 'Capital Work-in-Process'.

SCHEDULE 21
7. Intangible Assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprises and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses ascertained, if any.

8. Impairment of Assets

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

However, post demerger, various assets have been identified as impaired and impairment loss, being excess of the carrying amount over fair values of the assets have been written off to 'Business Construction Reserve'.

9. Investments

All Long-term investments, which are unquoted, are stated at cost.

10. Inventories
i. Raw Materials

Inventory of Raw materials are valued at cost. Cost represents purchase price, net of recoverable taxes, determined with reference to last purchases.

ii. Semi - Finished Goods

Inventory of Semi-finished goods are valued at lower of cost or net realisable value. Cost comprises of material cost and conversion cost.

Conversion cost includes cost of consumables, direct labour, and variable overheads in proportion to direct labour and fixed cost in respect of production facilities.

During the year, the Company has changed its policy and method of valuation of inventories of all items of semi-finished to lesser of cost or net realizable value. The change in policy is as required by the statute and thus is in compliance of the policy and method of valuation prescribed under the Accounting Standard (AS-2) 'Valuation of Inventories'

Had there been no change in the accounting policy in respect of valuation of inventories, the Company's profit before taxes would have been more by Rs. 43.79 lakhs.

iii. Consumables, Stores and Spares

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

iv. Dies and Moulds

The expenditure on development of Dies and Moulds commissioned on behalf of the customers is carried in the books at the appropriate cost of development, as Current Assets, subject to such cost not exceeding the maximum value contracted to be paid by the customer. Income from development and development cost of such dies is accounted for in the year in which they are completed and invoiced.

The unfunded cost of such dies, if any, is written off to the revenue in the event of their commercial obsolescence.

v. Inter-division Transfers

Interdivisional transfers are valued, either at ex-factory cost of the transfer or unit/division, net of recoverable taxes and are recorded on physical receipt.

11. Transactions in Foreign Currencies

Foreign currency transactions are recorded at the exchange rate prevailing as at the date of transaction except sales which are recorded at a rate notified for a month, by the customs, for invoice purposes.

All exchange differences arising on restatement of all monetary foreign currency assets and liabilities are credited or debited, as the case may be, to the Profit and Loss Account.

12. Derivative instruments

Derivative contracts are entered into by the company only based on underlying transaction.

Forward and Options contract are fair valued at each reporting date and the resulting gain or loss from these transaction are recognized in the Profit and Loss Account of such reporting period.

13. Taxes on income

Income tax expense comprises current tax and deferred tax charge /credit.

Current tax is the amount of tax worked out on the taxable income for the year determined in accordance with the relevant provisions of the Income Tax act, 1961 in force and is on an estimate basis.

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

Deferred tax assets, if any, are recognised, only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

14. Employee Benefits

Defined contribution plans

Contributions to defined contribution approved Provident Fund and Pension Fund, defined contribution schemes, are made at pre-determined rates and charged to the Profit and Loss Account, as incurred.

Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions using Projected Unit Credit Method, with actuarial valuations being carried out by an independent valuer. Actuarial gains and losses have been recognised in full in the profit and loss account for the year. Past service cost has also been recognised to the extent that the benefits are already vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for as reduced by the fair value of scheme assets.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid leave, performance incentives, bonus, ex-gratia etc.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an

actuarial liability determined by an independent valuer being the present value of the defined benefit obligation at the balance sheet date.

The liability towards Workmen Compensation is also funded with New India Insurance and contribution made towards this is charged to the Profit and Loss Account.

15. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. All other borrowing costs incurred and which are not identified to the particular qualifying assets is charged to revenue.

16. Leases

The Company's rental/hire arrangements are in respect of operating leases for guest-houses and a few machineries. The arrangements normally range between eleven months to twenty-two months renewable by mutual consent on agreed terms and thus are short term nature and no significant obligations are attached thereto.

17. Provisions, Contingent Liabilities and Contingent Assets

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

On behalf of the Board Of Directors

S. Rai, Managing Director

A. D. Harollikar, Director

P. S. Rao, Company Secretary

As per our Report of even date attached

For Asit Mehta & Associates

Chartered Accountants,

Firm Regn No. 100733W

Sanjay Rane

Partner,

Membership No 100374

Place: Shikrapur,

Date: April 10, 2010

SCHEDULE 21

Year ended 31.03.2010

Year ended 31.03.2009

NOTES FORMING PART OF ACCOUNTS

PART B

1. CLASS OF GOODS MANUFACTURED	Installed Capacity (nos.)	Production	Installed Capacity (nos.)	Production
DESCRIPTION				
Castings made from aluminium alloys including conversion on customer account	13,015,000	5,518,688	10,331,000	5,435,927

Notes:

The production data reported above is for three shifts, as certified by the management.

2. STOCK OF GOODS	March 31, 2010		March 31, 2009	
	No's	Rs. (In Lakhs)	No's	Rs. (In Lakhs)
Class of goods				
Semi-finished casting made from aluminum alloys	93,052	321.59	88,402	958.12

3. SALES	Year ended 31.03.2010		Year ended 31.03.2009	
	No's	Rs. (In Lakhs)	No's	Rs. (In Lakhs)
Class of goods				
Finished casting made from aluminum alloys	5,523,338	20,968.58	5,476,670	30,069.57

4. RAW MATERIAL CONSUMED	MT	Rs. (In Lakhs)	No's	Rs. (In Lakhs)
Class of goods				
Aluminium / alloys	10,196.66	7,935.02	12,003.89	14,287.67

Material consumed includes material on conversion account as certified by the management.

** Own material cost as charged to profit and loss account.

The figures of consumption have been arrived by deducting the closing stock from the quantity/value of opening stock as increased by the purchases during the year.

1. VALUE OF RAW MATERIAL CONSUMED	Rs. (In Lakhs)	Percentage	Rs. (In Lakhs)	Percentage
a. Imported	1,197.30	15.09	8,449.62	59.14
b. Indigenous	6,737.71	84.91	5,838.05	40.86
Total	7,935.01	100.00	14,287.67	100.00

2. VALUE OF STORES AND SPARES CONSUMED	Rs. (In Lakhs)	Percentage	Rs. (In Lakhs)	Percentage
a. Imported	90.55	3.15	550.50	13.97
b. Indigenous	2,788.02	96.85	3,389.17	86.03
Total	2,878.57	100.00	3,939.67	100.00

The figures of consumption have been arrived by deducting the closing stock from the quantity/value of opening stock as increased by the purchases during the year.

5. IMPORTS ON CIF BASIS

PARTICULARS	Rs. (In Lakhs)	Rs. (In Lakhs)
Capital Goods	34.05	50.52
Components and Spares Parts	1,287.85	8812.36
Total	1,321.90	8862.88

6. EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	Rs. (In Lakhs)	Rs. (In Lakhs)
Foreign Travel	15.00	7.04
Royalty Payment	218.38	327.70
Commission on Sales	1.55	3.15
Computer Hire Charges	-	7.47
Interest on Foreign Currency Loan	-	93.94
Repair & Maintenance	-	13.03
Selling & Distribution Expenses	-	32.60
Sales Promotion Expenses	-	0.30
Legal & Professional Expenses	160.30	39.58
Testing Expenses	-	24.64
Printing & Stationery	-	0.12
Freight Inward	-	0.64
Insurance	-	0.55
Postage & telegram	-	0.04
Total	395.23	550.80

7. REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDENDS**PARTICULARS**

i. Number of non-resident shareholders	1	1
ii. Number of Equity shares	3,800,000	3,800,000
iii. Gross amount of dividend (Rs.)	0	2,375,000

8. EARNING IN FOREIGN EXCHANGE

PARTICULARS	Rs. (In Lakhs)	Rs. (In Lakhs)
Export of goods	1,017.76	2,270.76

9. EMPLOYEE BENEFITS

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

DEFINED CONTRIBUTION PLAN

The contributions recognised as expenses for the year are as under:

PARTICULARS	Rs. (In Lakhs)	Rs. (In Lakhs)
Employer's Contribution to Provident Fund	84.94	88.28

DEFINED BENEFIT PLAN

Disclosures of Defined Benefit Plans in respect of Gratuity and Leave Entitlements, as per actuarial valuations by an independent valuer are given below.

PARTICULARS	Gratuity (Funded)	Gratuity (Funded)
	Rs. (In Lakhs)	Rs. (In Lakhs)
Present value of obligation as at the beginning of year	89.03	93.03
Interest Cost	7.35	7.44
Current Service Cost	23.12	21.65
Benefits Paid	-6.62	-8.12
Actuarial(gain) / loss on obligations	6.57	-10.14
Present value of obligation as at the end of year	119.45	103.86

SCHEDULE 21
Year ended 31.03.2010
Year ended 31.03.2009
TABLE SHOWING CHANGES IN THE FAIR VALUE OF PLAN ASSETS AS ON MARCH 31ST 2010

PARTICULARS	Gratuity (Funded)	Gratuity (Funded)
	Rs. (In Lakhs)	Rs. (In Lakhs)
Fair value of plan assets at beginning of year	31.91	20.12
Expected return on plan assets	3.71	2.14
Contributions	30.00	18.28
Benefits Paid	-6.62	-8.13
Actuarial gain/(loss) on plan assets	-3.39	-0.50
Fair value of plan assets at the end of year	55.61	31.91

THE AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENTS OF PROFIT & LOSS

	Gratuity (Funded)	Gratuity (Funded)
	Rs. (In Lakhs)	Rs. (In Lakhs)
Present value of obligations as at the end of year	119.45	103.86
Fair value of plan assets as at the end of the year	55.61	31.91
Funded status asset/ (liability)	-63.84	-71.95
Net asset / (liability) recognized in balance sheet	-63.84	-71.95

EXPENSES RECOGNIZED IN STATEMENT OF PROFIT & LOSS

	Gratuity (Funded)	Gratuity (Funded)
	Rs. (In Lakhs)	Rs. (In Lakhs)
Current Service cost	23.12	21.65
Interest Cost	7.35	7.44
Expected return on plan assets	-3.71	-2.14
Net Actuarial (gain) / loss recognized in the year	9.96	-9.63
Expenses recognized in statement of Profit and Loss	36.72	17.32

ACTUARIAL ASSUMPTIONS

	Gratuity (Funded)	Gratuity (Funded)
Assumption Discount Rate	8.25%	8.00%
Salary Escalation	6.00%	4.50%
Expected rate of return on plan assets	8.50%	-

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

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

SCHEDULE 21

Year ended 31.03.2010

Year ended 31.03.2009

10. COMPUTATION OF PROFIT U/S 198 READ WITH SEC. 309 OF THE COMPANIES ACT, 1956

PARTICULARS		Rs. (In Lakhs)		Rs. (In Lakhs)
Profit/(Loss) Before Tax and Exceptional Item	1,648.26		(1,237.03)	
LESS				
Exceptional Item			0	
Profit on sale of investments/assets (net)	0.00	1,648.26	0	(1,237.03)
ADD				
Directors' remuneration & commission	15.53		16.35	
Directors sitting fees	0.25		0.38	
Provision for doubtful debts	134.72		0	
Amortisations	1,254.53		267.74	284.47
Loss on Sale of Assets (net)	0.00	1,405.03		
Net profit u/s 198/309 of the Cos. Act, 1956		3,053.28		(952.56)

11. PAYMENT TO THE DIRECTORS

PARTICULARS		Rs. (In Lakhs)		Rs. (In Lakhs)
Managing Director				
Salary, Allowances & Perquisites		14.63		12.13
Contribution to P.F., Gratuity and other funds		0.90		0.90
Commission		0.00		3.32
Total		15.53		16.35

Other Directors

Directors Sitting Fees		0.25		0.38
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12. AUDITOR'S REMUNERATION

PARTICULARS		Rs. (In Lakhs)		Rs. (In Lakhs)
Audit Fees		6.00		9.00
Other Services		0.75		1.20
Out of pocket expenses		0.27		0.25
Total		7.02		10.45

13. CONTINGENT LIABILITIES

PARTICULARS		Rs. (In Lakhs)		Rs. (In Lakhs)
a. Estimated amount of contracts remaining to be executed on capital accounts		83.89		461.70
b. Guarantees issued by Bank		209.11		181.32
c. L/C issued by the bank for the import of Machinery & Goods		182.34		284.04
d. Export Obligation		457.52		354.11
e. Pending Case in local Civil Court		353.63		398.76
Total		1,286.49		1,679.93

14. EARNING PER SHARE AS COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD 20

PARTICULARS		Rs.		Rs.
i. Net Profit & Earnings/(Loss) after tax		133,973,184		(115,118,428)
ii. Weighted average no. of Equity shares of Rs. 5 each (prev. Year Rs. 5 each)		11,000,000		11,000,000
iii. Basic earning per share (Rs.)		12.18		(10.47)
iv. Diluted earning per share (Rs.)		12.18		(10.47)

SCHEDULE 21
15. RELATED PARTY DISCLOSURE
ASSOCIATE COMPANIES

Enkei Corporation, Japan	Silicon Meadows Designs Ltd.
Enkei Thai Co. Ltd.	Nastic Trading Pvt. Ltd.
Enkei Thai Moulding Co. Ltd.	Chemetal Rai India Ltd.
Enkei Asian Trading Co. Limited	PT. Enkei Indonesia
Enkei Logistics Limited	Enkei Aluminium Product (China) Co. Ltd.
Enkei Audit & Computer Ltd.	Enkei Moulding (Kushan) Co. Ltd.
Atlas Automotive Components Ltd.	Enkei Wheel Corporation, Japan
Pamela Trading & Finance Co. Pvt. Ltd.	

KEY MANAGERIAL PERSONNEL

S. Rai	Managing Director
Rajeev Sikand	Chief Executive Officer

DETAILS OF TRANSACTIONS
DURING THE YEAR WITH RELATED PARTIES

PARTICULARS	Year ended 31.03.2010	Year ended 31.03.2009
	Rs. (In Lakhs)	Rs. (In Lakhs)
Sales	433.42	849.52
Purchases	933.45	421.22
Expenses Charged to Company	11.40	78.16
Expenses Charged by Company	35.78	94.33
Loan Squared Off	-	6.18
Advances	-2.08	5.01
Dividend Paid	-	47.50
Amount Receivable at the year end	0.29	337.14
Amount Payable at the year end	713.91	9187.70
Fixed assets purchased or sold	111.57	1623.48
Royalty paid	215.01	278.19

Details of transactions during the year with key managerial personnel

Remuneration	Rs. (In Lakhs)	Rs. (In Lakhs)
S. Rai	15.53	16.35
R. Sikand	53.08	27.29

16. MAJOR COMPONENTS OF DEFERRED TAX

PARTICULARS	Rs. (In Lakhs)	Rs. (In Lakhs)
Depreciation	243.04	470.26
Others	17.32	17.32
Total	225.72	452.94

As per our Report of even date attached

On behalf of the Board Of Directors

 For Asit Mehta & Associates, Chartered Accountants
 Sanjay Rane (Partner), M. No. 100374

 S. Rai, Managing Director A. D. Harolikar, Director
 P. S. Rao, Company Secretary

 Place: Shikrapur,
 Date: April 10, 2010

EXPLANATORY NOTES FORMING PART OF ACCOUNTS

PART C - ENKEI CASTALLOY LTD ('ECL/THE DEMERGED COMPANY')

1. Segment Reporting

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

However, during the year, the Company had developed its internal financial reporting systems so that performance of each of its two divisions viz. Foundry and Wheel can be measured & evaluated separately with reasonable basis. The management of the Company had earlier disclosed its division-wise results along with the results of the Company as a whole.

But, now, since the High Court of Bombay has sanctioned the Scheme of de-merger, all assets and liabilities of the Wheel Division of ECL/the Demerged Company were transferred to and vested with EWIL/the Resulting Company, with effect from 1st April 2009. ECL/Demerged Company has now left with the remaining assets and liabilities of its existing Foundry division.

2. Excise Duty

Excise Duty being recovered from the customers through sales invoices raised on them during the year, have been reported separately as a deduction from 'Income from Operations' in the Profit and Loss account."

3. Fixed Assets

Fixed Assets as recorded in the books of the Company on 01.04.2009 are net of transfer of fixed assets of gross value of Rs.16419.82 lakhs and accumulated depreciation in respect thereof of Rs. 2678.50 lakhs, to EWIL/the Resulting Company on de-merger.

Excise Duty

Excise Duty being recovered from the customers through sales invoices raised on them during the year, have been reported separately as a deduction from 'Income from Operations' in the Profit and Loss account."

4. Borrowing Cost

Of total borrowing cost of Rs.740.94 lakhs (PY Rs. 1194.91 lakhs) incurred during the year, Rs. Nil (PY Rs. 29.77 lakhs) have been capitalised, as identified/relatable to the particular qualifying assets.

5. Bank Balances

- Bank Balances includes unclaimed dividends of Rs.1.68 lakhs (PY. Rs.1.72 lakhs)
- Balances lying with Non-Scheduled banks – Rs. Nil.
- Maximum Balances lying with Non-Scheduled banks – Rs. Nil

6. Sundry Creditors

Sundry Creditors include a sum of Rs. 1801.11 lakhs (PY Rs.5264.84 lakhs) as group payables which are not expected to be settled in short time.

7.

During the year, the Company was able to procure confirmation from some of its suppliers for goods and services as to their status and classification for each of them under the Micro, Small and Medium Enterprises Act, 2006 (Act). The principal amount remaining unpaid to the suppliers covered under the Act as at the end of the year have been, to the extent information available, shown and classified separately under schedule 11 of Current Liabilities. Also, disclosed below are the amount due to the suppliers beyond the appointed date and amount of interest accrued and remaining unpaid as at the end of the year.

	Rs. in Lakhs
Principal Amount Due	95.69
Principal Amount Paid	95.69
Principal Amount Unpaid Beyond The Appointed Date	Nil
Interest Accrued And Remaining Unpaid	4.09

8.

There are no dues payable under Investor Education and Protection Fund.

9.

During the year, the Company used LME HI GD ALUMINUM forward and options contracts to hedge its exposure to movements in Aluminum price. The use of these LME HI GD ALUMINUM forward and options contracts reduce the risk and cost to the Company and the Company does not use these for trading and speculation.

SCHEDULE 21

10.

All year-end balances of, receivables, advances and payables are subject to confirmations.

11.

All current assets are now stated at values realisable in the ordinary course of business and all known liabilities are adequately provided for in the opinion of the board. Post demerger, the Company has reviewed all its assets and liabilities including current assets and diminution in the value of assets and increase in liabilities have been written off to 'Business Construction Reserve'.

12.

Previous year's figures have been regrouped and reclassified wherever necessary.

On behalf of the Board Of Directors

S. Rai, Managing Director A. D. Harolikar, Director
P. S. Rao, Company Secretary

As per our Report of even date attached

For Asit Mehta & Associates

Chartered Accountants

Firm Regn No. 100733W

Sanjay Rane

Partner

Membership No 100374

Place: Shikrapur

Date: April 10, 2010

**INFORMATIONS PURSUANT TO
PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No.	State Code	Balance Sheet Date
1 1 - 5 9 4 5 7	1 1	3 1 0 3 1 0

II CAPITAL RAISED DURING THE YEAR (RS.000)

Public Issue	Right Issue	Bonus Issue	Private Placement
N I L	N I L	N I L	N I L

III POSITIONS OF MOBILIZATION AND DEPLOYMENT OF FUNDS (RS. 000)

Total Liabilities	Total Assets
1 1 1 3 3 5 2	1 1 1 3 3 5 2

SOURCES OF FUNDS: (RS. 000)

Paid Up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans	Deferred Tax (net)
5 5 0 0 0	4 8 3 7 1 3	5 0 3 9 1 2	4 8 1 5 5	2 2 5 7 2

APPLICATIONS OF FUNDS (RS. 000)

Net Fixed Assets	Investment	Net Current Assets	Misc Expenditure
1 0 4 3 1 8 5	7 0	7 0 0 9 7	N I L

IV PERFORMANCE OF THE COMPANY (RS. 000)

Turn Over	Total Expenditure	Profit Before Tax	Profit After Tax	Earning Per Share In Rs	Dividend Rate (%)
2 3 8 7 2 6 8	2 2 2 2 4 4 2	1 6 4 8 2 6	1 3 3 9 7 3	1 2 . 1 8	2 0 . 0 0

V GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No (ITC Code)	Products Description
8 7 0 8	Parts And Accessories Of Motor Vehicle

ENKEI CASTALLOY LIMITED

REGISTERED OFFICE: GAT NO, 1426, VILLAGE SHIRKRAPUR, TALUKA SHIRUR DIST, PUNE – 412 208

20TH ANNUAL GENERAL MEETING ON 29TH SEPTEMBER 2010

PROXY FORM

I / WE

OF

IN THE DISTRICT OF

OF ENKEI CASTALLOY LIMITED HERE BY APPOINT

OF

IN THE

DISTRICT OF

OR FAILING HIM/ HER

OF

IN THE DISTRICT OF

AS MY/OUR PROXY TO VOTE FOR ME /US ON MY/OUR BEHALF AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON WEDNESDAY, 29TH SEPTEMBER , 2010 AT 10.30 A.M. AT MY ADJOURNMENT THEREOF.

SIGNED THIS

DAY OF

2010

SIGNATURE

ADDRESS

Notes: A member entitled to attend and vote at the meeting, is entitled to appoint one or more proxy(ies) to attend and vote instead of himself /herself and the proxy need not be a member for the company. The proxies form duly signed across revenue stamp should reach the company's office at least forty eight hours before the time of the meeting.**ENKEI CASTALLOY LIMITED**

REGISTERED OFFICE: GAT NO, 1426, VILLAGE SHIRKRAPUR, TALUKA SHIRUR DIST, PUNE – 412 208

20TH ANNUAL GENERAL MEETING ON 29TH SEPTEMBER 2010

ATTENDANCE SLIP

REG. FOLIO NO.

I CERTIFY THAT I AM REGISTERED SHAREHOLDER /PROXY FOR THE REGISTERED SHAREHOLDER OF THE COMPANY.

I HEREBY RECORD MY PRESENCE AT THE ANNUAL GENERAL MEETING OF THE ABOVE COMPANY AT THE GAT. NO 1426, VILLAGE SHIRAKPUR, TALUKA SHIRUR DIST, PUNE – 412 208

MEMBERS / PROXY'S NAME IN BLOCK LETTERS

MEMBERS / PROXY'S SIGNATURE

Note : Please fill in the attendance slip and hand it over at the entrance of the meeting hall.

BOOK POST

/

TO.

If undelivered please return to:

Malicon /

ENKEI CASTALLOY LIMITED

REGISTERED OFFICE:

GAT NO. 1426, VILLAGE SHIKRAPUR,

TALUKA SHIRUR, DISTRICT PUN 412 208