



## **Steel Strips Wheels Limited**

*Wheeling Towards Excellence*

# **ANNUAL REPORT**

exploring  
possibilities

ISO 9002, QS 9000 & TS-16949 Certified Company

## **2010-11**



# CORPORATE

# Information

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## REGD. OFFICE

Village Somalheri/Lehli,  
P.O. Dappar, Tehsil Derabassi,  
Distt. S.A.S. Nagar (Mohali) Punjab.

## WORKS

- (i) Village Somalheri/Lehli,  
P.O. Dappar, Tehsil Derabassi,  
Distt. S.A.S. Nagar (Mohali) Punjab.
- (ii) Plot No. A-10, SIPCOT, Industrial Growth Centre,  
Vallam Village, Sriperumbudur, Tamil Nadu.
- (iii) Mouza Jojobera, P.O. & P.S. Govindpur,  
East Singhbhum District Jamshedpur.

## HEAD OFFICE

SCO 49-50, Sector 26, Madhya Marg,  
Chandigarh-160 019.

## REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.  
A-40, 2nd Floor, Near Batra Banquet Hall,  
Naraina Industrial Area, Phase II,  
New Delhi-110 028

## BOARD OF DIRECTORS

Sh. R.K. Garg, Chairman  
Sh. Dheeraj Garg, Managing Director  
Sh. A.V. Unnikrishnan, Dy. Managing Director  
Ms. Ute Mayr, Whole Time Director  
Sh. B.B. Tandon  
Rear Adml. M.M. Chopra, AVSM (Retd.)  
Sh. S.K. Bansal  
Sh. S.S. Grewal  
Sh. S.S. Jha  
Sh. Rajeev Singhal  
Sh. H.K. Singhal

## COMPANY SECRETARY

Sh. Shaman Jindal

## BANKERS / INSTITUTIONS

DEG, Germany  
AXIS Bank Ltd.  
Punjab National Bank  
HDFC Bank Limited  
State Bank of Indore  
Indian Overseas Bank  
State Bank of Bikaner & Jaipur  
United Bank of India  
Tata Capital Limited  
Export-Import Bank of India  
Yes Bank  
Canara Bank

## AUDITORS

M/s S.C. Dewan & Co.  
Chartered Accountants  
SCO 90, 1st Floor, Swastik Vihar  
Panchkula.

# STEEL STRIPS WHEELS LIMITED

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## STEEL STRIPS WHEELS LIMITED

Regd. Office: Village Somalheri/Lehli P.O.Dappar,  
Tehsil Derabassi, Distt. Mohali (Punjab)

### NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Shareholders of the Company shall be held as scheduled below:

Day & Date : Friday, 30<sup>th</sup> day of September 2011  
Time : 11.00 A. M.  
Venue : Company's Regd. Office at  
Village Somalheri/ Lehli, P.O. Dappar,  
Tehsil Dera Bassi, Distt. S.A.S Nagar, Mohali (Punjab)

to transact the following business:

#### **ORIDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account and Cash Flow statement for the year ended March 31, 2011, the Balance Sheet as on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend.
3. To elect a Director in place of Sh. B.B. Tandon who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Sh. S.S. Grewal who retires by rotation and being eligible offers himself for re-appointment.
5. To elect a Director in place of Sh. S.S. Jha who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the date of conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on the terms and conditions to be decided by the Board of Directors and to authorise the Board of Directors to fix their remuneration . The retiring Auditors M/s S. C. Dewan & Co., Chartered Accountants, being eligible, offer themselves for reappointment.

Place : Chandigarh  
Date : 03.08.2011

By Order of the Board of Directors

H.K.Singhal  
Director

#### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company. The proxy executed and properly stamped should reach the Company's Registered Office or Head Office at least 48 hours before the time of the meeting. The Blank Proxy Form is enclosed herewith.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2011 to 30.09.2011 (both days inclusive).
3. The Dividend, if approved, will be paid to members whose names appear on Register of Members of the Company on 20.09.2011. Members are requested to notify their changed address, if any, immediately.
4. The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
5. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.
6. Pursuant to the provisions of Section 205A of the Companies Act,1956, Unclaimed/Unpaid dividend for the year ended 31.03.2003 was transferred to "INVESTORS EDUCATION AND PROTECTION FUND" in the year 2010. This

year the Unpaid/Unclaimed Dividend for the year ended 31.03.2004 shall be transferred to the "INVESTORS EDUCATION AND PROTECTION FUND" in August, 2011. Thereafter no claim shall lie against the Company on the said fund, in respect of the same. Members who have not encashed their dividends are requested to claim the dividend from the Company immediately.

7. M/s Link Intime India Pvt. Limited, at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi 110028 are acting as the common agency to carry out the Dematerialization and physical transfer of shares. The shareholders are requested to furnish the Bank details, Email address, change of address etc. to the registrar so as to reach them latest by 20-09-2011, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the depositories as at the close of the aforesaid will be considered by the company. Hence members holding shares in demat mode should update their records at the earliest.
8. **The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by companies through electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. Keeping in view the underlying theme and the circular issued by MCA, we propose to send all document to be sent to Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Director's Report, Auditors' Report, etc. henceforth to the shareholder in electronic form, to the e-mail address provided by them and made available to us by the Depositories. These documents will also be available on the Company's website [www.sswlindia.com](http://www.sswlindia.com). Please note that you will be entitled to be furnished free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law and Auditors' Report, upon receipt of a requisition from you, any time, as a member of the Company.**  
**Member who have not registered their e-mail addresses so far are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned depository participant. Members who hold shares in physical form are requested to register their e-mail addresses with Linkintime India Pvt. Ltd. Registrar and share Transfer Agents of the Company.**
9. The information required to be provided under the listing agreement entered into with various stock exchanges, regarding the directors who are proposed to be re-appointed is given in the Annexure to the said notice.

Place : Chandigarh  
Date : 03.08.2011

By Order of the Board of Director

H.K.Singhal  
Director

## STEEL STRIPS WHEELS LIMITED

### ANNEXURE TO NOTICE DATED 03-08-2011 DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT).

Name of Director	Sh. B.B. Tandon	Sh. S.S. Grewal	Sh. S.S. Jha
Date of Birth	September 15, 1937	June 28, 1933	February 3, 1943
Date of Appointment on the Board	December 22, 2008	March 30, 1993	August 22, 2005
Qualification	M.Sc from London School of Economics and Political Science, London University (UK), Phd from Queen's University Canada, M.A (Economics) from Dr. Ambedkar University, Agra, and a textile technologist from GCTI, Kanpur.	Graduation	M.Sc. Physics from Patna University
Expertise	He was Chairman of Ludhiana Stock Exchange and founder Chairman of State Bank of India Chair for Entrepreneurship and Rural Development, Panjab University and is presently working as Senior Advisor to IBS (Icfai Business School), Chandigarh. His academic qualifications coupled with his deep business perspective has added value to the company	He has over 50 years of Practical Experience occupying senior managerial Position in India and Abroad. He has worked with Burmah-Shell Refineries Limited/ Shell International Petroleum Company in India and Abroad. He has also served as an advisor to British Columbia Trade Development Corpn. He was coordinator in India of Del Monte Foods- USA. Currently he is on the Board of Directors of companies stated hereinafter and is a Management Advisor to Companies having manufacturing operations in UP, HP and Punjab.	served as Lecturer in Physics in constituent colleges of Magadh and Patna university. Thereafter he passed the examination conducted by UPSC and joined Indian Customs and Excise Service w.e.f. 09.11.1967, there he served in various capacities and retired as Chief Commissioner of Central Excise Customs.
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	Indian Acrylics Ltd. Steel Strips Ltd. Steel Strips Infrastructure Ltd.	Imkemex India Ltd.	—
Memberships/chairmanships of committees of other companies	<b>Member</b> 1. Indian Acrylics Ltd. (i) Audit Committee (ii) Sub Committee (iii) Remuneration committee (iv) Shareholder grievance committee 2. Steel Strips Infrastructure Ltd. (i) Audit Committee	—	—
Shareholding of Non-Executive Directors	NIL	NIL	NIL
Relationships between directors inter-se	NIL	NIL	NIL

# DIRECTORS'

# Report

To The Members,

Your Directors are pleased to present the 25th Annual Report together with the audited accounts of the Company for the year ended on March 31, 2011.

## FINANCIAL HIGHLIGHTS

(Rs. in Million)

PARTICULARS	2010-11	2009-10
Gross Sales	7,171.34	4,525.44
Other Income	13.97	11.21
Gross Income	7,185.31	4,536.65
Total Expenditures (excluding Interest, depreciation and amortization)	6,300.06	3,914.16
Earnings before Interest and Depreciation	885.25	622.49
Interest & Financial Charges	201.54	168.56
Earnings before Depreciation and amortization	683.71	453.93
Depreciation and other written off	328.05	255.27
Earnings after Depreciation	355.66	198.66
Less: Prior Period Adjustment (Net)	0.08	2.69
Profit Before Tax	355.74	195.97
Income Tax (net of MAT credit entitlement)	3.57	45.54
Deferred Tax Liability	54.15	5.17
Profit Available For Appropriation	298.02	145.25
Proposed Dividend	22.26	13.62
Tax On Distributed Profits	3.70	2.31
Balance Carried Over To Balance Sheet	272.06	129.32

## FINANCIAL PERFORMANCE

The gross Sales of your Company increased by 58.38% from Rs. 4,536.65 million in 2009-10 to Rs. 7,185.31 million in 2010-11. 9.64 million wheel rims were sold in 2010-11 as compared to 7.17 million wheel rims in the previous financial year. This corresponds to an increase of 34.41% in numbers of wheels. The comparatively higher increase in sales could be achieved thanks to the higher volumes of Exports, Truck and tractor wheels sold during the financial year under review.

The Earnings before interest and depreciation (EBITDA) increased by 42.21% from Rs. 622.49 million in 2009-10 to Rs. 885.25 million in 2010-11. The EBITDA margin has slightly decreased to 12.34% from 13.76% in 2009-10 due to increasing steel prices during the financial year under review.

A significant increase could be achieved in Profits before and after tax in 2010-11. They grew by 81.53% to Rs. 355.74 and by 105.18% to Rs. 298.02 million respectively.

The depreciation and other amortization increased to Rs. 328.05 million from Rs. 255.27 million due to the enhanced utilization of the Dappar and Oragadam plants and the commencement of commercial operations at Jamshedpur.

## JAMSHEDPUR UNIT

Your directors are pleased to inform you that the Company's new Truck Wheel Rims Facility at Jamshedpur has commenced its commercial production during the year 2010-11. Tube type heavy commercial vehicle wheel rims are successfully being

## STEEL STRIPS WHEELS LIMITED

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supplied to Tata Motors and Tata DLT and soon also to Ashok Leyland. Moreover, tubeless wheel rim samples have been developed for two prominent German trailer manufacturers: Krone and Schmitz Cargobull. Keeping in view the projected production plan of Tata Motors, the Jamshedpur plant is currently enhancing its capacity to a level 1.7 million wheel rims.

### DAPPAR UNIT

During 2010-11 your Company has furthermore added additional capacity at its Dappar plant. With this, the total installed capacity results enhanced from 7.50 million wheel Rims to 9.00 million wheel rims p.a.

### ORAGADAM UNIT

The second phase expansion at Oragadam could be completed during the financial year under review and the same is under trial production. The total installed manufacturing capacity at Oragadam has thereby been increased from 2.5 million to 6.0 million wheel rims p.a.

### MANUFACTURING CAPACITIES

During the financial year under review the total capacity of the Company has increased to 16 million wheel rims per annum which makes it one of the biggest steel wheel manufacturers in Asia.

### FUTURE OUTLOOK

The focus of your Company is to develop world-class facilities for the manufacture of quality steel wheel rims for all segments of the automotive industry while increasing its customer base in India as well as internationally.

The growth of the automobile component industry is likely to slow down considerably in 2011-12 from the high growth rates of 26-30% seen during 2010-11. This is due to higher price of vehicles and rising interest rates. The expected growth rates for 2011-12 are expected to be around 8-10 percent in the domestic market and exports by around 70 percent. Further details regarding the future outlook of your Company are discussed in the Management Discussion and Analysis enclosed with the Annual Report.

### ISSUE AND ALLOTMENT OF EQUITY SHARES ON PREFERENTIAL BASIS

Your Company issued and allotted 8,50,000 Equity Shares of Rs. 10/- each against cash, at a price of Rs. 520/- (Rupees Five hundred Twenty only) per equity shares i.e at a premium of Rs. 510/- per share to Sumitomo Metal Industries Ltd. on a preferential allotment basis on 9<sup>th</sup> December, 2010 (Non Promoter Category) . Sumitomo Metal Industries Ltd. is a Japan based Company. The said 8,50,000 shares constitutes 5.73% of the total enhanced paid up capital of the Company as on 31<sup>st</sup> March,2011.

Your Company also issued and allotted 3,77,000 equity shares of Rs. 10/- each fully paid up, at a price of Rs. 595/- per shares ( i.e. at a premium of Rs. 585/- per share) to GS Global Corp., on 12<sup>th</sup> January, 2011 on preferential allotment basis (Non Promoter Category) . GS Global Corp is a South Korea based Company. The said 3,77,000 shares constitute 2.54% of the total enhanced paid up capital of the Company as on 31<sup>st</sup> March, 2011.

### DIRECTORS

In accordance with the provisions of Companies Act, 1956, Sh. B. B. Tandon, Sh. S.S. Jha and Sh. S.S. Grewal will be retiring by rotation at the forthcoming Annual General Meeting and they are eligible for reappointment.

Mrs. Ute Mayr was re-appointed as a Whole time Director of the Company for a period of three years w.e.f 10.08.2011 subject to the approval of the Central Government.

### DIVIDEND

Yours Directors are pleased to recommend a dividend of 15% (Rs. 1.50/- per share) for the year ended 31<sup>st</sup> March, 2011. The total cash outflow on account of the proposed dividend (incl. dividend tax) will be of Rs. 25.96 million (Previous year: 15.93 million), which represents 8.71% of the Profit after tax available for appropriation.

### INTERNAL CONTROL SYSTEMS

Your Company has adequate internal control procedures commensurate with its size and nature of business. These internal policies ensure efficient use and protection of the assets and resources, compliance with policies and statutes and ensure reliability as well as promptness of financial and operational reports.

### CORPORATE GOVERNANCE

Your Company is firmly committed to the principles of Good Corporate Governance and believes that statutory compliance and

transparency are necessary also to enhance the shareholder value.

A separate section on Corporate Governance forming part of the Directors' Report and a certificate from the Company's auditors, confirming the compliance with the Listing Agreement, is included in the Annual Report.

#### **LISTING OF EQUITY SHARES**

We are pleased to inform that the equity shares of the Company are listed on the National Stock Exchange and Bombay Stock Exchange, offering a wide trading network to the shareholders.

#### **FIXED DEPOSITS**

The Company has neither invited nor accepted any deposits from the public during the year. There are no unclaimed deposit(s) lying with the Company.

#### **AUDITORS**

M/s S.C. Dewan & Co., Chartered Accountants were appointed as Statutory Auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting. The Auditors retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Company has received a certificate from them pursuant to Section 224 (1B) of the Companies Act, 1956, confirming their eligibility for reappointment.

#### **INSURANCE**

All properties and insurable interests of your Company including buildings and plant & machinery are adequately insured.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- In preparation of the Annual Accounts, the applicable accounting standards have been followed.
- Appropriate accounting policies have been selected and applied consistently; judgments and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year and the profit for that period.
- Proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

A Statement giving details of conservation of energy/technology absorption and foreign exchange earnings and outgo in terms of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forms part of this report and is annexed herewith.

#### **PARTICULARS OF EMPLOYEES**

The particulars of the employees as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, as amended, are appended and form part of the Report.

#### **ACKNOWLEDGMENTS**

Your Directors wish to place on record their appreciation for the continued co-operation the Company received from various departments of the Central and State Government, Bankers, Financial Institutions, Dealers and Suppliers. The Board also wishes to place on record its gratitude to the valued Customers, Members and Investing public for their continued support and confidence reposed in the Company and last but not the least it acknowledges and appreciates the commitment, dedication and contribution of the Employees of the Company.

For and on behalf of Board of Directors

Place : CHANDIGARH  
Dated: 30th May, 2011

R.K. GARG  
CHAIRMAN



# ANNEXURE-A

## To the Directors' Report

**INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31.03.2011**

**(A) CONSERVATION OF ENERGY**

As part of a continuous process the Company adopts all suitable measures to conserve energy. This includes periodical check-ups, preventive maintenance and calibration of all electrical instruments & machineries as well as energy audits by independent agencies.

The details regarding present energy consumption including captive generation are furnished below as per Form A of the Annexure to the rules.

		Year ended 31.03.2011			Total	Year ended 31.03.2010
		Dappar unit	Oragadam unit	Jamshed pur unit		
I. Power and Fuel consumption						
1. Electricity						
a) Purchased						
Units	In lakhs	245.05	43.61	6.51	295.16	211.99
Total amount	Rs. in lakhs	1149.58	269.46	25.48	1441.51	1031.56
Rate/ Unit	Rs.	4.69	6.18	3.91	4.89	4.87
b) Own generation						
Units	In lakhs	3.51	18.95	---	22.46	19.61
Total amount	Rs. in lakhs	38.66	235.37	---	274.03	187.87
Rate/ Unit	Rs.	11.01	12.42	---	12.20	9.58
2. Fuel						
Quantity	Lac ltrs	2.54	5.41	0.03	7.98	6.19
Total amount	Rs. in lakhs	82.43	235.37	1.16	318.96	187.87
Rate/ Unit	Rs.	32.51	43.47	39.56	39.97	30.35
3. Consumption per unit of production						
Production* (Wheel Rims)	Lac nos.	78.76	16.96	0.27	95.99	71.68
Electricity units/ wheel	Nos.	3.16	3.69	24.38	3.31	3.23
Cost per unit of production	Rs./ no.	15.09	29.77	95.43	17.90	17.01

\*Trial Run Production of 69305 wheel rims have not taken into consideration

**(B) TECHNOLOGY ABSORPTION**

Your Company deploys state of the art technology. As a result the products developed and designed are accepted by its customers for commercial production. Your Company has extended its technical collaboration agreement with M/s Ring Techs Co. Ltd of Japan (a world renowned steel wheel manufacturing company) and increasingly devotes resources to improve processes, cost efficiencies and quality.

## 1. Research & Development (R&D)

Your Company is a Govt. of India approved R&D centre.

a) Specific area in which R&D carried out by Company	<ul style="list-style-type: none"> <li>- Design and development of new wheel rims,</li> <li>- Design and development of new dies and tools.</li> </ul>	
b) Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> <li>- Better yield of raw materials,</li> <li>- Better performance of products</li> <li>- Reduced cost of products</li> <li>- Reduction in process wastages</li> <li>- Better productivity</li> <li>- Value addition to customers by way of reduced weight of the wheel rims, leading to better fuel efficiency</li> </ul>	
c) Development of new products which will be import substitutes	Nil	
d) Expenditure on R&D (Rs. in lakhs)	<b>Year Ended 31.03.2011</b>	<b>Year ended 31.03.2010</b>
	Capital	82.70
	Recurring	118.13
		351.39
		131.31

## 2. Technology absorption, adaptation and innovation

a) Efforts in brief made towards technology absorption, adaption and innovation	As already stated above	As already stated above
b) Benefits derived as a result of the above efforts e.g. product improvement, import substitution etc.	N.A.	N.A.
c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished		
i) Technology imported	NA	NA
ii) Year of Import	NA	NA
iii) Has technology been fully absorbed	NA	NA
iv) If not fully absorbed, areas where this has not taken place reason thereof and future plan of action.	NA	NA

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:	During the year your Company added new customers and new markets in Europe resulting into increased export sales. Further, during 2011-12 it shall be further adding new customers in Europe besides increased sales to existing customers		
b) Total foreign exchange used and earned during the year under review and previous year was as under (Rs. in lakhs)		<b>Year ended 31.03.2011</b>	<b>Year ended 31.03.2010</b>
	Used	10,721.49	4,518.04
	Earned	5,963.21	3,327.35

For and on behalf of Board of Directors

Place : CHANDIGARH  
Dated: 30th May, 2011

R.K. GARG  
CHAIRMAN

**ANNEXURE-B****To the Directors' Report**

**STATEMENT UNDER SECTION 217 (2) (A) OF COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 ANNEXED TO THE DIRECTORS' REPORT FOR THE YEAR ENDING 31ST MARCH, 2011**

**A. EMPLOYED FOR FULL YEAR**

Sr. No.	Name of Employee	Designation	Experience (Yrs.)	Date of Commencement of Employment	Qualification	Remuneration (Rs.)	Age (Yrs.)	Last Employment before Joining
1.	Sh. Dheeraj Garg	Managing Director	17	26.06.1993	B.S. (FIN) USA	Rs. 18.74 Million	39	N.A.

- i) Remuneration includes Salary, Allowances, Commission, Contribution towards Provident Fund and perquisites valued as per Income Tax Act.
- ii) The conditions of employment of Shri Dheeraj Garg are contractual.
- iii) Sh. Dheeraj Garg are related to Sh. R.K. Garg, Director and Chairman.

For and on behalf of Board of Directors

Place : CHANDIGARH  
Dated: 30th May, 2011

R.K. GARG  
CHAIRMAN

**DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNAL WITH COMPANY'S CODE OF CONDUCT**

This is to confirm that the Board has prescribed code of conduct for all the Board members and Senior Management of the company , which is available on the website of the company.

I confirm that the company has in respect of the year ended 31st March, 2011, received from its Board Members as well as senior management personnel, a declaration of compliance with the code of conduct as applicable to them.

For Steel Strips Wheels Limited

Place : CHANDIGARH  
Dated : 30th May, 2011

DHEERAJ GARG  
MANAGING DIRECTOR

# CORPORATE

# Governance

## REPORT ON CORPORATE GOVERNANCE

### A brief statement on Company's philosophy on code of governance:

Good governance practices stem from the culture and mindset of the organization. The governance is about outperforming sustainable organizations. These are the organizations that succeed consistently in the market place, gain a greater share of market opportunities and sustainably drive their top and bottom lines. At SSWL, it is our belief that as we move closer towards our aspirations of becoming a global Company, our corporate governance standards must be globally benchmarked. That gives us the confidence of having put in the right pedestal blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations' and societal expectations. At SSWL we are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial, performance focused work environment. Our customers have benefited from high quality products delivered at the most competitive prices.

The Company is in compliance with the requirement of revised guidelines on Corporate Governance stipulated under Clause 49 of the listing agreement with the Stock Exchanges.

### BOARD OF DIRECTORS

#### Composition and category of Directors:

- As on 31.03.2011, the Board of Directors comprises 11 Directors with a Non-Executive Chairman. Of the Eleven Directors, 8 (i.e. 72%) are Non-Executive Directors, including 6 (i.e. 55%) Independent Directors. None of the Non-Executive / Independent Directors has any material pecuniary relationship or transaction with the Company.
- Seven Board Meetings were held during the year and gap between two meetings did not exceed four months. The said seven Board Meetings were held on 22.04.2010, 22.06.2010, 28.09.2010, 28.10.2010, 13.12.2010, 04.03.2011 and 28.03.2011.
- The names and categories of the directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year and the number of Directorships and Committee chairmanships / memberships held by them in other companies is given below. Other Directorships do not include directorships of private limited companies, foreign companies, and companies under Section 25 of the Companies Act. Chairmanships/ Memberships of Board Committees include only Audit and Shareholders/ Investors Grievance Committees. Necessary disclosures regarding committee position in other public companies as on 31.03.2011 have been made by the directors.

Name of Director and Designation	Category	No. of Board meetings held during the year 2010-11		Whether attended last AGM	No. of Directorships in other Public companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri. R.K. Garg (Chairman)	Promoter - Non-Executive Director	7	6	No	3	2	-	-
Shri A.V. Unnikrishnan (Dy. M.D.)	Executive Director	7	5	No	-	-	-	-
Prof. (Dr.) B.B. Tandon	Independent Non-Executive Director	7	2	No	-	3	-	3
Shri Dheeraj Garg (M.D.)	Promoter - Executive Director	7	5	No	-	1	-	-
Shri M.M. Chopra	Independent Non-Executive Director	7	1	No	-	3	1	1
Shri S.K. Bansal	Independent Non-Executive Director	7	1	No	-	1	-	-
Shri S.S. Grewal	Independent Non-Executive Director	7	2	Yes	-	1	-	-
Shri S.S. Jha	Independent Non-Executive Director	7	1	No	-	-	-	-
Ms. Ute Mayr	Promoter Whole Time Director	7	5	No	-	-	-	-
Shri H.K. Singhal	Non-Executive Director	7	6	Yes	-	7	-	8
Shri Rajiv Singhal	Independent Non-Executive Director	7	3	No	1	1	-	-

- During the year, information as mention in annexure 1A to Clause 49 of the listing agreement has been placed before the Board for its consideration.

## STEEL STRIPS WHEELS LIMITED

### AUDIT COMMITTEE

- (i) The terms of reference of Audit Committee are as per relevant guidelines and legislations. The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency and to review the adequacy of internal control systems and functions. During the year under review five Meetings of the Committee were held.
- (ii) The Composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category	No. of Meetings Attending during the year 2010-11
Shri S.S. Grewal Chairman	Independent Non-Executive Director	3
Shri S.K. Bansal	Independent Non-Executive Director	3
Shri S.S. Jha	Independent Non-Executive Director	4
Shri H.K. Singhal	Non-Executive Director	5

### SUB-COMMITTEE

The Sub-Committee of Board of Directors has been constituted to review un-audited financial Results. During the year, four meetings of Sub-Committee were held.

The Composition of the Sub-Committee and particulars of meetings attended by the members of the Sub-Committee are given below:

Name	Category	No. of Meetings Attending during the year 2010-11
Shri Dheeraj Garg Chairman	Managing Director	3
Shri S.S. Grewal	Independent Non-Executive Director	3
Shri S.S. Jha	Independent Non-Executive Director	3
Shri H.K. Singhal	Non-Executive Director	4

### REMUNERATION CUM COMPENSATION COMMITTEE

The terms of reference of Remuneration Committee includes the determination of remuneration packages of the Managing/Executive Directors including remuneration policy, pension rights and any compensation payment or stock options and to approve the payment of managerial remuneration upto the limits specified therein. During the year two meetings of remuneration committee were held and all the below mentioned members have attended the said meetings.

- Sh. S.S. Grewal Chairman - Independent Director
- Sh. S.K. Bansal Independent-Non Executive Director
- Sh. H.K. Singhal Non Executive- Director

### REMUNERATION POLICY :

The company's remuneration policy is driven by the success and performance of the individual employee and the company. Through its compensation programme, the company endeavors to attract, retain, develop and motivate a high performance work force. The company pays remuneration by way of salary, benefits, perquisites and allowances to its employees. The remuneration committee also decides the commission payable to the Managing Director out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 1956, based on the performance.

During the year, the company paid sitting fees of Rs. 10,000 per meeting to its Non Executive Directors for attending meetings of the Board and Rs. 5000 per meeting for attending the meetings of Audit committee and Sub-Committee. The company also reimbursed the out of pocket expenses incurred by Directors for attending meetings.

### DETAILS OF REMUNERATION FOR THE YEAR ENDED MARCH 31, 2011

Name of Directors	Basic Salary	HRA	Special Allowance	Contribution to Provident Fund	Commission	Total	Date of Appointment	Tenure
Sh. Dheeraj Garg (MD)	18,00,000	10,80,000	Nil	2,16,000	1,56,47,322	1,87,43,322	1.6.2010	Upto 31.5.2015
Mrs Ute Mayr	18,00,000	10,80,000	1,20,000	2,16,000	Nil	32,16,000	10.8.2008	Upto 9.8.2011
Sh. A.V. Unnikrishnan	11,25,000	3,93,750	96,000	1,35,000	Nil	17,49,750	1.1.2009	Upto 31.12.2013

### NON-EXECUTIVE DIRECTORS (as on 31-03-2011):

NAME OF DIRECTOR	SITTING FEE (in Rs.)
1. Sh. R.K. Garg	60,000
2. Prof. (Dr.) B. B. Tandon	20,000
3. Rear Adml. M.M. Chopra AVSM (Retd.)	10,000
4. Sh. S.K. Bansal	25,000
5. Sh. S.S. Grewal	50,000
6. Sh. S.S. Jha	40,000
7. Sh. H.K. Singhal	105,000
8. Sh. Rajeev Singhal	30,000

**DETAIL OF SHARES OF THE COMPANY HELD BY DIRECTORS AS ON 31ST MARCH, 2011.**

Name	No. of Shares
Sh. R. K. Garg	170690
Sh. Dheeraj Garg	4487074
Sh. M. M. Chopra	11284
Sh. H. K. Singhal	50010

**SHARE TRANSFER COMMITTEE**

The Share Transfer Committee approves and expedites the process of share transfers reviewed by the Company. The Committee met 25 times during the year. No transfer of shares and no request for demat of shares is pending. All the shares received for transfer have been transferred within the time period prescribed.

The committee consists of the following members:

Name	Category	No. of Meetings Attended during the year 2010-11
Shri S.K.Bansal , Chairman	Independent	25
	Non-Executive Director	
Shri H.K. Singhal	Non-Executive Director	25
Shri Shaman Jindal	Company Secretary	25

**INVESTORS GRIEVANCE COMMITTEE**

- (i) The company has constituted a investor grievance committee of Directors to look into the redressal of complaints of investors such as transfer of shares, non-receipt of shares after transfer, non-receipt of dividends and to ensure expeditious share transfer and demat process undertaken by the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The committee consists of following members:-

- Sh. S.S. Grewal - Chairman
- Sh. S.K.Bansal - Independent Director.
- Sh. H.K. Singhal - Non Executive Director.

The Company addresses all complaints, suggestions and grievances expeditiously and replies are sent/ issues resolved usually with in 15 days unless there is a dispute or other legal constraint.

- (ii) Detail of complaints received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	14	14	-

- (iii) Name, Designation, Address & E-mail of Compliance

Officer:  
Sh. H. K. Singhal, Director  
Steel Strips Wheels Limited  
Corporate Office: S C O 49-50, Sector - 26,  
Madhya Marg, Chandigarh.  
Telephone No. 0172- 2793112, 2792385  
E-mail hksinghal@glide.net.in

**GENERAL BODY MEETINGS**

Date and venue of last few General Meetings:

Details of Meeting	Date of Meeting	Time of Meeting	Venue of Meeting
22nd Annual General Meeting (2007-08)	29.09.2008	11.30 A.M	Regd Office of the company at Village Somalheri/ Lehli, P.O.Dappar Tehsil, Dera Bassi, Distt. Mohali, (Pb).
23rd Annual General Meeting (2008-09)	30.09.2009	11.00 A.M	--Do--
24th Annual General Meeting (2009-10)	30.09.2010	11.00 A.M	--Do--

**SPECIAL RESOLUTION IN THE PREVIOUS 3 AGMs**

- (a) At the AGM held on 29th day of September, 2008:
- To appoint Ms. Ute Mayr as whole Time Director for three years w.e.f 10.08.2008
- (b) At the AGM held on 30th day of September, 2009:
- To appoint Sh. A. V. Unnikrishnan as whole Time Director for five years w.e.f 01.01.2009.

**POSTAL BALLOT**

No Postal Ballot was conducted during the year.

**DISCLOSURES**

- There were no materially significant related party transactions of the company which had potential conflict with the interests of the company at large.
- No penalties, strictures were imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets, during the last three years.
- The company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviors. No personnel has been denied access to the audit committee.
- The company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1 D to Clause

## STEEL STRIPS WHEELS LIMITED

49 of the Listing Agreements with the Stock Exchanges.

- (a) The Company has set up a Remuneration Committee details of which have been given earlier in this Report.
- (b) The Company has adopted a Whistle Blower policy and has established the necessary mechanism for employees to report concerns to the Audit Committee as stated above.

### INSIDER TRADING

"Code of Conduct for Prevention of Insider Trading" pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, has been followed by the Company through out the year.

### CEO/CFO CERTIFICATION

The Managing Director and the General Manager (Finance and accounts) of the Company have certified to the Board that all the requirements of Clause 49 (V) of the Listing Agreement, inter alia, dealing with the review of financial statements and cash flow statement for the year ended 31.03.2011, transactions entered into by the Company during the said year, their responsibility for establishing and maintaining internal control systems for financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosures to the Auditors and the Audit Committee have been duly complied with.

### CONSTITUENTS OF RELATED PARTIES.

Following named Companies, individuals and HUF constitute the related parties:

### GROUP COMPANIES:

Indian Acrylics Limited, SAB Industries Limited, Steel Strips Limited, Steel Strips Infrastructure Limited, Steel Strips Industries Limited, Indlon Chemicals Limited, Sab Developers P Ltd., Malwa Chemtex Udyog Limited, SAB Udyog Limited, Steel Strips Mercantile P Limited, Indian Acrylics Investments Ltd, Munak International Pvt. Limited, Steel Strips Financiers Pvt. Limited, S.S. Credits Pvt. Limited, Malwa Holdings Pvt. Limited, S.J. Mercantile Pvt. Limited, Munak Investments Pvt. Limited, Steel Strips Holdings Pvt. Limited, Munak Financiers Pvt. Limited, Chandigarh Developers P Ltd., and DHG Marketing P Ltd.

### INDIVIDUALS:

Sh. R.K. Garg, Smt. Sunena Garg, Ms. Priya Garg, Mr. Dheeraj Garg, Mrs. Ute Mayr

### HUF:

R. K.Garg & Sons (HUF)

### MEANS OF COMMUNICATION

The quarterly and annual results are generally published in "Economic Times", "Business Standard" and "Desh Sewak" and have also been submitted to the Stock Exchange on

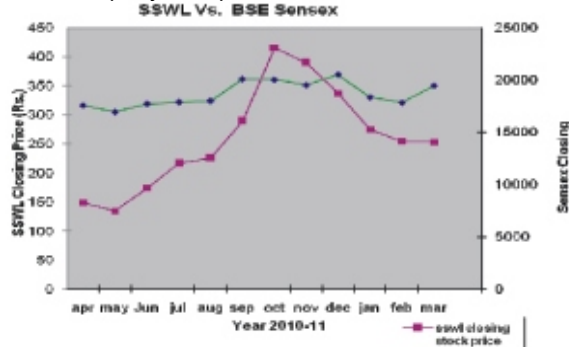
which the Company's equity shares are listed as per the requirements of the Listing Agreements to enable them to put them on their own web sites. These were also put up on the Company's website www.sswlindia.com. All the official news released and submitted by the company to the Stock Exchanges are also displayed on the web site of the Company.

### GENERAL SHAREHOLDER INFORMATION

- (i) Annual General Meeting shall be held on or before 30th September 2011.  
Venue Village Somalheri/ Lehli, P.O. Dappar, Tehsil Dera Bassi, District Mohali (Pb.)
- (ii) Financial Year 1st April to 31st March
- (iii) Year Ending March 31,2011
- (iv) Financial Calendar (tentative)
  - Results for quarter ending June 2011-- 2nd week of August, 2011
  - Results for quarter ending Sept. 2011 -- 2nd week of November, 2011
  - Results for quarter ending Dec. 2011 -- 2nd week of February, 2012
  - Results for quarter ending March 2012 -- Last week of May, 2012
- (v) Book Closure date : 21-09-2011 to 30 -09-2011
- (vi) Dividend Payment date: October 2011.
- (vii) Listing on stock Exchange : The Bombay Stock Exchange and the National Stock Exchange. The company has paid listing fees to both the above stated Stock Exchanges and there is no outstanding payment as on date.
- (viii) Stock code ;
  - Bombay stock Exchange (BSE) - 513262
  - National Stock Exchange - SSWL
  - ISIN No. of the Company's shares in Demat form : INE802C01017 (with NSDL and CDSL).
- (ix) Stock Market Price data Market Price Data: Monthly High and Low quotations on Mumbai Stock Exchange (BSE) and National Stock Exchange Limited (NSE) during each month in last financial year were as under.

Month	Bombay Stock Exchange		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2010	161.90	117.80	163.00	115.80
May 2010	155.65	129.10	155.85	129.00
June 2010	174.80	132.05	178.00	132.85
July 2010	225.00	160.25	224.90	158.30
Aug 2010	242.00	203.00	241.90	203.00
Sept 2010	304.00	219.00	304.80	226.00
Oct 2010	474.40	284.00	468.00	282.10
Nov 2010	432.00	368.30	431.90	362.40
Dec 2010	403.00	312.60	402.95	312.70
Jan 2011	365.00	270.00	363.00	270.00
Feb 2011	299.00	209.05	299.00	210.05
Mar 2011	286.00	225.05	286.00	226.40

- (X) Performance of Share price of the company in company Comparison to the BSE Sensex.



- (xi) Registrar and Transfer Agents  
Name and address:  
Link Intime India Pvt. Ltd.  
A-40, 2nd floor, Naraina Industrial Area,  
Phase- II, Near Batra Banquet Hall,  
New Delhi - 110 028  
Phone Number : 011-41410592,93,94  
Fax Number: 011-41410591  
Email: delhi@linkintime.co.in
- (xii) **Place for Acceptance of documents:**  
Documents will be accepted at :  
Link Intime India Pvt. Ltd.  
A-40, 2nd floor, Naraina Industrial Area,  
Phase- II, Near Batra Banquet Hall,  
New Delhi - 110 028
- (xiii) **Share Transfer System**  
87.68% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regard transfer of shares held in physical form, the transfer document can be lodged with the Registrar and Transfer Agents i.e. Link Intime India Pvt. Ltd.  
Transfer of shares in physical form is normally processed within 12 to 15 days from the date of receipt if the documents are complete in all respect.
- (xiv) **Distribution of Shareholding.**
- (a) Class-wise Distribution of Equity Shares as on 31st March, 2011

Shares/Debtentures Holding of Nominal Value	Number of share	% age of Total
Upto 5000	1297021	8.73
5001 10000	210719	1.42
10001 20000	190660	1.29
20001 30000	96309	0.65
30001 40000	52644	0.36
40001 50000	32818	0.22
50001 100000	244934	1.65
100001 and above	12718065	85.68
<b>Total</b>	<b>14843170</b>	<b>100.00</b>

- (b) Shareholding Pattern as on 31st March, 2011

S.No	PARTICULARS	NO. OF SHARES	(%)
1.	Promoter and Promoter Group	7537752	50.78
2.	Mutual Funds/UTI/Financial Institutions, Banks & Foreign Institutional Investors	567520	3.82
3.	Foreign Bodies Corporate	1227000	8.27
	Other Body Corporate	3395591	22.88
4.	Individuals	2019581	13.61
5.	Any other :		
	Non Residents	28074	0.19
	Clearing Members	30810	0.20
	HUF	29842	0.20
	Trust	7000	0.05
<b>Total</b>		<b>14843170</b>	<b>100.00</b>

#### DEMATERIALIZATION AND PHYSICAL TRANSFER OF SHARES:

The Company's script forms part of the Compulsory demat segment for all investors. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar M/s Link Intime India Pvt. Ltd., A-40, 2nd floor, Naraina Industrial Area, Phase II, Near Batra Banquet Hall, New Delhi 110 028. The company had also appointed M/s Link Intime India Pvt. Limited as common Agency to look after dematerialisation of shares as well as for physical transfer of shares.

As on 31-03-2011 there were 12156 shareholders of the Company. Out of these 7931 shareholders were holding 13014004 (87.68%) equity shares in the dematerialized form and rest of them i.e 4225 shareholders were holding 1829166 (12.32%) equity shares in physical form.

#### OUTSTANDING GDRS/ADRS WARRANTS OF ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE, LIKELY IMPACT ON EQUITY.

There is no outstanding GDR/ADR or any Convertible instrument.

#### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND INVESTOR PROTECTION FUND:

The Company has been paying Dividend regularly for last thirteen years (except for the year 2008-09), starting from the year 1996-97. Some amount of the dividend remain lying unclaimed in the "Unpaid Dividend Accounts" being maintained by the Company with HDFC Bank limited, Sector 8, Chandigarh, Axis Bank Ltd., Sector 35 Chandigarh and Yes Bank Ltd, Worli Branch, Nehru Centre, 4th floor, Discovery of India, Dr. A.B.Road, Worli, Mumbai - 400018.

In compliance with the provisions of Section 205A of the



## STEEL STRIPS WHEELS LIMITED

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Companies Act, 1956, the unpaid dividend for the year 2002-2003 has already been transferred to the "Investor Education and Protection Fund. Further, the unpaid dividend for the year 2003-2004 shall be transferred to the Investor Education and Protection Fund in the month of August 2011.

**PLANT LOCATION** (a) Village Somalheri/ Lehli, P.O. Dappar, Tehsil Dera Bassi, District Mohali (Pb.)  
(b) Plot no. A-10, SIPCOT Industrial Growth Centre, Vallam Village, Sriperumbudur, Tamil Nadu  
(c) Mouza Jojobera, P. O. & P. S. Govindpur East Singhbhum district Jamshedpur.

### ADDRESS FOR CORRESPONDENCE:

#### To the Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.  
A-40, 2nd floor, Naraina Industrial Area,  
Phase- II, Near Batra Banquet Hall,  
New Delhi - 110 028

Phone Number : 011-41410592,93,94  
Fax Number : 011-41410591  
Email: delhi@linkintime.co.in  
Contact Persons: Mr. V. M. Joshi or Mr. Swapan Nasker

#### To the company

Steel Strips Wheels Limited  
S.C.O. 49-50, Sector 26  
Madhya Marg,  
Chandigarh -160019

Phone No. 0172- 2793112  
Email ID: hksinghal@glide.net.in  
Contact Person: Sh. H.K.Singhal

Place : Chandigarh  
Date : 30th May, 2011

On behalf of Board of Directors  
**R.K. GARG**  
CHAIRMAN

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### AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

We have examined the compliance of conditions of Corporate Governance by Steel Strips Wheels Limited for the year ended on 31<sup>st</sup> March 2011 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 was limited to a review of the procedures and implementation 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 explanation given to us and the representation made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement with the Stock Exchanges.

Place: Chandigarh

Date : 30th May, 2011

For S. C. Dewan & Company  
Chartered Accountants

(S.C.DEWAN)  
PARTNER

# MANAGEMENT

## Discussion & Analysis

Through this report, the Management shall analyze business of the Company, look at the future, identify the trends and present arguments on how it should gear up for the threats and advantages. This report should be read in conjunction with the Audited financial statements and notes on accounts for the year ended March 31, 2011. All references to “Company” or “we” or “us” or “SSWL” are made to Steel Strips Wheels Limited and should be construed accordingly. Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectation may be “forward looking statement” and progressive within the meaning of applicable laws and regulations. The analysis contained herein is based on certain assumptions and management expectations. Actual results may vary from those expressed or implied depending upon economic conditions, government policies and other incidental factors. No representation or warranty or guarantee, either expressed or implied, is provided in relation to this presentation. This presentation should not be regarded by recipients as a substitute for the exercise of their own judgment.

### BUSINESS OVERVIEW

#### Manufacturing facilities and Product range

The Company manufactures steel wheels for the automotive industry. Its product range comprises steel wheels for Passenger cars, Multi utility vehicles (MUV), Tractors, Trucks, Light Commercial Vehicles (LCV), Heavy Commercial Vehicles (HCV), Off The Road Vehicles (OTR) as well as Two and Three Wheelers.

The Company has three manufacturing facilities strategically located in Dappar (near Chandigarh, North India), Oragadam (near Chennai, South India) and Jamshedpur (East India) in order to cater to the requirements of its Indian and international customers. All three units have state of the art facilities and deploy optimized manufacturing processes to ensure that the quality and reliability of its products are maintained for their lifetime.

The Company’s total capacity amounts to 16 million wheels p.a.: 9 million wheels in Dappar, 6 million wheels in Oragadam and 1 million truck wheels in Jamshedpur.

Location	Installed capacity (p.a.) as at 31 <sup>st</sup> March, 2011	Facilities for
Dappar (Punjab)	9.00 million	Passenger cars, Two and Three wheelers, Tractors, MUVs, LCVs, HCVs and OTR
Oragadam (Tamilnadu)*	2.50 million	Passenger cars
Jamshedpur (Jharkhand)**	1.00 million	HCV/LCV both Tube Type/ Tubeless

\* the unit was under expansion and its installed capacity has now been enhanced from 2.5 million nos. p.a. capacity to 6.0 million nos. p.a. capacity from FY 2011-12.

\*\* the unit commenced commercial production during the last quarter of FY 2010-11.

The Company is a strong and reliable partner to the Indian and international automotive industry and increasingly recognized as a global player in the development and manufacturing of steel wheels for Original Equipment Manufacturers (OEMs).

## STEEL STRIPS WHEELS LIMITED

### Sales Analysis

The Company caters to the following automotive industry segments:

- Passenger cars and multi utility vehicles (MUVs) (hereinafter referred to as "PC")
- Two/ three wheelers (hereinafter referred to as "2/3W")
- Tractors
- Light/ heavy commercial vehicles (hereinafter referred to as "LCV/ HCV") and
- Off the road vehicles (hereinafter referred to as "OTR")

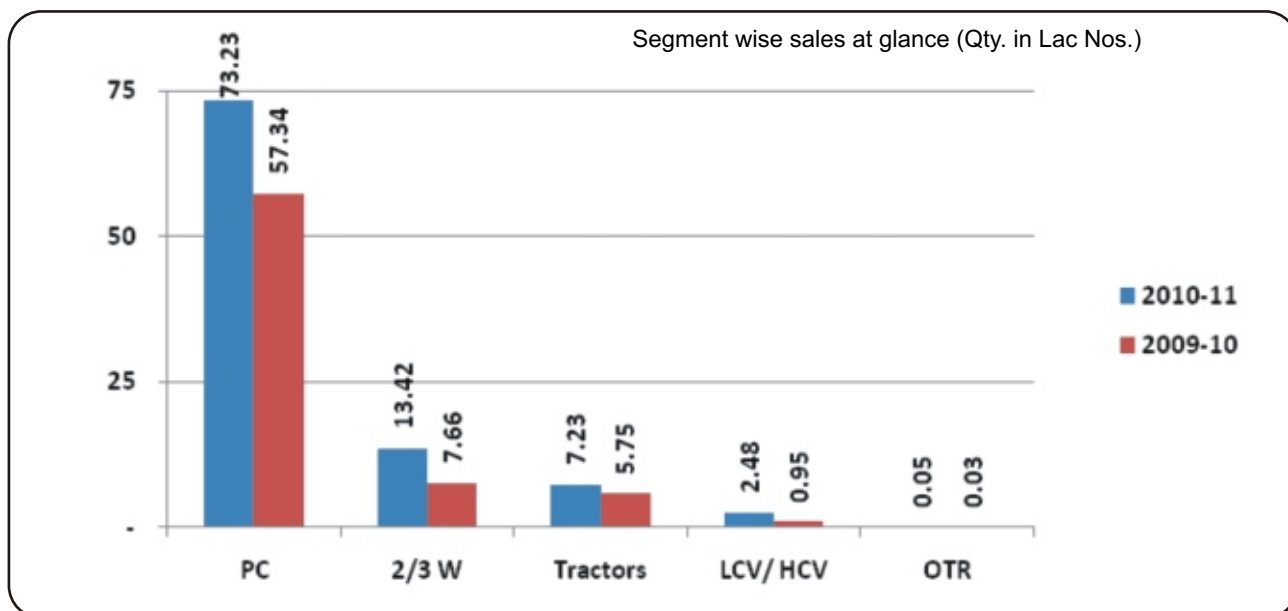
During the financial year 2010-11 the Company sold 96.41 lakh nos. of wheels as compared to 71.73 lakh nos. during 2009-10 and thereby registered an overall growth in sales of 34.41%.

The highest segment wise growth during the financial year under review was registered in the LCV/ HCV segment with 161.05% as compared to 2009-10, followed by 2/3W with 75.20%, OTR with 66.67%, PC with 27.71% and Tractors with 25.74% growth over last year.

Segment wise sales table for the financial year 2010-11 as compared to 2009-10

Segment	2010-11		2009-10		Growth % 2010-11 over 2009-10
	Qty (lakh nos)	% age	Qty (lakh nos)	% age	
PC	73.23	75.96%	57.34	79.94%	27.71%
2/3 W	13.42	13.92%	7.66	10.68%	75.20%
Tractors	7.23	7.50%	5.75	8.02%	25.74%
LCV/ HCV	2.48*	2.57%	0.95	1.32%	161.05%
OTRs	0.05	0.05%	0.03	0.04%	66.67%
<b>Total</b>	<b>96.41*</b>	<b>100.00%</b>	<b>71.73</b>	<b>100.00%</b>	<b>34.41%</b>

\* includes 0.49 lakh nos. sold during trial run.

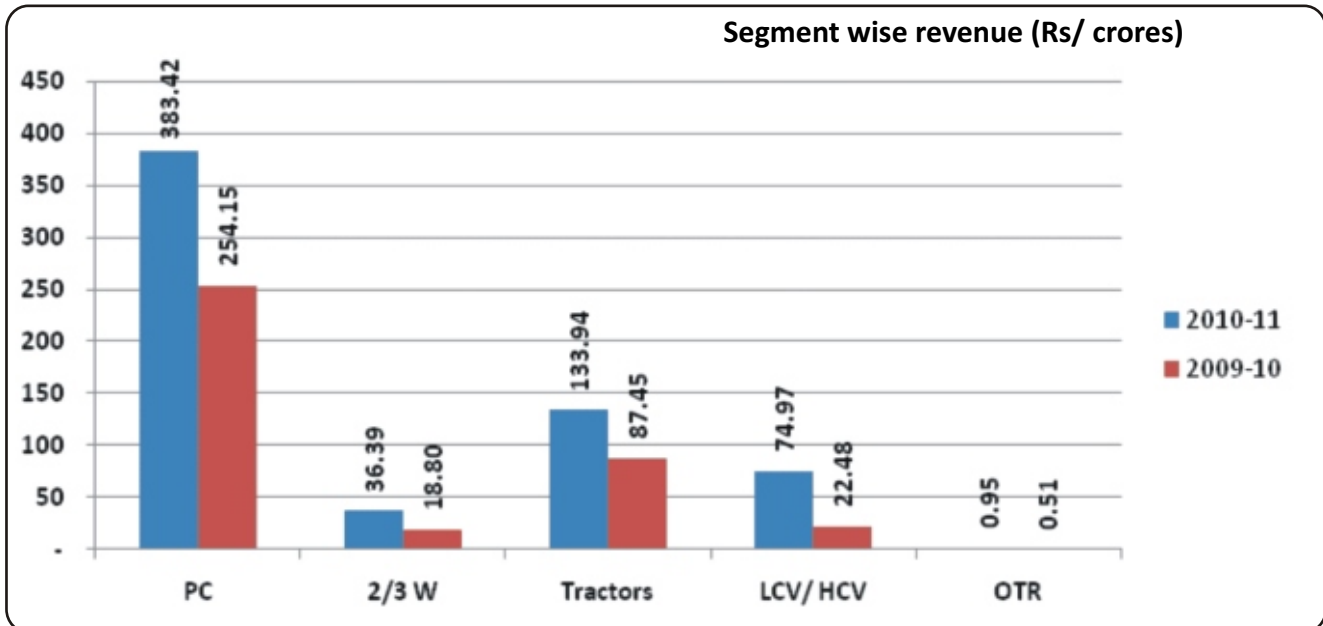


In terms of net sales revenues the segment wise analysis for 2010-11 vis-a-vis 2009-10 is as follows.

Segment	2010-11		2009-10		Growth % 2010-11 over 2009-10
	Rs/ crores	% age	Rs/ crores	% age	
PC	383.42	60.89%	254.15	66.29%	50.86%
2/3 W	36.39	5.78%	18.80	4.90%	93.56%
Tractors	133.94	21.27%	87.45	22.81%	53.16%
LCV/ HCV	74.97*	11.91%	22.48	5.86%	233.50%
OTR	0.95	0.15%	0.51	0.13%	86.28%
<b>Total</b>	<b>629.67*</b>	<b>100.00%</b>	<b>383.39</b>	<b>100.00%</b>	<b>64.24%</b>

\* includes Rs. 20.39 crores for quantity sold during trial run.

Total net sales have increased from 383.39 Crores Rs in 2009-10 to 629.67 Crores Rs in 2010-11 and marked a growth of 64.24%. It is worth pointing out that thanks to the enhancement of the Company's LCV/HCV capacities during the financial year under review the contribution to total net sales by the LCV/HCV segment has doubled to 11.91% in 2010-11.



#### EXPORTS ANALYSIS

Between 2009-10 and 2010-11 export sales in nos. of wheels have increased by 101.77% from 4.53 lakh nos to 9.14 lakh nos. corresponding to a ratio over total sales of 6.32% increased to 9.48%. Please see the below a comparison of market wise sales in nos. during 2010-11 as against 2009-10:

Market	2010-11		2009-10		Growth % 2010-11 over 2009-10
	Qty (lakh nos)	% age	Qty (lakh nos)	% age	
Domestic	87.26*	90.52%	67.21	93.69%	29.87%
Exports	9.15	9.48%	4.52	6.32%	101.77%
<b>Total</b>	<b>96.41*</b>	<b>100.00%</b>	<b>71.73</b>	<b>100.00%</b>	<b>34.41%</b>

\* includes 0.49 lakh nos. sold during trial run.

## STEEL STRIPS WHEELS LIMITED

In terms of revenues the market wise analysis of 2010-11 as compared to 2009-10 is as under:

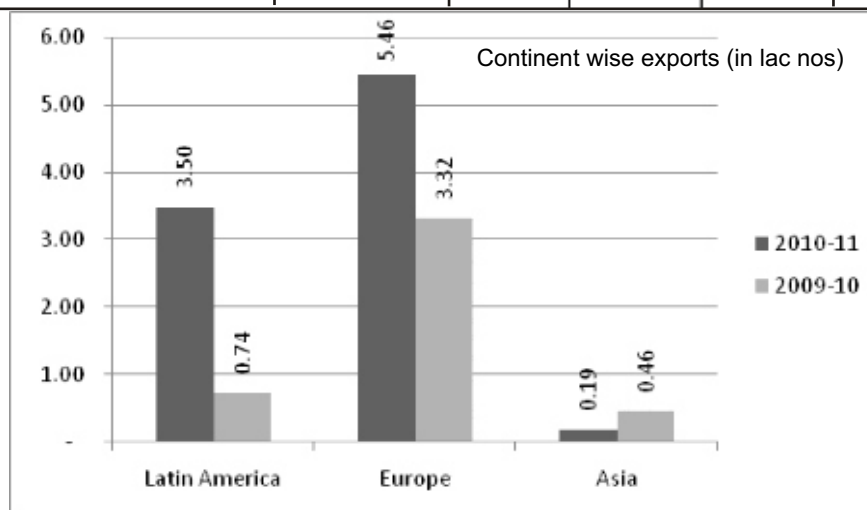
Market	2010-11		2009-10		Growth % 2010-11 over 2009-10
	Rs/ crores	% age	Rs/ crores	% age	
Domestic	559.37*	88.84 %	343.94	89.71%	62.64%
Exports	70.30	11.16%	39.45	10.29%	78.20%
<b>Total</b>	<b>629.67*</b>	<b>100.00%</b>	<b>383.39</b>	<b>100.00%</b>	<b>64.24 %</b>

\* includes Rs. 20.39 crores for quantity sold during trial run.

The Company recorded a growth of 78.20% in export sale revenues during the year under review and booked sales in the amount of 70.30 Crores Rs from exports as compared to 39.45 Crores Rs during 2009-10.

The continent wise segregation of the Company's export sales during the financial year 2010-11 as compared to 2009-10 is as under:

Continent	2010-11		2009-10		Growth % 2010-11 over 2009-10
	Qty (lac nos)	%age	Qty (lac nos)	%age	
Latin America	3.50	38.25%	0.74	16.37%	372.97%
Europe	5.46	59.67%	3.32	73.45%	64.46%
Asia	0.19	2.08%	0.46	10.18%	-58.70%
<b>Total</b>	<b>9.15</b>	<b>100.00%</b>	<b>4.52</b>	<b>100.00%</b>	<b>378.74%</b>



### Production analysis

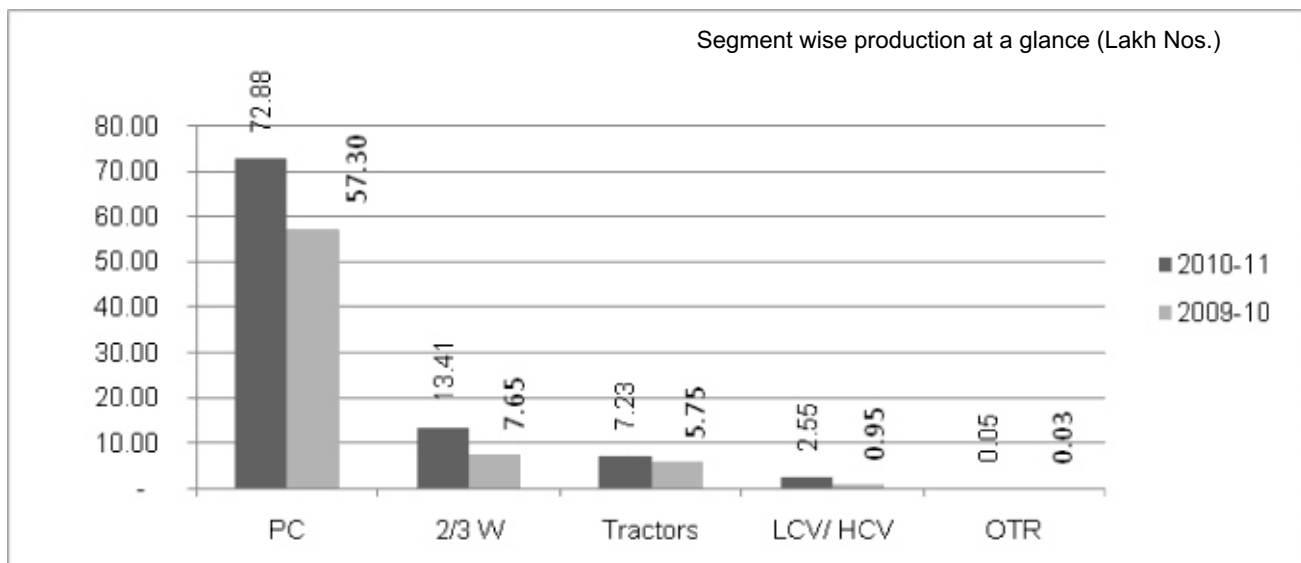
During 2010-11 the Company registered an overall growth in production nos. of 34.10% (96.12 lakh nos. of wheels compared to 71.68 lakh nos. during 2009-10). This growth could be achieved thanks to the following factors:

- Addition of production lines at Dappar in the PC and 2/3 W segments
- Improved capacity utilization at Oragadam
- Improved capacity utilization at Dappar in the Tractors segment,
- Improved line productivity at all units of the Company
- SOP at the new production facility at Jamshedpur for LCV/ HCV

The comparison of the Company's production of wheels between 2010-11 and 2009-10 is as follows

Segment	2010-11		2009-10		Growth % 2010-11 over 2009-10
	Qty (lakh nos)	% age	Qty (lakh nos)	% age	
PC	72.88	75.82%	57.30	79.94%	27.19%
2/3 W	13.41	13.95%	7.65	10.67%	75.29%
Tractors	7.23	7.52%	5.75	8.02%	25.74%
LCV/ HCV	2.55*	2.65%	0.95	1.33%	168.42%
OTR	0.05	0.05%	0.03	0.04%	66.67%
<b>Total</b>	<b>96.12*</b>	<b>100.00%</b>	<b>71.68</b>	<b>100.00%</b>	<b>34.10%</b>

\*includes production of 0.69 lakh nos wheel rims during trial runs.



### Analysis of Major Expenditures

#### Raw Materials

The Raw Materials for the manufacturing of steel wheel rims comprise HR steel, tractor nuts and bolts and paints & chemicals. During the year 2010-11 the raw material cost amounted to 65% of net sales as against 64% of net sales in 2009-10 due to increase in cost of paints & chemicals and steel.

#### Manufacturing Expenses

The Manufacturing Expenses consist of power, fuel, spares and other consumables, repair and maintenance and other direct manufacturing expenses. These expenses amounted to 8% of net sales as against 7% in 2009-10 due to an overall increase in cost of inputs.

#### Personnel Expenses

The Company acknowledges and appreciates the contribution to its success by its employees. The Personnel cost remained at 5% of net sales during 2010-11.

#### Financial Expenses

The Financial Expenses accounted for 3% of net sales in 2010-11 as compared to 4% in 2009-10. Although interest on long term loans decreased in absolute terms, it remained at 1% of net sales. Interest on working capital loans increased in absolute and relative terms due to a higher utilization of working capital limits and increased interest rates. Interest on working capital amounted to 2% of net sales during 2010-11 as compared to 1% of net sales in 2009-10.

## STEEL STRIPS WHEELS LIMITED

### Selling Expenses

The Selling Expenses remained at 7% of net sales in spite of the Company's increased share of export business and across the board increase in transportation cost.

### Strategic Investment

During 2010-11 the Company entered into two strategic investment agreements and received Foreign Direct Investment (FDI) of US\$ 15 million.

Sumitomo Metal Industries Ltd (SMI), Japan, invested US\$ 10 million in December 2010. SMI holds 5.73% equity of the Company as of March 31, 2011. SMI is one of the World's leading steel makers - Sumitomo Group, having 400 years of manufacturing history founded SMI in 1897. SMI manufactures steel products broadly classified as pipes and tubes, steel sheets (auto), plates (energy and shipbuilding), structural sheets (construction) and railway, automotive and machinery parts. In addition to its manufacturing facilities in Japan, SMI is establishing a seamless pipe plant in Brazil, a steel sheet manufacturing unit in Vietnam and a forged crankshaft and steel sheet business in India. In 2009 SMI achieved a turnover of 1,285 billion JPY (9.6 billion EUR). It employs 24,000 employees worldwide. The Company has a past and continuing relationship with SMI through its wholly-owned subsidiary Ringtechs Co. Ltd (RTCL). RTCL is providing highly valued technical expertise to the Company since 1997 within the terms of a technical collaboration agreement.

GS Global Corporation (GSGC) (formerly known as SsangYong Corporation), South Korea invested US\$ 5 million in January 2011. GSGC holds 2.54% equity of SSWL as of March 31, 2011. GSGC is part of GS Group, ranked as one of the top 10 private business houses in South Korea. GSGC operates as a trading house dealing in steel and metal products, cement, energy, petrochemical, machinery, logistic services and more. Apart from GSGC the GS Group's business comprises refinery (GS Caltex), power (GS EPS), retail (GS Retail), engineering and construction (GS E&C) and sports (GS Sports). In 2010 GSGC's turnover was 1.2 billion USD (0.9 billion EUR). The turnover of GS Group had crossed 45 billion USD in the same year (around 34 billion EUR). The Company has past and continuing relationship with GSGC as an importer of HR Steel Coils from South Korea through GSGC.

### Industry Overview

The automobile industry is one of the fastest growing sectors in India. The increase in the demand of cars and other vehicles, powered by the increase in incomes, is the primary growth driver of India's automobile industry. The introduction of tailor made finance and easy repayment schemes have further enhanced this growth scenario.

As per data released by SIAM India, the automobile industry witnessed a growth of 27.45% in production during 2010-11 (17.92 million nos vehicles as compared to 14.06 million nos vehicles during the previous year) which is the highest since 2004-05. Four wheelers witnessed a growth of 27.87% with 3.74 million nos as compared to 2.92 million nos during 2009-10 and two and three wheelers witnessed a growth of 27.34% with 14.18 million nos as compared to 11.13 million nos during 2009-10. In four wheelers, the commercial vehicles production, outperformed with a 32.63% growth (0.75 million nos during 2010-11 as compared to 0.57 million nos during 2009-10). A comparison of automobile production in India during the last 5 years is given hereunder:

Automobile production trend		(number of vehicles)				
Category	2006-07	2007-08	2008-09	2009-10	2010-11	
Passenger Vehicles	1,545,223	1,777,583	1,838,593	2,357,411	2,987,296	
Commercial Vehicles	519,982	549,006	416,870	567,556	752,735	
<b>Total four wheelers (a)</b>	<b>2,065,205</b>	<b>2,326,589</b>	<b>2,255,463</b>	<b>2,924,967</b>	<b>3,740,031</b>	
Growth	364,822	261,384	(71,126)	669,504	815,064	
% growth	21.46%	12.66%	(-3.06%)	29.68%	27.87%	
Three Wheelers	556,126	500,660	497,020	619,194	799,553	
Two Wheelers	8,466,666	8,026,681	8,419,792	10,512,903	13,376,451	
<b>Total two &amp; three wheelers (b)</b>	<b>9,022,792</b>	<b>8,527,341</b>	<b>8,916,812</b>	<b>11,132,097</b>	<b>14,176,004</b>	
Growth	979,672	(495,451)	389,471	2,215,285	3,043,907	
% growth	12.18%	(-5.49%)	4.57%	24.84%	27.34%	
<b>Grand Total (a+b)</b>	<b>11,087,997</b>	<b>10,853,930</b>	<b>11,172,275</b>	<b>14,057,064</b>	<b>17,916,035</b>	
Growth	1,344,494	(234,067)	318,345	2,884,789	3,858,971	
% growth	13.80%	(-2.11%)	2.93%	25.82%	27.45%	

Source: production numbers by SIAM India with suitable analysis

Sales in the domestic market recorded a growth of 26.17% during 2010-11 with 28.69% growth in four wheelers and 25.53% in two and three wheelers. In the four wheelers segment, passenger cars outperformed with a 29.16% growth and 2.52 million nos as compared to 1.95 million nos during 2009-10. A comparison of sales in the domestic market during the last 5 years is given hereunder:

<b>Automobile Domestic Sales Trends (number of vehicles)</b>					
<b>Category</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Passenger Vehicles	1,379,979	1,549,882	1,552,703	1,951,333	2,520,421
Commercial Vehicles	467,765	490,494	384,194	532,721	676,408
<b>Total four wheelers (a)</b>	<b>1,847,744</b>	<b>2,040,376</b>	<b>1,936,897</b>	<b>2,484,054</b>	<b>3,196,829</b>
Growth	353,627	192,632	(103,479)	547,157	712,775
% growth	23.67%	10.43%	(-5.07%)	28.25%	28.69%
Three Wheelers	403,910	364,781	349,727	440,392	526,022
Two Wheelers	7,872,334	7,249,278	7,437,619	9,370,951	11,790,305
<b>Total two &amp; three wheelers (b)</b>	<b>8,276,244</b>	<b>7,614,059</b>	<b>7,787,346</b>	<b>9,811,343</b>	<b>12,316,327</b>
Growth	863,933	(662,185)	173,287	2,023,997	2,504,984
% growth	11.66%	(-8.00%)	2.28%	25.99%	25.53%
<b>Grand Total (a+b)</b>	<b>10,123,988</b>	<b>9,654,435</b>	<b>9,724,243</b>	<b>12,295,397</b>	<b>15,513,156</b>
Growth	1,217,560	(469,553)	69,808	2,571,154	3,217,759
% growth	13.67%	(-4.64%)	0.72%	26.44%	26.17%

Source : numbers by SIAM India with suitable analysis

Sales in the export market recorded a growth of 29.64% during 2010-11 with a 7.86% growth in four wheelers and a 37.79% growth in two and three wheelers. In four wheelers, commercial vehicles outperformed with a 69.51% growth and 0.076 million nos as compared to 0.045 million nos during 2009-10.

A comparison of sales in the export market during 5 years is given hereunder:

<b>Automobile Exports Trends (number of vehicles)</b>					
<b>Category</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Passenger Vehicles	198,452	218,401	335,729	446,145	453,479
Commercial Vehicles	49,537	58,994	42,625	45,009	76,297
<b>Total four wheelers (a)</b>	<b>247,989</b>	<b>277,395</b>	<b>378,354</b>	<b>491,154</b>	<b>529,776</b>
Growth	31,817	29,406	100,959	112,800	38,622
% growth	14.72%	11.86%	36.40%	29.81%	7.86%
Three Wheelers	143,896	141,225	148,066	173,214	269,967
Two Wheelers	619,644	819,713	1,004,174	1,140,058	1,539,590
<b>Total two &amp; three wheelers (b)</b>	<b>763,540</b>	<b>960,938</b>	<b>1,152,240</b>	<b>1,313,272</b>	<b>1,809,557</b>
Growth	173,490	197,398	191,302	161,032	496,285
% growth	29.40%	25.85%	19.91%	13.98%	37.79%
<b>Grand Total (a+b)</b>	<b>1,011,529</b>	<b>1,238,333</b>	<b>1,530,594</b>	<b>1,804,426</b>	<b>2,339,333</b>
Growth	205,307	226,804	292,261	273,832	534,907
% growth	25.47%	22.42%	23.60%	17.89%	29.64%

source: numbers by SIAM India with suitable analysis



## STEEL STRIPS WHEELS LIMITED

SSWL's positioning with regard to the automobile production during 2009-10 and 2010-11:

Category	2009-10	2010-11
Passenger Vehicles production	2,357,411	2,987,296
Three Wheelers production	619,194	799,553
No of wheels required (in lakhs) (5 wheels/ passenger vehicle and 3 wheels/ three wheeler)	136.45	173.35
Capacity of SSWL (in lakhs)	85.00	103.00
SSWL Production (in lakhs)	64.95	86.29
% share of SSWL	47.60%	49.78%

The Company's market share of remarkable 49.78% demonstrates its dominant position in India's PC industry. The increase of its share by 2.18% as compared to 2009/10 proofs its strength to not only maintain but to increase its share steadily.

SSWL's positioning with regard to the CV production during 2009-10 and 2010-11

Category	2009-10	2010-11
Commercial Vehicles	567,556	752,735
No of wheels required (in lakhs) (8 wheels/ commercial vehicles)	45.40	60.22
Capacity of SSWL (in lakhs)	1.00	11.00*
SSWL Production (in lakhs)	0.95	2.55
% share of SSWL	2.09%	4.23%

\* - Jamshedpur unit with installed capacity of 10 lakh nos. commenced production during last quarter of FY 2010-11.

With the commissioning of Jamshedpur's LCV/HCV wheels' plant during the last quarter of 2010-11 the Company expects a strong growth in this segment's market share during 2011-12.

SSWL positioning with regard to the Tractor sales during 2009-10 and 2010-11

Category	2009-10	2010-11
Tractors (sales) (approx)	440,000	545,000
No of wheels required (in lakhs) (4 wheels/ tractor)	17.60	21.80
Capacity of SSWL (in lakhs)	7.20	10.80
SSWL Sales (in lakhs)	5.29	7.31
% share of SSWL	30.06%	33.53%

The Indian tractor industry is still relatively young (since 1961) but has by now become the largest in the world. Higher productivity and greater output are the two major reasons for the mechanization in the agriculture sector, a significant contributor to India's GDP. The tractor penetration level in India is still very low as compared to world standards. Besides the conventional use of tractors in agriculture there is a vast market for them also in the infrastructure industry. For these reasons the tractors sales recorded an impressive growth of 23.80% also during 2010-11 with 0.545 million nos as compared to 0.440 million nos during 2009-10. The Company could maintain its market share during the financial year under review.

### STRENGTHS OF THE COMPANY

#### R&D Capabilities

The Company is recognized by the Govt. of India as a Research & Development centre and equipped with most state of the art designing capabilities in terms of technology and equipment. Its engineers are dedicated to designing wheel rims for customers across the world and strongly focused on value engineering of existing products with the aim of optimizing their cost. Our tool room is equipped with most modern machineries and testing equipment. The Company enjoys an excellent reputation with its customers due to its innovative design, valuable inputs and fast development of tools.

The commercial life of a wheel is increased by enhancing it in some way i.e. giving it extra features, improving its performance, changing its appearance, or making it cheaper to produce, etc. It helps the company to keep the product ahead of the competition and spreads the large capital outlay associated with developing products over a longer period.

In the recent past, SSWL has designed and developed a high tech styled steel wheel for Renault which successfully substituted an alloy wheel.

#### **QUALITY AND TECHNICAL COLLABORATION**

The Company is committed to deliver steel wheels that comply with the highest quality and safety standards. The ISO/TS-16949:2002 quality management system requirements for the design, development and production of its products have been successfully implemented in 2004. Thanks to its technical collaboration with Ring Techs Co Ltd., Japan (a 100% subsidiary of Sumitomo Metals Ltd., Japan), the Company has achieved technical world class excellence over the past decade.

#### **MANAGEMENT'S CONCERN WITH REGARD TO ENVIRONMENTAL AND SOCIAL STANDARDS**

With regard to Environmental, Health and Safety as well as Social Management the Company complies with World Bank standards: its integral management systems are certified in accordance with ISO 14001:2004, OHSAS 18001:2007 and SA8000:2008.

The Company is currently engaged in extending above mentioned certifications to all three plants.

#### **HUMAN RESOURCE DEVELOPMENT**

Human assets are a vital factor for the success of an organization and the Company highly appreciates the valuable contribution by its Personnel and strives to steadily improve its HR policies in order to recruit and retain the talent required to lead the growth process and become a preferred workplace for its employees at all levels.

#### **BUSINESS STRATEGY**

It is the main aim of the Company to sustain its growth momentum vis-à-vis the growth in the automobile sector and maintain and consolidate its position as a leading manufacturer in its sphere. We intend to achieve substantial growth in future by implementing the following strategy:

##### **Increase in share of sales in Tractors segment**

Tractor wheel rims contribute more to EBITDA margins and accordingly the Company has strengthened its manufacturing facilities to increase its share in this segment. It has added and/or suitably modified/upgraded its existing manufacturing facilities which are now capable of producing 55,000 tractor wheel sets per month as against 35,000 sets per month in the past.

##### **Increase in share of sales in LCV/ HCV segment**

The Company's unit at Jamshedpur is dedicated to the manufacture of wheel rims for HCV. This unit has commenced commercial production in March 2011 and has an installed capacity of 1.00 million per annum. The existing installed capacity of 1.00 million will be enhanced to 1.7 million by January, 2012. This unit can produce wheel rims of both kinds: tube type and tube less type.

##### **Increase in share of business with existing customers and increase in overall customer base**

The Company presently maintains a respectable share of business with all its customers. Emphasis is given to increase its present share of business with its existing customers in order to attain advantages of volumes. The Company moreover endeavors to establish a new customer base within and outside India on a continuous basis.

#### **FOCUS ON THE EXPORT MARKET**

Having achieved substantial success in the domestic market, the company has started tapping the vast export market. A modest beginning was made during the year 2005-06 and since then exports are steadily growing. The company has received large

## STEEL STRIPS WHEELS LIMITED

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orders from leading car manufacturers like PSA Peugeot Citroen, Renault, Audi and BMW from Europe and Kubota Tractors from Asia and is in active discussions with other car manufacturers in Europe, Asia and South America for their various projects. During 2010-11, the Company has furthermore bagged a significant order of aftermarket export wheels from ETOP, Slovakia.

### **FUTURE OUTLOOK AND BUSINESS PLAN**

India not only emerged relatively unscathed from the global financial crisis of 2008, but has returned to its trend growth rate in 2010-11. Driven by the inherent strength of its domestic demand, which was suitably complemented by the Reserve Bank of India's monetary management and the Central government's fiscal stimulus, India's GDP is expected to grow by 8.6 per cent in 2010-11 as per the CSO Advanced Estimate. This will again make India one of the fastest growing economies in the world.

The growth of the automobile component industry is likely to moderate to single digits in 2011-12 from the high growth rates of 26-30% seen during 2010-11. This is due to higher prices of vehicles and rising interest rates. The company expects to grow its export business by at least 70 percent in numbers and the truck wheel business by a minimum of 50 percent. The tractor wheel business is expected to be up by 25 percent.

The Union Budget 2011-12 has proposed to extend the excise duty refund available to taxis having a seating capacity of less than 7 and to other vehicles having a seating capacity of up to 13 passengers. This is expected to marginally aid the sales of utility vehicles in the specified category. Also, the concessional excise duty of 10 per cent has been extended to vehicles based on fuel cell and hydrogen cell technology, which will improve the long term growth prospects of these vehicles.

Specified parts of hybrid vehicles have been exempted from basic customs duty and special CVD in the budget. In addition, excise duty on these parts has been reduced to 5 per cent from 10 per cent earlier, in order to incentivize domestic production and reduce import dependence. These factors are expected to aid the sales of hybrid vehicles and have a marginally positive impact on the passenger cars industry over the longer term.

The increase in exemption limits of tax slabs for individual tax payers from Rs. 1.60 lakh to Rs. 1.80 lakh is likely to lead to increase in disposable incomes of addressable households, and thus aid two-wheeler sales.

Enhancement of interest subvention on crop loans from 2 to 3 per cent, revision of wage rates under the Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) scheme and increased allocation towards rural development projects like Rashtriya Krishi Vikas Yojana are expected to have a marginally positive impact on two-wheeler and tractor sales. Moreover, announcement of the launch of the 'National Mission for hybrid and electric vehicles' is expected to benefit sales of hybrid and electric vehicles over the longer term.

All the above factors are likely to have a positive impact on the demand of our products in future.

The company hopes to cope with these challenges with its continued focus on cost control, process efficiencies and product innovations.

Place: Chandigarh  
Date: 30<sup>th</sup> May, 2011

R.K. GARG  
CHAIRMAN

# AUDITORS'

# Report

## S.C. DEWAN & CO.

### CHARTERED ACCOUNTANTS

SCO 90, 1st Floor, Swastik Vihar, Panchkula-134 109  
Tel. : 2556190, 2556890

To

The Shareholders,  
Steel Strips Wheels Limited.

We have audited the attached Balance Sheet of STEEL STRIPS WHEELS LIMITED as at 31.03.2011 also the Profit and Loss Account and Cash Flow Statement for the period ended on that date 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4-A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters as specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:-
  - (i) 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.
  - (ii) In our opinion, proper books of accounts as required under the law, have been kept by the Company so far as appears from our examination of such books.

- (iii) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report, comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- (v) On the basis of written representation received from Directors, as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies as per schedule of Notes on Accounts, 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:-
  - (a) In the case of Balance Sheet, of the state of affairs of the company as at 31.03.2011, and,
  - (b) In the case of Profit and Loss Account, of the Profit for the year ended on that date.
  - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For S.C. Dewan & Company  
Chartered Accountants

Place : Chandigarh  
Date : 30th May, 2011

S.C. DEWAN  
PARTNER

# **ANNEXURE**

## **To Auditors' Report**

### **S.C. DEWAN & CO.**

#### **CHARTERED ACCOUNTANTS**

SCO 90, 1st Floor, Swastik Vihar, Panchkula-134 109

Tel. : 2556190, 2556890

Referred to in Paragraph I of our report of even date :

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
2. Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts.
3. The company has not granted or taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301. of the companies Act. 1956. However the company has received the interest free inter corporate loan.
4. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
5. The transactions that need to be entered into a register in pursuance of section 301 of the companies Act 1956 have been so entered in the register. Each of these transaction has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposit from the public.
7. The company has an internal audit system commensurate with its size and nature of its business.
8. Maintenance of cost records has been prescribed by the Central Government under clause (d) of sub - section (l) of section 209 of the Act. Such accounts and records have been made and maintained.
9. The company is regular in depositing undisputed statutory dues including, provident Fund, investor Education and Protection Fund, Employees' state insurance, income Tax, sales -tax, service tax, wealth tax, custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. However, there has been a demand of income tax for AY 2008-09 amounting to Rs. 99.56 (Rupees ninety nine Lacs fifty six thousand only), out of which Rs. 25.00 lacs has been deposited and Rs.74.56 lacs is pending, the same has been stayed by chief commissioner of Income Tax. No provision for the pending amount of Rs.74.56 lacs has been made by the company. The appeal of the company is pending before Income Tax (Appeals), Chandigarh. The company is of the view that the demand is likely to be reversed by the Income Tax Department in view of the decision of various appellate authorities and interpretation of other relevant provision of Income Tax Act, 1961.
10. The company has no accumulated losses/ cash losses.
11. The company has not defaulted in repayment of

dues to a financial institution or banks. The company has not issued any debentures.

12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund company.
14. The company is not running any Nidhi/ Mutual Benefit Fund/ society.
15. The company is not a Financing Company.
16. The company has not given any guarantee for loans taken by others from bank or financial institutions.
17. The term loans were applied for the purpose for

which the loans were obtained, as per the information available from the records of the company.

18. The funds raised by the company on short terms basis have not been used for long-term investment.
19. The company has not issued any Debentures to the public.
20. No fraud on or by the company has been noticed or reported during the year.
21. The company is not sick company under the Provision of the sick industrial companies (special Provisions) Act, 1985.

For S.C. Dewan & Company  
Chartered Accountants

Place: Chandigarh  
Date : 30th May, 2011

S.C. DEWAN  
PARTNER

# BALANCE SHEET

As at 31st March, 2011

PARTICULARS	Schedule No.	AS AT 31.03.2011 (Rs.)		AS AT 31.03.2010 (Rs.)	
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	1	14,84,31,700		13,06,61,700	
Share application money	2	---		5,77,50,000	
Reserves & Surplus	3	2,68,07,09,288	2,82,91,40,988	1,70,23,56,462	1,89,07,68,162
<b>LOAN FUNDS</b>					
- Secured Loans	4	3,64,00,37,708		2,75,90,94,097	
- Unsecured Loans	5	---	3,64,00,37,708	24,53,00,000	3,00,43,94,097
Deferred Tax Liability			21,32,62,137		15,91,12,137
<b>TOTAL</b>			<b>6,68,24,40,833</b>		<b>5,05,42,74,396</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	6	6,51,66,50,943		4,58,73,64,353	
Less : Accumulated Depreciation		1,55,27,94,630		1,20,86,35,518	
Net Block		4,96,38,56,313		3,37,87,28,835	
Capital work in progress	7	36,83,91,759	5,33,22,48,072	85,02,70,521	4,22,89,99,356
<b>INVESTMENTS</b>	8		30,83,031		35,00,000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	9	1,50,47,83,180		77,11,74,842	
Sundry Debtors	10	88,47,32,786		63,13,74,263	
Cash & Bank Balances	11	26,81,50,921		24,82,36,511	
Other Current Assets	12	5,02,06,455		4,03,89,392	
Loans & Advances	13	29,99,67,090		17,75,54,151	
<b>Sub-Total (a)</b>		3,00,78,40,432		1,86,87,29,159	
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>	14				
Current Liabilities		1,60,73,83,525		1,01,45,27,979	
Provisions		5,33,47,177		3,24,26,140	
<b>Sub-Total (b)</b>		1,66,07,30,702		1,04,69,54,119	
<b>NET CURRENT ASSETS (a-b)</b>			1,34,71,09,730		82,17,75,040
<b>TOTAL</b>			<b>6,68,24,40,833</b>		<b>5,05,42,74,396</b>
NOTES ON ACCOUNTS	26				

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

**For S.C. Dewan & Co.  
Chartered Accountants**

**Dheeraj Garg  
Managing Director**

A.V. Unnikrishnan  
M.M. Chopra  
S.S. Jha  
S.S. Grewal  
Rajiv Singhal  
**Directors**

Place : CHANDIGARH  
Dated : 30th May, 2011

S.C. Dewan  
Partner

Shaman Jindal  
**Company Secretary**

# PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2011

PARTICULARS	Schedule No.	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
<b>INCOME</b>			
Sales	15	6,56,16,48,724	4,19,34,55,921
Other Income	16	1,39,66,635	1,12,12,503
Increase / (decrease) in stocks	17	6,38,83,047	3,15,30,698
<b>Total Income (a)</b>		<b>6,63,94,98,406</b>	<b>4,23,61,99,122</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	18	4,27,98,70,083	2,68,05,98,868
Manufacturing Expenses	19	53,99,90,001	30,88,10,563
Personnel expenses	20	34,90,06,622	20,82,25,432
Administrative and other expenses	21	13,24,99,587	10,04,24,658
Financial Expenses	22	20,15,35,002	16,85,55,720
Selling & Distribution Expenses	23	44,09,46,372	30,25,17,053
Research & Development Expenses	24	1,18,12,767	1,31,30,756
Depreciation		5,95,56,60,434	3,78,22,63,050
Capital Expenses Written off		32,80,54,847	25,45,77,717
		---	6,92,000
<b>Total Expenditure (b)</b>		<b>6,28,37,15,281</b>	<b>4,03,75,32,767</b>
<b>Profit for the Year (a - b = c)</b>		<b>35,57,83,125</b>	<b>19,86,66,355</b>
Add: Prior Period Income		7,28,063	6,32,581
Less : Prior Period expenses		8,06,616	33,26,966
<b>Profit before Tax for the year</b>		<b>35,57,04,572</b>	<b>19,59,71,970</b>
<b>Less Provision for taxation</b>			
Income Tax		7,09,00,000	3,38,00,000
Less MAT Credit entitlement		7,09,00,000	--
<b>Profit after tax but before deferred tax</b>		<b>35,57,04,572</b>	<b>16,21,71,970</b>
Less : Deferred Tax Liability		5,41,50,000	51,70,000
<b>Profit after Tax for the year</b>		<b>30,15,54,572</b>	<b>15,70,01,970</b>
Less : Earlier year Taxes		35,34,095	--
Add : Provisions written back		-	35,34,095
<b>Profit available for appropriation</b>		<b>29,80,20,477</b>	<b>14,52,48,125</b>
<b>APPROPRIATION ACCOUNT</b>			
<b>Profit available for appropriation</b>		<b>29,80,20,477</b>	<b>14,52,48,125</b>
Less :			
Proposed dividend		2,22,64,755	1,36,16,170
Tax on distributed profit		36,97,897	23,14,068
<b>Surplus carried to Balance Sheet</b>		<b>27,20,57,825</b>	<b>12,93,17,887</b>
Opening balance of surplus in Profit and Loss A/c		34,84,91,208	21,91,73,321
<b>Closing Balance of Profit and Loss A/c carried to Balance Sheet</b>		<b>62,05,49,033</b>	<b>34,84,91,208</b>
<b>Earning per Share (EPS)</b>			
Basic		21.28	11.12
Diluted		21.28	10.46
<b>Notes on Accounts</b>	26		

## AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S.C. Dewan & Co.  
Chartered Accountants

Dheeraj Garg  
Managing Director

A.V. Unnikrishnan  
M.M. Chopra  
S.S. Jha  
S.S. Grewal  
Rajiv Singhal  
Directors

Place : CHANDIGARH  
Dated : 30th May, 2011

S.C. Dewan  
Partner

Shaman Jindal  
Company Secretary



# STEEL STRIPS WHEELS LIMITED

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31ST MARCH, 2011

(Amount in Rs.)

S. No	PARTICULARS	CURRENT YEAR		PREVIOUS YEAR
<b>A.</b>	<b>Cash Inflow / Outflow from Operating Activities :</b>			
	Profit before tax		35,57,04,572	19,59,71,970
	<b>Adjustment for :-</b>			
	— Depreciation	32,80,54,847		25,45,77,717
	— Miscellaneous expenses written off	--		6,92,000
	— Bad debts written off	(38,238)		(1,15,896)
	— (Profit) / Loss on sale of assets	2,31,492		---
	— (Profit)/ Loss on sale of investments	(3,33,031)		---
	— Interest received	(81,43,616)		(47,90,652)
	— Interest paid	17,26,55,277	49,24,26,731	15,12,14,024
	<b>Operating Profit before Working Capital Changes</b>		84,81,31,303	59,75,49,163
	<b>Adjustment for :-</b>			
	— (Increase)/decrease in inventory	(73,36,08,338)		(24,35,70,380)
	— (Increase)/decrease in trade and other receivables	(38,55,50,287)		(26,25,19,048)
	— Increase/(decrease) in trade payables	59,28,55,546	(52,63,03,079)	43,93,20,051
	<b>Cash inflow from operating activities</b>		32,18,28,224	53,07,79,786
	Taxes paid		50,40,460	(3,35,18,713)
	<b>Net cash from / (used) in operating activities</b>		32,68,68,684	49,72,61,073
<b>B.</b>	<b>Cash Flow from/ (used) in Investing Activities</b>			
	— Purchase of Fixed Assets	(1,44,59,63,205)		(95,93,31,876)
	— Exchange fluctuation in fixed assets	(1,32,06,195)		5,88,26,985
	— Sale of fixed Assets	2,76,34,346		1,63,29,186
	— Sale of Investment	20,00,000		---
	— Investment in Mutual Fund	(15,83,031)		(15,00,000)
	— Profit on Sale of investments	3,33,031		---
	— Interest received	81,43,616		47,90,652
	<b>Net Cash from/ ( used) in Investing Activities</b>		(1,42,26,41,438)	(88,08,85,053)
<b>C.</b>	<b>Cash Flow from / (used) in Financing Activities</b>			
	— Proceeds from issue of equity shares incl. premium	66,63,15,000		5,77,50,000
	— Proceeds from long term borrowings	78,28,83,828		78,63,99,413
	— Repayment of long term borrowings (net of fluctuation)	(59,05,03,883)		(40,66,92,959)
	— Proceeds from / (Repayment of ) Unsecured Loans.	(24,53,00,000)		24,53,00,000
	— Changes in working capital loans/short term borrowing	68,85,63,666		13,09,07,701
	— Repayment of TCL - OCB	---		(10,00,00,000)
	— Dividend paid	(1,36,16,170)		---
	— Interest Paid	(17,26,55,277)		(15,12,14,024)
	<b>Net Cash from / (used) in financing activities</b>		1,11,56,87,164	56,24,50,131
	<b>Net increase / (decrease) in cash and cash equivalents</b>		1,99,14,410	17,88,26,151
	Cash and Cash equivalents at April 1, 2010		24,82,36,511	6,94,10,360
	<b>Cash and Cash equivalents as March 31, 2011</b>		26,81,50,921	24,82,36,511

### AUDITORS' CERTIFICATE

We have verified the attached Cash Flow Statement of M/s Steel Strips Wheels Limited derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March, 2011 and found the same in agreement therewith.

**For S.C. Dewan & Co.**  
**Chartered Accountants**

**Dheeraj Garg**  
**Managing Director**

A.V. Unnikrishnan  
M.M. Chopra  
S.S. Jha  
S.S. Grewal  
Rajiv Singhal  
**Directors**

Place : CHANDIGARH  
Dated : 30th May, 2011

S.C. Dewan  
Partner

Shaman Jindal  
**Company Secretary**

## SCHEDULE - 1

### SHARE CAPITAL

PARTICULARS	ASAT 31.03.2011 (Rs.)	ASAT 31.03.2010 (Rs.)
<b>Authorised Capital</b>		
1,90,00,000 Equity Shares of Rs.10/-each	19,00,00,000	19,00,00,000
12,00,000 Optionally Convertible Preference Shares of Rs. 145/- each, cummulative or non-cummulative	17,40,00,000	17,40,00,000
<b>TOTAL</b>	<b>36,40,00,000</b>	<b>36,40,00,000</b>
<b>Issued, Subscribed and Paid Up</b>		
1,48,43,170 (Previous year 1,30,66,170) Equity Shares of Rs.10/- each fully paid up	14,84,31,700	13,06,61,700
<b>TOTAL</b>	<b>14,84,31,700</b>	<b>13,06,61,700</b>

## SCHEDULE - 2

### SHARE APPLICATION MONEY

PARTICULARS	ASAT 31.03.2011 (Rs.)	ASAT 31.03.2010 (Rs.)
Application money for Preferential allotment (5,50,000 Equity Shares @ Rs. 105/- per share)	-	5,77,50,000
<b>TOTAL</b>	<b>-</b>	<b>5,77,50,000</b>

## SCHEDULE - 3

### RESERVES & SURPLUS

PARTICULARS	ASAT 31.03.2011	ASAT 31.03.2010
	(Rs.)	(Rs.)
Assistance under Patser Scheme	50,00,000	50,00,000
Capital Revaluation Reserve	52,80,63,893	52,80,63,893
D.G Set Subsidy	50,000	50,000
General Reserve	48,05,22,812	48,05,22,812
Share Premium account	1,03,78,68,278	33,15,73,278
Share forfeiture reserve	59,10,271	59,10,271
State Capital subsidy	27,45,000	27,45,000
Surplus in profit and loss account	62,05,49,034	34,84,91,208
<b>TOTAL</b>	<b>2,68,07,09,288</b>	<b>1,70,23,56,462</b>

## STEEL STRIPS WHEELS LIMITED

### SCHEDULE - 4 SECURED LOANS

PARTICULARS	ASAT 31.03.2011 (Rs.)		ASAT 31.03.2010 (Rs.)	
<b>Loans and Advances from Banks</b>				
<b>A) TERM LOANS</b>				
Axis Bank Limited	12,61,37,686		16,82,54,131	
Canara Bank	29,20,17,305		--	
HDFC Bank Limited	--		4,10,40,407	
Indian Overseas Bank	85,15,571		2,55,00,000	
Punjab National Bank	42,08,06,732		28,45,61,539	
State Bank of Bikaner and Jaipur	7,08,45,171		10,66,54,757	
State Bank of Indore	5,92,25,683		9,26,76,604	
Export Import Bank of India	23,49,68,885		20,93,86,619	
United Bank of India	8,08,90,769		9,99,99,978	
		1,29,34,07,802		1,02,80,74,035
<b>B) WORKING CAPITAL LIMITS :</b>				
Axis Bank Limited	2,33,38,307		21,89,75,566	
Canara Bank	1,94,18,463		--	
Export Import Bank of India	-		6,87,83,891	
HDFC Bank Limited	27,65,09,980		15,10,02,141	
Indian Overseas Bank	--		2,98,10,457	
Punjab National Bank	43,87,05,183		--	
State Bank of Bikaner and Jaipur	1,99,07,955		10,67,97,024	
State Bank of Indore	--		5,41,48,472	
Tata Capital Limited	24,94,07,120			
Yes Bank Ltd.	6,11,21,492	1,08,84,08,500		62,95,17,551
Buyer Credit for Raw Materilas		36,45,50,144	--	13,48,77,427
<b>C) OTHER LOANS AND ADVANCES</b>				
<b>Term Loans from Others</b>				
DEG, Germany	81,82,07,231		87,16,25,084	
Tata Capital Limited	2,50,00,000	84,32,07,231	9,50,00,000	96,66,25,084
Buyer Credit for Capital Goods		5,04,64,031		
<b>TOTAL</b>		<b>3,64,00,37,708</b>		<b>2,75,90,94,097</b>

**NOTE :**

Term Loans from banks, financial institutions and others are secured / to be secured by equitable mortgage created/ to be created by deposit of title deeds of the Company's immovable properties for Dappar and Oragadam units in addition to the deed of hypothecation charging Company's moveable properties, both present and future and second charge created / to be created on raw materials, semi-finished goods, consumable stores, finished goods and book debts etc.

Working Capital Limits from Banks are secured / to be secured by first pari-passu charge on stocks of Raw materials, Semi-finished goods, Finished goods, Consumable stores, hypothecation of book debts. The Limits are further secured/ to be secured by 11nd pari-passu charge over fixed assets of the company.

Buyer credit loans are secured by way of lien on non-funds based working capital limits and counter indemnity of the Company.

All secured loans are further secured by personal guarantee of Chairman & Director and / or Managing Director of the Company.

### SCHEDULE - 5 UNSECURED LOANS

PARTICULARS	ASAT 31.03.2011 (Rs.)	ASAT 31.03.2010 (Rs.)
Inter-Corporate Loan (Interest free and subordinated)	-	24,53,00,000
<b>TOTAL</b>	-	<b>24,53,00,000</b>

(Rs. in Lacs)

**SCHEDULE - 6 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.10 (Rs.)	Adjustments (Rs.)	Sale/ Exchange Fluctuation (Rs.)	Additions (Rs.)	As at 31.03.11 (Rs.)	As at 01.04.10 (Rs.)	Adjustments (Rs.)	For the year (Rs.)	As at 31-03-11 (Rs.)	As at 01-03-10 (Rs.)
Land/Freehold	53,13,00,000	-	-	18,76,96,090	71,89,96,090	-	-	-	71,89,96,090	53,13,00,000
Land/leasehold	12,07,16,816	-	-	12,07,16,816	12,07,16,816	42,67,767	12,19,360	54,87,127	11,52,29,689	11,64,49,049
Buildings	65,30,95,234	-	-	32,10,95,960	97,41,91,194	8,34,62,475	2,65,00,492	10,99,62,967	86,42,28,227	56,96,32,759
Plant, Machinery and equipments	2,54,75,98,447	(2,89,63,171)	1,32,06,195	1,34,01,00,072	3,87,19,41,544	82,64,08,271	(94,98,980)	25,48,68,899	1,07,17,78,190	2,80,01,63,354
Plant, Machinery and equipments - R&D	3,70,69,886	-	-	-	3,70,69,886	1,46,99,476	38,05,821	1,85,05,297	1,85,64,589	2,23,70,410
Furniture, Fixture and Office equipments	2,57,62,770	-	-	88,44,507	3,46,07,276	84,79,513	17,62,850	1,02,42,363	2,43,64,913	1,72,83,256
Data processing equipments	3,47,82,634	-	-	57,66,899	4,05,49,533	2,41,41,762	35,71,659	2,77,13,421	1,28,36,112	1,06,40,872
Data processing equipments - R&D	18,89,280	-	-	-	18,89,280	13,80,716	95,899	14,76,615	4,12,665	5,08,564
Vehicles	3,79,80,013	(28,57,009)	-	2,56,80,813	6,08,03,817	2,03,03,888	(16,74,589)	43,87,023	2,30,16,322	3,77,87,495
Die Toolings - New Products R&D	3,51,38,806	-	-	82,70,316	4,34,09,122	3,20,986	43,63,434	46,84,420	3,87,24,702	3,48,17,820
Die Toolings	56,20,30,468	(85,95,191)	-	5,90,41,108	61,24,76,385	22,51,70,664	(13,75,963)	5,61,33,207	27,99,27,908	33,68,59,804
Less-Transferred to run/preoperative expenses	4,58,73,64,355	(4,04,15,370)	1,32,06,195	1,95,64,95,764	6,51,66,50,943	1,20,86,35,518	(1,25,49,532)	35,67,08,644	1,55,27,94,630	4,96,38,56,313
<b>TOTAL</b>	<b>4,58,73,64,355</b>	<b>(4,04,15,370)</b>	<b>(1,32,06,195)</b>	<b>1,95,64,95,764</b>	<b>6,51,66,50,943</b>	<b>1,20,86,35,518</b>	<b>(1,25,49,532)</b>	<b>32,80,54,847</b>	<b>1,55,27,94,630</b>	<b>4,96,38,56,313</b>
Previous Year	4,37,15,65,787	1,63,67,331	(5,88,26,985)	29,09,92,882	4,587,364,353	95,40,95,946	(38,145)	25,45,77,717	1,20,86,35,518	3,37,87,28,835

## STEEL STRIPS WHEELS LIMITED

### SCHEDULE - 7 CAPITAL WORK IN PROGRESS

PARTICULARS	ASAT 31.03.2011 (Rs.)	ASAT 31.03.2010 (Rs.)
Buildings under construction incl. land	2,80,95,122	15,91,60,082
Plant and machineries under installation incl. advances	34,02,96,637	60,71,67,964
Other assets	--	18,35,234
Preoperative expenses pending capitalisation (Schedule 25)	--	8,21,07,241
<b>TOTAL</b>	<b>36,83,91,759</b>	<b>85,02,70,521</b>

### SCHEDULE - 8 INVESTMENTS

PARTICULARS	ASAT 31.03.2011 (Rs.)	ASAT 31.03.2010 (Rs.)
<b>UNQUOTED AND VALUED AT COST</b>		
150,000 (Previous year 200,000) Equity Share of 10/- each of Nimbua Greenfield (Punjab) Limited	15,00,000	20,00,000
<b>QUOTED AND VALUED AT COST</b>		
NIL (Previous year 150,000) Units of Axis Equity Fund-Dividend Options of Axis Mutual fund	--	15,00,000
158,303.10 units of Axis Triple Advantage Fund-Growth of Axis Mutual Fund (Market Value Rs. 1,637,566)	15,83,031	NIL
<b>TOTAL</b>	<b>30,83,031</b>	<b>35,00,000</b>

### SCHEDULE - 9 INVENTORIES

PARTICULARS	ASAT 31.03.2011 (Rs.)	ASAT 31.03.2010 (Rs.)
As taken, valued and certified by management (Cost or market price, whichever is lessor), other wise stated		
Raw Materials (including with job workers and in transit)	1,02,74,86,029	49,25,88,224
Finished Goods	4,47,18,761	4,01,49,630
Scrap (at estimated market price)	38,41,942	22,40,057
Work in process	18,85,09,970	7,10,45,768
Stores and spares	24,02,26,478	16,51,51,163
<b>TOTAL</b>	<b>1,50,47,83,180</b>	<b>77,11,74,842</b>

### SCHEDULE - 10 SUNDRY DEBTORS

PARTICULARS	ASAT 31.03.2011		ASAT 31.03.2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(Unsecured, considered good unless otherwise stated)				
Outstanding for a period exceeding six months				
- Considered good	63,60,648		15,45,767	
- Considered doubtful	36,62,343		35,68,348	
	1,00,22,991		51,14,115	
Less : Provision for doubtful debts	36,62,343	63,60,648	35,68,347	15,45,768
Others		87,83,72,138		62,98,28,495
<b>TOTAL</b>		<b>88,47,32,786</b>		<b>63,13,74,263</b>

## SCHEDULE - 11

### CASH AND BANK BALANCES

PARTICULARS	(Rs.)	ASAT	(Rs.)	ASAT
		31.03.2011		31.03.2010
Cash in Hand		11,00,491		10,44,442
Cheques in Hand		13,64,90,747		7,87,357
Balance with Scheduled Banks				
— in Current Accounts	7,72,13,347		1,02,30,040	
— in Dividend Accounts	28,16,864		30,72,366	
— in Deposit Accounts	5,05,29,472	13,05,59,683	23,31,02,306	24,64,04,712
<b>TOTAL</b>		<b>26,81,50,921</b>		<b>24,82,36,511</b>

## SCHEDULE - 12

### OTHER CURRENT ASSETS

PARTICULARS	ASAT	ASAT
	31.03.2011	31.03.2010
	(Rs.)	(Rs.)
Prepaid Expenses	1,28,69,566	67,93,512
Security Deposits	3,73,36,889	3,35,95,880
<b>TOTAL</b>	<b>5,02,06,455</b>	<b>4,03,89,392</b>

## SCHEDULE - 13

### LOANS AND ADVANCES

PARTICULARS	ASAT		ASAT	
	31.03.2011		31.03.2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(Unsecured, considered good unless otherwise stated)				
Advances recoverable in cash or kind or for value to be received				
- Considered good	8,14,60,823		8,77,05,400	
- Considered doubtful	35,00,000		35,00,000	
	8,49,60,823		9,12,05,400	
Less : Provision for doubtful debts	35,00,000	8,14,60,823	35,00,000	8,77,05,400
Balance with excise authorities		14,76,06,267		8,98,48,751
MAT Credit entitlement		7,09,00,000		
Prepaid Income tax	4,35,15,475		99,18,049	
Less : Shown as per contra	4,35,15,475	---	99,18,049	
Prepaid Fringe benefit tax	---	---	11,00,000	
Less : Shown as per contra	---	---	11,00,000	
<b>TOTAL</b>		<b>29,99,67,090</b>		<b>17,75,54,151</b>

## STEEL STRIPS WHEELS LIMITED

### SCHEDULE - 14 CURRENT LIABILITIES & PROVISIONS

PARTICULARS	ASAT 31.03.2011		ASAT 31.03.2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>CURRENT LIABILITIES</b>				
Trade Creditors (incl. creditors for capital goods)				
- Due to Micro, Small & Medium undertakings	3,67,45,361		2,09,26,696	
- Others	1,39,97,69,258	1,43,65,14,619	89,25,25,616	91,34,52,312
Interest accrued but not due		2,05,50,673		1,47,95,573
Taxes and duties payable		1,17,24,385		64,05,464
Due to directors		1,08,12,300		50,94,392
Unclaimed dividends		28,16,864		30,72,366
Excise duty on finished goods		41,75,914		37,49,240
Other payables		12,07,88,770		6,79,58,632
		1,60,73,83,525		1,01,45,27,979
<b>Provisions</b>				
Income Tax (net of payments)	2,73,84,525		1,64,95,902	
Proposed dividend	2,22,64,755		1,36,16,170	
Dividend distribution Tax	36,97,897	5,33,47,177	23,14,068	3,24,26,140
<b>TOTAL</b>		<b>1,66,07,30,702</b>		<b>1,04,69,54,119</b>

### SCHEDULE - 15 SALES

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Domestic sales</b>				
- Manufactured products	5,93,62,90,767		3,81,12,04,923	
- Scrap	51,80,25,686		31,11,08,451	
- Trading sales	34,42,424		20,77,387	
	6,45,77,58,877		4,12,43,90,761	
Less: Excise duty paid	60,96,95,030		33,19,85,484	
	5,84,80,63,847		3,79,24,05,277	
- Other sales	1,05,84,930	5,85,86,48,777	65,84,011	3,79,89,89,288
<b>Export sales</b>				
- Manufactured products		70,29,99,947		39,44,66,633
<b>TOTAL</b>		<b>6,56,16,48,724</b>		<b>4,19,34,55,921</b>

### SCHEDULE - 16 OTHER INCOME

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
Exchange fluctuation	48,53,678	---
Insurance Claims received	5,59,289	5,09,268
Interest Received from from Banks/Customer/Other	81,43,616	47,90,652
Miscellaneous income	13,294	41,833
Profit on Sale of Shares	2,50,000	--
Profit on sale of units of mutual fund	83,031	--
Research and development income	---	58,70,750
Short excess /sundry balance w/ back (net)	63,727	--
<b>TOTAL</b>	<b>1,39,66,635</b>	<b>1,12,12,503</b>

## SCHEDULE - 17 INCREASE (DECREASE) IN INVENTORIES

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Opening				
— Finished Goods	4,01,49,630		2,54,18,093	
— Scrap	22,40,057		10,33,345	
— Stocks-in-Process	7,10,45,768	11,34,35,455	5,54,53,319	8,19,04,757
Receipts from trial run (Sch 25)				
- Finished goods	4,74,18,274		--	
- Scrap	12,88,678		--	
- Stock in process	1,10,45,219	5,97,52,171	--	--
Closing		17,31,87,626		8,19,04,757
— Finished Goods	4,47,18,761		4,01,49,630	
— Scrap	38,41,942		22,40,057	
— Stocks-in-Process	18,85,09,970	23,70,70,673	7,10,45,768	11,34,35,455
<b>INCREASE IN STOCK</b>		<b>6,38,83,047</b>		<b>3,15,30,698</b>

## SCHEDULE - 18 RAW MATERIAL CONSUMED

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Opening Stock				
— Steel	41,83,45,945		29,02,56,247	
— Stock in transit	6,43,03,950		2,01,93,917	
— Paints and Chemicals	99,38,329	49,25,88,224	69,52,811	31,74,02,975
Purchases				
— Steel	4,66,57,10,044		2,73,99,86,817	
— Paints and Chemicals	14,90,57,844	4,81,47,67,888	11,57,97,300	2,85,57,84,117
		5,30,73,56,112		3,17,31,87,092
Closing Stock				
— Steel	84,07,07,105		41,83,45,945	
— Stock in transit	17,64,68,375		6,43,03,950	
— Paints and Chemicals	1,03,10,549	1,02,74,86,029	99,38,329	49,25,88,224
<b>TOTAL</b>		<b>4,27,98,70,083</b>		<b>2,68,05,98,868</b>

## SCHEDULE - 19 MANUFACTURING EXPENSES

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(Rs.)	(Rs.)
Other manufacturing expenses	2,22,52,603	97,36,392
Power and fuel	17,18,54,084	12,19,43,454
Repairs and maintenance - Machineries	11,96,16,531	5,75,25,597
Stores and spares consumed	22,23,31,754	11,53,55,857
Technical know how fees	39,35,029	42,49,263
<b>TOTAL</b>	<b>53,99,90,001</b>	<b>30,88,10,563</b>



## STEEL STRIPS WHEELS LIMITED

### SCHEDULE - 20 PERSONNEL EXPENSES

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
Bonus and ex-gratia	24,17,276	12,25,316
Contribution to Provident fund and ESI and other funds	99,86,905	66,65,094
Gratuity	1,19,88,518	31,76,224
Other personnel expenses	3,75,41,586	1,98,48,316
Recruitment expenses	6,28,407	3,48,106
Salaries, wages, allowances and overtime	28,64,43,930	17,69,62,376
<b>TOTAL</b>	<b>34,90,06,622</b>	<b>20,82,25,432</b>

### SCHEDULE - 21 ADMINISTRATIVE AND OTHER EXPENSES

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
Advertisement	3,58,632	108,526
Auditors remuneration	6,00,000	6,00,000
Bad debts written off	38,238	1,15,896
Board Meeting expenses	48,870	11,687
Charity and donation	24,297	16,325
Directors traveling and conveyance	52,62,846	47,16,300
Electricity and water charges	7,14,037	10,42,525
Exchange fluctuation (net)	--	85,78,953
Fee and taxes	31,68,174	20,94,142
Festival celebration expenses	34,99,751	21,15,389
General Meeting expenses	3,77,428	1,76,652
Guest House expenses	3,37,649	3,67,449
Hiring charges and rent	1,20,48,822	1,03,63,504
Horticulture expenses	31,66,878	15,43,200
Insurance expenses	90,72,128	52,62,924
Legal and professional charges	53,12,654	37,64,598
Listing fees	1,78,905	2,41,379
Lease Rent on Land	1	1
Loss on sale of assets (net)	2,31,492	--
Managerial remuneration	2,37,09,073	1,18,87,492
Membership and subscription	2,03,108	2,63,537
Newspapers, books and periodicals	60,811	72,667
Office maintenance	43,47,459	33,52,393
Other expenses	3,67,158	2,84,814
Printing and stationery	41,58,712	30,24,697
Provisions for doubtful debts	93,996	--
Repairs and maintenance - Buildings	40,39,378	49,26,715
Repairs and maintenance - Computers	7,36,063	16,42,434
Repairs and maintenance - Electrical	16,91,436	5,28,261
Repairs and maintenance - Others	11,25,023	6,88,727
Retainership Fees	27,90,585	22,67,403
Security expenses	55,89,994	53,49,531
Seminar and conference	4,57,529	1,25,407
Service tax paid	7,04,504	5,35,009
Sitting fees	3,40,000	2,35,000
Telephone and communication expenses	49,04,399	32,71,223
Traveling and conveyance	2,32,33,680	1,15,15,157
Traveling and conveyance - Foreign	33,99,951	28,59,390
Vehicles running, repairs and maintenance	60,46,893	64,05,768
Wealth tax paid	59,033	69,583
<b>TOTAL</b>	<b>13,24,99,587</b>	<b>10,04,24,658</b>

## SCHEDULE - 22 FINANCIAL EXPENSES

PARTICULARS	CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)	
Bank Charges and others		2,88,79,725		1,73,41,696
Interest paid				
- on term loans		7,33,67,528		10,20,05,209
- on working capital		9,88,80,494		4,88,38,231
- to others		4,07,255		3,70,584
<b>TOTAL</b>		<b>20,15,35,002</b>		<b>16,85,55,720</b>

## SCHEDULE - 23

### SELLING AND DISTRIBUTION EXPENSES

PARTICULARS	CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)	
Business promotion		6,71,327		4,72,103
Forwarding expenses		27,57,16,472		19,60,51,079
Other selling and distribution expenses		1,05,57,453		36,02,296
Packing materials		11,25,00,190		7,11,05,270
Rebates and discounts		4,08,91,298		3,12,86,305
Royalty on Sales		6,09,632		---
<b>TOTAL</b>		<b>44,09,46,372</b>		<b>30,25,17,053</b>

## SCHEDULE - 24

### RESEARCH AND DEVELOPMENT EXPENSES

PARTICULARS	CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)	
Research and development expenses		6,49,803		24,35,667
Salaries, wages and other allowance		97,82,197		89,41,354
Travelling and conveyance		13,80,767		17,53,735
<b>TOTAL</b>		<b>1,18,12,767</b>		<b>1,31,30,756</b>

## SCHEDULE - 25

### TRIAL RUN / PRE-OPERATIVE EXPENSES

PARTICULARS	CURRENT YEAR (Rs.)		PREVIOUS YEAR (Rs.)	
Opening Balance		8,21,07,241		2,83,60,710
Add -				
Addition during the year				
Raw material consumed	31,23,01,233			
Manufacturing expenses /stores & spares	6,20,81,598			
Personnel expenses	3,40,86,832		56,82,816	
Administrative and other expenses	2,99,15,789		37,06,508	
Financial expenses	5,11,28,615		4,43,15,689	
Selling expenses	18,32,104		41,518	
Depreciation	2,86,53,796	51,99,99,967	--	5,37,46,531
Sub-Total		60,21,07,208		8,21,07,241
Less - Withdrawal during the year				
Capitalised	1,732,47,395			
Decapitalised (Foreign Currency Fluctuation)	4,28,63,789			
Closing Stock (Raw Material & Consumable)	7,48,06,527			
Closing stock (Finished goods, scrap and WIP)	5,97,52,171			
Other income	18,54,421			
Sales (Scrap)	4,56,61,722			
Sales (Manufactured products)	20,39,21,183	60,21,07,208		
<b>Carried to Schedule 7</b>		<b>NIL</b>		<b>8,21,07,241</b>

## SCHEDULE 26

### NOTES ON ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### i) Accounting Convention

The financial statements are prepared under the historical cost convention in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956 and relevant presentational requirements of the Companies Act, 1956.

##### ii) Fixed Assets

Fixed assets are stated at cost (net of CENVAT) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses and interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets.

The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, have been added to or deducted from the cost of the asset and shall be depreciated over the balance useful life of the asset.

Die Tooling, developed in-house, includes cost of material, taxes and duties and other direct/ incidental expense on in-house development.

##### iii) Depreciation/ amortization

- Depreciation on fixed assets (other than those referred to in b and c below) is provided on straight line method in accordance with Schedule XIV to the Companies Act, 1956.
- Depreciation on assets costing Rs. 5,000 or less is provided 100% on prorata basis for days put in use.
- The leasehold land is amortized over the period of lease.
- Difference of Exchange Rate fluctuation on imported plant and machineries procured out of long term foreign currency loans is amortized over the residual life of relevant plant and machineries.

##### iv) Inventories

- Raw materials lying at Factory and job workers have been valued at cost.
- Stocks in process have been valued at Raw material cost plus proportionate of conversion cost.
- Finished goods lying at factory have been valued at Raw material cost plus conversion cost including excise duty payable.
- Scrap has been valued at net realizable value.
- Stores and Spares have been valued at cost.

##### v) Investments

Long-term investments are carried at cost less provision, if any, for diminution in value which is other than temporary. Current investments are carried at lower of cost and fair value.

##### vi) Transactions in Foreign Currency

- Foreign currency transactions are recorded at the exchange rate prevailing as at the date of transactions except export sales which are recorded at a rate notified by the customs for invoice purposes. Such rate is notified in the last week of the month and is adopted for recording export sales of the next month. The exchange fluctuation arising as a result of negotiation of export bill is accounted for as difference in exchange rates.
- Monetary items denominated in a foreign currency are reported at the closing rate as at the date of balance sheet. The reinstatement difference is charged to profit and loss account.
- Non-monetary items (fixed assets and loans) denominated in a foreign currency are reinstated as at the date of balance sheet. The difference

on re-instatement is carried to relevant non-monetary items.

##### vii) Employee Benefits

The Company has various schemes of retirement benefits such as provident fund, gratuity and leave encashment, which is dealt with as under

- Contributions to provident fund are made in accordance with the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to revenue every year.
- Provision for Gratuity is made based on actuarial valuation. The gratuity liability in respect of employees of the Company is covered through a policy taken by a trust from Life Insurance Corporation of India. The contribution towards premium of the policy to the trust is charged to revenue every year.
- Provision for leave encashment is made based on actuarial valuation. The leave encashment liability is covered through a policy taken from Life Insurance Corporation of India. The contribution towards premium of the policy is charged to revenue every year.

##### viii) Borrowing costs

Borrowing costs that are attributable to acquisition or construction of a qualifying asset are capitalized as part of cost of such assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

##### ix) Cenvat

The balance in the Service Tax and Modvat account is shown as current asset.

##### x) Revenue Recognition

Sales revenue is recognized as and when goods are handed over to carrier.

- Insurance claim is recognized on actual receipt basis.
- Interest from bank is recognized on accrual basis.

##### xi) Recognition of expenses

Expenses are recognized on accrual basis except Technical know-how fees and Royalty on sales which is recognized on cash basis.

##### xii) Impairment of Assets

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss, i.e., the amount by which the carrying amount of asset exceeds its recoverable amount is provided in the books of account.

##### xiii) Accounting for taxes on income

Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. In respect of carry forward of losses and unabsorbed depreciation, deferred tax assets are recognized based on virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

MAT credit entitlement is recognized as an asset and carried under Loans and advances.

**CONTINGENT LIABILITIES NOT PROVIDED FOR ON ACCOUNT OF:**

(Rupees in Lacs)

	As at 31.03.2011	As at 31.03.2010
a) Letters of Credit outstanding for import/Purchase of Raw Material, Spares and Plant & Machinery.	1,444.78	1,556.88
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,582.68	5,108.39

3. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.
4. Depreciation on plant and machineries is provided as under
  - a. In case of Oragadam (Tamil Nadu) unit on double shift basis as the unit functioned on double shift.
  - b. In case of Dappar unit on triple shift basis as the unit functioned on triple shift.
  - c. In case of Jamshedpur (Jharkhand) unit on single shift basis as the unit functioned on single shift.
5. Debit and Credit Balances in the accounts of suppliers and others are subject to confirmation and reconciliation.
6. The Income Tax assessment of the Company has been completed upto Assmt Year 2008-09. The Income Tax demand of Rs.99.56 lakhs for the Assmt. Year 2008-09, out of which Rs.25.00 Lacs has been deposited and Rs.74.56 Lacs is pending, the same has been stayed by Chief Commissioner of Income Tax. The appeal of the Company is pending before Commissioner of Income Tax (Appeals), Chandigarh. In the opinion of the Company the demand is likely to be deleted in view of the decision of various appellate authorities and interpretation of other relevant provisions of the Income Tax Act, 1961. Accordingly, no provision has been made.
7. The Company had been granted exemption from Sales Tax under the Punjab Industrial Policies, 1989 and 1996 for its Dappar unit. The said exemption is available upto March, 2012 or such period when amount of exemption is fully utilized, whichever is earlier. From 01.06.2010 part of VAT liability is being set off under exemption and part is being paid as per applicable rules and regulations of the Punjab VAT Act, 2005. In respect of Chennai & Jamshedpur unit all sales tax liabilities are being paid as per applicable rules and provisions. Any liability on account of Sales Tax, if arises, shall be accounted for at the time of assessment.
8. Payments to auditors included under the head Auditor Remuneration

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fee	4,00,000	4,00,000
Tax Audit Fee	1,00,000	1,00,000
Certificate Charges	1,00,000	1,00,000
Out of Pocket Exp.	-	-
	<b>6,00,000</b>	<b>6,00,000</b>

Service Tax has not been included in above being cervatable.

9. Sundry Creditors include a sum of Rs. 367.45 Lakhs (Previous year 209.27 lakhs) due to Micro and Small Scale Undertakings. This information is required to be disclosed under the Micro, Small and Medium Enterprises development Act 2006, as determined to the

extent the parties have been identified on the basis of information with the company.

10. During the year the Company has made a provision for accrued liability on account of Gratuity and leave encashment on the basis actuarial valuation based on projected unit method as required by AS 15 (Revised 2005) - Employee Benefits issued by The Institute of Chartered Accountant of India, New Delhi.
11. In compliance with AS 22 issued by ICAI on Accounting for the Taxes on Income, a sum of Rs. 541.50 lakhs (Previous Year Rs. 51.70 lakhs) has been considered as deferred tax liability in respect of timing difference for the year under consideration and the same has been charged to profit & loss account.
12. Prior period adjustment comprises of the followings.

Particulars	Rs. in lakhs
<b>EXPENSES</b>	
Repairs bills	0.10
Sales credit notes	0.49
Freight, Stores & other Expenses	7.48
Total	8.07
<b>INCOME</b>	
Stores & other Expenses	(7.28)
Total	(7.28)

**13. Earlier year taxes comprises of the followings -**

Particulars	Rs. in lakhs
Income Tax for AY 2007-08	39.81
Income Tax for AY 2010-11 (Excess provision)	(4.47)
<b>Total</b>	<b>35.34</b>

14. The company had entered into an agreement for purchase of land admeasuring 304 kanals approx at village Bir Farozari, Distt. Panchkula, at a cost of Rs. 133.00 lacs for setting up an auto component unit. The land has not yet been registered in the name of the company. Pending the same, the advance of Rs. 35.00 lacs paid by the company has been shown as 'Advances Recoverable' in the Schedule of 'Loans & Advances' and being Under Legal suit, a provision for the same has been made.

**15. Earning per Share (EPS)**

Particulars	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
a. Profit after tax as per profit and loss account	2,980.20	1452.48
b. Profit available for shareholders	2,980.20	1452.48
c. Adjusted profit available for shareholders	2,980.20	1452.48
d. Weighted average of equity shares	14,007,719	13,066,170
e. Weighted average of diluted equity shares	14,007,719	13,888,759
f. Earning per share (Rs.) (b / d)	21.28	11.12
g. Diluted Earning per share (Rs) (c / e)	21.28	10.46

**16. Related Party Disclosures**

Detail of transactions entered into with related parties during the year as required by Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as under:-

## STEEL STRIPS WHEELS LIMITED

Particulars	Rs. in Lacs				
	Key management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP are able to Exercise Significant Influence	Total for the Current year 2010-11	Previous year 2009-10
Purchase of goods	--	--	1.43	1.43	--
Lease Line Charges	--	--	6.17	6.17	9.45
Rent paid	--	--	--	--	12.00
Sitting fees	--	--	--	--	0.30
Hire charges	--	--	--	--	11.74
Remuneration incl. commission	187.43	32.16	--	219.59	104.68
Dividend Paid	44.23	1.71	28.55	74.49	--

Note :

- a) Key Managerial personnel: **Sh. Dheeraj Garg, Managing Director**
- b) Enterprises over which Key Management Personnel (KMP) are able to exercise significant control with which transactions have taken place during the year:  
SAB Industries Ltd.
- c) Relatives of the Key Management Personnel (with whom transactions have taken place) :Sh. R.K. Garg, Chairman and Director  
Ms. Ute Mayr, Whole time Director

### 17. Managing Directors' Remuneration

	(Rs. in lakhs)	
	Current Year	Previous Year
Salary & Allowance	28.80	28.80
Contribution to Provident Fund	2.16	2.16
Commission on Profit	156.47	73.52
<b>Total</b>	<b>187.43</b>	<b>104.68</b>

### 18. Whole time Directors' Remuneration

	(Rs. in lakhs)	
	Current Year	Previous Year
Salary & Allowances	46.15	--
Contribution to Provident Fund	3.51	--
<b>Total</b>	<b>49.66</b>	<b>--</b>

19. The computation of Net Profits in accordance with Section 198 read with Section 349 of Companies Act, 1956 is given hereunder for the purpose of calculation of commission payable to Managing Director.

	(Rs. in Lakhs)	
	Current Year	Previous Year
Profit as per Profit & Loss A/c	2,980.20	1,452.48
<b>Add:</b>		
Depreciation as per P&L A/c	3,280.55	2,545.78
Managing Director's Remuneration	187.43	104.68
Sitting Fee	3.40	2.35
Tax for the year	0.00	338.00
Deferred Tax Liability	541.50	51.70
Earlier year Taxes/ prior period adjustments	43.40	117.54
<b>Total</b>	<b>7,036.49</b>	<b>4,612.53</b>
<b>Less:</b>		
Depreciation as per Companies Act	3,280.55	2,545.78
Prior period adjustment	(0.79)	(26.95)
Available Profit	3,748.66	2,093.70
Commission/Remuneration @ 5%	187.43	104.68
Less: Salary already paid (including value of perquisite as per Income Tax Rules)30.96		30.96
<b>Net Commission payable</b>	<b>156.47</b>	<b>73.72</b>

20. As per the provision of Section 115JAA, MAT Credit receivable has been recognized as an asset to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. MAT credit is recognized as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India. The said assets is created by the way of credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.
21. Pre-operative expenses pending capitalization (as per schedule 25) consists of expenses incurred/ being incurred during implementation of project or installation of new fixed assets. These will be capitalized with other fixed assets when project/ fixed assets shall commence commercial production.
22. Previous year figures have been re-grouped and rearranged wherever considered necessary to make them comparable with those of current year. Figures have been rounded off to the nearest rupee.
23. The company is in the business of manufacture and sale of wheel rims and there is no other segment as per Accounting Standard (AS -17) dealing with the segment reporting.
24. Land for Oragadam plant is obtained on 99 years lease basis from State Industries Promotion Corporation of Tamilnadu Limited (SIPCOT), a Govt of Tamilnadu enterprise. Total cost of leasehold land is amortized over a period of 99 years. Accordingly a sum of Rs. 12.19 lakh (previous year Rs. 42.68 lakh) is amortized during the year.
25. Detail of Provisions as per requirements of AS-29 (Provisions, Contingent Liabilities and Contingent Assets).

	Gratuity	Leave Encash	Doubtful Debts	Others	(Rs. In Lacs) Dividend & Dividend Tax	Income Tax & Fringe Benefit Tax	MAT Credit entitlement
Balance as at April 1, 2010	106.83	42.16	70.69	403.26	159.30	164.96	--
Additional provision made during the year	119.89	26.29	0.93	775.97	259.63	709.00	709.00
Amount used during the period	7.84	3.82	--	315.17	159.30	160.49	--
Unused amounts reversed during the period	--	--	--	--	--	4.47	--
Balance as at March 31, 2011	218.88	64.63	71.62	864.06	259.63	709.00	709.00

26. Schedule 1 to 26 form an integral part of the Balance Sheet, Profit & Loss Account and Cash Flow Statement.

#### AUDITORS REPORT

Certified in terms of our separate report of even date annexed.

**For S.C. Dewan & Co.**  
Chartered Accountants

Place : CHANDIGARH  
Dated : 30th May, 2011

S.C. Dewan  
Partner

**Dheeraj Garg**  
Managing Director

Shaman Jindal  
Company Secretary

A.V. Unnikrishnan  
M.M. Chopra  
S.S. Jha  
S.S. Grewal  
Rajiv Singhal  
Directors

## STEEL STRIPS WHEELS LIMITED

### ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPHS 3 & 4 OF PART-II OF SCHEDULE-VI OF THE COMPANIES ACT, 1956

PARTICULARS		2010-2011		2009-2010
<b>A. QUANTITATIVE DATA</b>				
1 Licensed Capacity (p.a.)		De-licensed Automotive Wheel Rims		De-licensed Automotive Wheel Rims
2 Installed Capacity at the year end (As certified by the management)		1,25,00,000 Nos		1,00,00,000 Nos.
3 Production - Wheel Rims (incl. production of 69,305 during trial run)	(in nos.)	96,67,959		71,68,324
	<b>Qty (MT)</b>	<b>Value (Rs./Lakhs)</b>	<b>Qty. (MT)</b>	<b>Value (Rs./ Lakh)</b>
4 Raw-Material Consumed (incl. inter-unit transfers)				
HR Steel	1,05,651	41,311.84	76,877	25,475.93
Paints and Chemical		1,486.86		1,128.12
<b>Total</b>		<b>42,798.70</b>		<b>26,604.05</b>
5 Opening Stock				
Finished Goods (in nos)	89,802	401.50	71,643	254.18
Scrap (in MTs)	108	22.40	54	10.33
Work-in-process		710.46		554.53
6 Closing Stock				
Finished Goods (in nos)	60,480	447.19	89,802	401.50
Scrap (in MT)	161	38.42	108	22.40
Work-in-process		1885.10		710.46
7 Turnover (Net)				
Manufactured products (Note below) (in nos)	9,641,399	62,823.22	7,173,143	38,983.52
Scrap		5,152.53		2,867.52
Trading sales		30.72		17.68
Other sales		105.85		65.84
<b>Total</b>		<b>68,112.32</b>		<b>41,934.56</b>
Less: Sale of manufactured products during trial run	(49,086)	(2,039.21)	---	--
Less: Sale of scrap during trial run		(456.62)	--	--
<b>Net turnover</b>		<b>65,616.49</b>		<b>41,934.56</b>

Note -

- 20219 wheels were transferred from trial run of Jamshedpur unit during 2010-11

- Turnover of manufactured products includes sales of 19,056 nos of semi-finished goods during 2010-11

**B. EXPENDITURE ON EMPLOYEES**

a) Drawing remuneration of not less than Rs. 24,00,000/- per annum and employed throughout the year		
Nos. of Employees	2	1
Salary (Rs./ lakhs)	58.80	28.80
- Contr. to Provident & Other Funds		
(Rs./ lakhs)	4.32	2.16
- Commission on profits (Rs./ lakhs)	156.47	73.72
b) Employees drawing remuneration of not less than Rs. 200000/- per month and employed for a part of the year	NIL	NIL

**C. CIF VALUE OF IMPORTS (DIRECT)**

	(Rs./ Lakhs)	(Rs./ Lakhs)
Raw Material	4,051.33	1,279.12
Components & Spare Parts	749.34	358.67
Capital Goods	3,508.65	1,481.10
Total	8,309.32	3,118.89

**D. CONSUMPTION OF RAW MATERIAL AND SPARES & COMPONENTS**

	Value (Rs.)	%age	Value (Rs.)	%age
<b>RAW MATERIALS</b>				
a) Indigenous	36,891.29	86.20%	22,959.76	85.65%
b) Imported	5,907.41	13.80%	3,846.23	14.35%
<b>Total</b>	<b>42,798.70</b>	<b>100.00%</b>	<b>26,805.99</b>	<b>100.00%</b>
<b>SPARES &amp; COMPONENTS</b>				
a) Indigenous	2,670.15	78.09%	1,301.10	75.26%
b) Imported	749.34	21.91%	427.71	24.74%
<b>Total</b>	<b>3,419.49</b>	<b>100.00%</b>	<b>1,728.81</b>	<b>100.00%</b>

Additional information pursuant to the provision of Paragraphs 3 & 4 of Part-II of Schedule-VI of the Companies Act, 1956

E. Expenditure in Foreign Currency	(Rs.)	(Rs.)
a) Raw Material	40,51,33,128	12,79,11,678
b) Machinery stores	7,49,33,516	3,58,66,720
c) Capital goods	35,08,64,906	14,81,09,970
d) Technical Know-how fee	25,19,520	37,42,320
e) Foreign Travel-Directors	17,35,099	24,53,548
- Staff	17,62,557	14,41,541
f) Other Expenditure	23,51,99,810	13,22,72,889
F. F.O.B. Value of Exports	63,50,91,994	37,07,53,015
G. Earnings in Foreign Exchange	59,63,21,388	39,44,66,633

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

**For S.C. Dewan & Co.**  
Chartered Accountants

**Dheeraj Garg**  
Managing Director

A.V. Unnikrishnan  
M.M. Chopra  
S.S. Jha  
S.S. Grewal  
Rajiv Singhal  
**Directors**

Place : CHANDIGARH  
Dated : 30th May, 2011

S.C. Dewan  
Partner

Shaman Jindal  
Company Secretary



# STEEL STRIPS WHEELS LIMITED

## Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	L 2 7 1 0 7 P B 1 9 8 5 P L C 0 0 6 1 5 9	State Code
Balance Sheet Date	3 1 0 3 2 0 1 1	1 6

II. Capital Raised during the year (Amount in Rs.)

Public Issue	Right Issue
N I L	N I L
Bonus Issue	
N I L	

III. Position of Mobilization and Deployment of Funds  
(Amount in Rs.)

Total Liabilities	Total Assets
6 6 8 2 4 4 0 8 3 3	6 6 8 2 4 4 0 8 3 3
Sources of Funds	Reserves & Surplus
1 4 8 4 3 1 7 0 0	2 6 8 0 7 0 9 2 8 8

Reserve & Surplus

Secured Loans	
3 6 4 0 0 3 7 7 0 8	
Unsecured Loans	Deferred Tax Liability
N I L	2 1 3 2 6 2 1 3 7

Application of Funds

Net Fixed Assets	Investments
5 3 3 2 2 4 8 0 7 2	3 0 8 3 0 3 1
Net Current Assets	Misc. Expenditure to the extent not written off
1 3 4 7 1 0 9 7 3 0	N I L

IV. Performance of Company (Amount in Rs.)

Turnover (Including Other Income)	Total Expenditure
6 5 7 5 6 1 5 3 5 9	6 2 1 9 9 1 0 7 8 7
Profit Before Tax	Profit After Tax
3 5 5 7 0 4 5 7 2	2 9 8 0 2 0 4 7 7
Earning Per Share	Dividend (%)
2 1 . 2 8	1 5 . 0 0

V. Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code No. (ITC Code)	8 7 0 8
Product Description	Automotive Wheel Rim

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

**For S.C. Dewan & Co.  
Chartered Accountants**

**Dheeraj Garg  
Managing Director**

A.V. Unnikrishnan  
M.M. Chopra  
S.S. Jha  
S.S. Grewal  
Rajiv Singhal  
**Directors**

Place : CHANDIGARH  
Dated : 30th May, 2011

S.C. Dewan  
Partner

Shaman Jindal  
**Company Secretary**

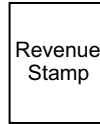
# STEEL STRIPS WHEELS LIMITED

Regd. Office & Works : Village Somalheri/Lehli, P.O. Dappar,  
Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab  
(In case the Member is unable to be present in person at the meeting this form may be used)

## PROXY FORM

I/We.....  
of.....being a member/members of  
Steel Strips Wheels Limited hereby appoint Mr./Mrs./Miss.....  
of.....as my/our proxy to attend and to vote for me/us  
and on my/our behalf at the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Company to be held on Friday  
the 30th day of September 2011 at 11.00 A.M. at Company's Registered Office at Village Somalheri/Lehli, P.O. Dappar,  
Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) and at any adjournment thereof.

Signed this.....day of.....2011.



Regd. Folio No.....Signature.....

### NOTE :

1. The proxy must be deposited at the Regd. Office of the Company at least 48 hours before the time for holding the Meeting.
2. A proxy need not be a member of the Company.

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# STEEL STRIPS WHEELS LIMITED

Regd. Office & Works : Village Somalheri/Lehli, P.O. Dappar,  
Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab

## ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

---

Name of the Member  
(IN BLOCK LETTERS)

Registered Folio No.....

Client ID.....

---

Name of the Proxy (IN BLOCK LETTERS)

[To be filled in case the Proxy attends instead of the member(s)]

---

I hereby record my presence at the **TWENTY FORTH ANNUAL GENERAL MEETING** held on Friday the 30th day of  
September, 2011 at 11.00 A.M. at Company's Registered Office at Regd. Office & Works Village Somalheri/Lehli, P.O.  
Dappar, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab.

Member's/Proxy Signature  
(To be Signed at the time of handing over this slip)



**BOOK POST**  
(Printed Material)



**Steel Strips Wheels Limited**  
*Wheeling Towards Excellence*

*If undelivered, please return to :*

**STEEL STRIPS GROUP**

SCO 49-50, Sector-26, Madhya Marg,  
Chandigarh -160 019 (INDIA)

Tel: +91(172) 2793112, 2792385,

Fax: +91(172) 2794834, 2790887

Website: [www.sswlindia.com](http://www.sswlindia.com)

[www.sswlindia.com](http://www.sswlindia.com)

