



Steel Strips Wheels Limited  
*Wheeling Towards Excellence*

# ANNUAL REPORT

exploring  
possibilities

ISO 9002, QS 9000 & TS-16949 Certified Company

**2012-13**

# 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. Chhota Govindpur,  
East Singhbhum District Jamshedpur, Jharkhand.

### HEAD OFFICE

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

### REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.  
44, Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-1  
Near PVR Naraina, New Delhi-110028

### BOARD OF DIRECTORS

Sh. R.K. Garg, Chairman  
Sh. Dheeraj Garg, Managing Director  
Ms. Ute Mayr, Whole Time Director  
Sh. A.V. Unnikrishnan, Dy. Managing Director  
Sh. Ajit Singh Chatha  
Sh. M.L. Jain  
Rear Adml. M.M. Chopra, AVSM (Retd.)  
Sh. Rajeev Singhal  
Sh. S.K. Bansal  
Sh. S.S. Grewal  
Sh. S.S. Jha  
Sh. Vijay Narayan Bedekar

### COMPANY SECRETARY

Sh. Shaman Jindal

### BANKERS / INSTITUTIONS

AXIS Bank Ltd.  
Bank of Baroda  
Canara Bank  
DEG, Germany  
Export-Import Bank of India  
HDFC Bank  
ICICI Bank Ltd.  
Punjab National Bank  
State Bank of India  
Tata capital Financial Services  
United Bank of India  
Yes Bank

### AUDITORS

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

# STEEL STRIPS WHEELS LIMITED

## STEEL STRIPS WHEELS LIMITED

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

### NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Shareholders of the Company shall be held as scheduled below:

Day & Date : Monday, 30<sup>th</sup> day of September 2013  
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:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Statement of Profit & Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Sh. R. K. Garg, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. S. S. Grewal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint 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 authorize 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.

#### SPECIAL BUSINESS

7. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an Ordinary RESOLUTION:  
"RESOLVED THAT Sh. Vijay Narayan Bedekar, who was appointed as additional director of the company by the Board of Directors w.e.f. 07.01.2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received notice under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as director of the Company whose period of office shall be liable to determination by retirement of directors by rotation".
8. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an Ordinary RESOLUTION:  
"RESOLVED THAT Sh. Ajit Singh Chatha, who was appointed as additional director of the company by the Board of Directors w.e.f. 01.07.2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received notice under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as director of the Company whose period of office shall be liable to determination by retirement of directors by rotation".
9. To consider and if thought fit, to pass, with or without modification(s), if any, following resolution as an Ordinary RESOLUTION:  
"RESOLVED THAT Sh. Manohar Lal Jain, who was appointed as additional director of the company by the Board of Directors w.e.f. 01.08.2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received notice under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as director of the Company whose period of office shall be liable to determination by retirement of directors by rotation".
10. To consider and if thought fit, to pass, with or without modification(s), if any, following resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 and other applicable provisions if any, of the companies Act, 1956, read with Schedule XIII of the said Act, as amended from time to time including any statutory modification or re-enactment thereof, from time to time and subject to the approval of any other statutory/appropriate authority, if required, consent of the members of the company, be and is hereby accorded to the re-appointment of Shri A. V. Unnikrishnan as Deputy Managing Director of the Company for a period of 5 years w.e.f. 01.01.2014 on the following terms and conditions:

#### A Basic Salary:

Rs. 1,60,000/- Per month with such increments as may be decided by the Remuneration-cum-compensation Committee from time to time subject to a ceiling of Rs. 2,50,000/- Per month.

#### B House Rent Allowance :

35% of basic salary

#### C. Special Allowance :

Rs. 14380/- per month

#### D. Other Perquisites:

In addition to the above, the Deputy Managing Director shall also be eligible for the following perquisites which shall not be included for computation of the ceiling as specified in para (A to C) above:

- (a) One Company maintained Car with driver for use exclusively for Company's business.
- (b) Medical as per Company Rule.
- (c) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company, to the extent these either singly or taken together are not taxable under the Income-tax Act, 1961.
- (d) Gratuity shall be payable at a rate not exceeding half-a-month's salary for each completed year as per provisions of the Gratuity Act and as per Company Rule.
- (e) Leave and encashment of leave as per Rules of the Company.

RESOLVED FURTHER THAT in the event of losses or inadequate profits in any financial year during the term of office of Sh. A. V. Unnikrishnan as Deputy Managing Director, the aforesaid salary and all other benefits, remuneration and other perquisites mentioned above, be paid to the appointee as minimum remuneration subject to the ceiling laid down in Schedule XIII to the Companies Act, 1956 as amended/ modified or enacted from time to time.

RESOLVED FURTHER THAT the above remuneration payable to the Deputy Managing Director shall be subject to such conditions or modifications as may be required or imposed by the Central Government or any other authority with the liberty to the Board of Directors to alter and vary the terms and conditions of his re-appointment within maximum permissible limits in accordance with schedule XIII of the Companies Act, 1956 or any amendment thereof as may be made from time to time.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take such steps and to do all acts, deeds, matters and things as may be considered necessary to give effect to this Resolution.

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

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time and the Memorandum and Articles of Association of the company and subject to such other approvals, permissions and sanctions, as may be necessary, including approval of the Central Government and Subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permission and sanctions, the consent of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any committee, including the Compensation Committee, which may exercise its powers, including the powers conferred by this Resolution), to create, grant, issue and allot at any time to the benefit of Mr. A. V. Unnikrishnan, Deputy Managing Director of the Company (herein after referred to as the "DMD"), upto 51,000 options exercisable into equivalent number of equity shares of the face value of Rs. 10/- each (hereinafter referred to as the "Options") under a scheme titled "Steel Strips Wheels Limited Deputy Managing Director, Employees Stock Option Scheme, 2013, (hereinafter referred to as the "DMD ESOS 2013") either directly or through an ESOS trust constituted specifically for this purpose, in one or more tranches, at the exercise price of Rs. 10/- per equity shares fully paid up on such terms and conditions as may be fixed or determined by the Compensation committee in accordance with the provisions of the law or guidelines issued by the relevant authority and that each option granted would be exercisable for one equity shares of the face value of Rs. 10/- each fully paid up, provided that the number of options to be issued to the "DMD", pursuant to this resolution shall not exceed 0.34% of the number of paid up equity shares of the company as on the date of grant of said shares.

RESOLVED FURTHER THAT such equity shares, upon allotment, shall rank pari passu in all respect with the then existing equity shares of the company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said "DMD ESOS 2013" as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act 1956, the Memorandum and Articles of Association of the Company and any other regulation, guidelines in force for the time being".

BY order of the Board of Directors

Place: Chandigarh  
Date: 27.08.2013

Shaman Jindal  
DGM -cum- Company Secretary

#### NOTES:

1. A member entitled to attend and vote at the Annual General 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 instrument appointing the proxy, duly 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. Explanatory Statement under Section 173 (2) of the Companies Act, 1956, in respect of the special business of the accompanying notice is attached herewith.

## STEEL STRIPS WHEELS LIMITED

3. Corporate Members intending to send their authorized representative to attend the meeting are required to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2013 to 30.09.2013 (both days inclusive) for payment of Dividend on equity shares.
5. The dividend, if approved, will be paid to members whose names appear on register of members of the Company on 20-09-2013. Members are requested to notify their changed address, if any, immediately.
6. Members holding shares in electronic form may note that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the members holding shares in electronics form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/ Registrar and Transfer Agents of the Company.
7. The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
8. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, Unclaimed/Unpaid dividend for the year ended 31.03.2005 was transferred to "INVESTORS EDUCATION AND PROTECTION FUND" in the year 2012. This year the Unpaid/Unclaimed Dividend for the year ended 31.03.2006 shall be transferred to the "INVESTORS EDUCATION AND PROTECTION FUND" in October, 2013. Thereafter no claim shall lie against the Company or 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.
10. M/s LinkIntime India Pvt. Limited, at 44 Community Center, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi 110028 are acting as the common agency to carry out the Dematerialization and physical transfer of shares. The shareholders are requested to send the shares for transfer at the above-mentioned address of the Registrar.
11. 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, Directors' Report, Auditors' Report etc. henceforth to the shareholders 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.
12. Members 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 and who hold shares in physical form are requested to register their e-mail addresses with M/s LinkIntime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company.
13. Relevant documents referred to in the notice are open for inspection by members at the Registered office of the company on all working days between 11.00 am to 1.00 pm till the date of meeting.

Place: Chandigarh  
Date: 27.08.2013

BY Order of the Board of Directors  
Shaman Jindal  
DGM-cum-Company Secretary

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### ITEM NO. 7

Sh. Vijay Narayan Bedekar, was appointed as additional director of the Company on 07.01.2013 by the Board of Directors of the company. In terms of Section 260 of the Companies Act, 1956 and Article 133 of the Articles of Association of the Company, he holds the office upto the date of this Annual General Meeting of the company. The Company received a notice in writing from a shareholder alongwith requisite payment of Rs. 500/-, proposing his candidature for the office of the Director of the company.

He is 65 years of age and is a B.E PGDBM. He was associated with Tata Motors Ltd. for a period of 37 years. He started his career as Graduate Engineer and rose to the position of Sr. General Manager (Materials).

He worked in senior positions in various disciplines of Manufacturing, Planning, Industrial Engineering, Systems and mainly over 30 years in the field of Materials Management. He had also represented Tata Motors Ltd. in various forums and committees of Govt. of India.

Currently he works as an independent Management Consultant, assisting clients in areas of strategic planning & supply chain management and is also director in Ghatge Patil Industries Ltd. He is also member of Management Committee of the said company. He does not hold any shares of Steel Strips Wheels Ltd.

None of the Directors except Sh. Vijay Narayan Bedekar is interested or concerned in the resolution.

#### ITEM NO. 8

Sh. Ajit Singh Chatha, was appointed as additional director of the Company on 01.07.2013 by the Board of Directors of the company. In terms of Section 260 of the Companies Act, 1956 and Article 133 of the Articles of Association of the Company, he holds the office upto the date of this Annual General Meeting of the company. The Company received a notice in writing from a shareholder alongwith requisite payment of Rs. 500/-, proposing his candidature for the office of the Director of the company.

He is 77 years of age and is a B.E. (Hons), joined the I.A.S. cadre of Punjab in 1963 and served it with distinction till 1995. He held wide range of assignments from the field to the secretariat such as Deputy Commissioner of Patiala, Sangrur, Ludhiana, Managing Director, PSIDC Ltd., Joint Secretary, Ministry of Commerce, Govt. of India and Principal Secretary, Department of Industries, Corporation, Housing, Irrigation and Power, Home and Justice and finally as Chief Secretary to the Govt. of Punjab.

After his retirement in 1995, he held the following assignments:

- 1.) Chairman, Punjab State Electricity Board during S. Harcharan Singh Brar and Mrs. Rajinder Kaur Bhattal's tenure as Chief Ministers.
- 2.) Chief Minister's Advisory Committee on Industrial Development during congress Govt. led by Capt. Amrinder Singh from 2002 to 2003.
- 3.) Chairman, Punjab Third Finance Commission during congress Govt. led by Capt. Amrinder Singh from 2004 to 2006.

At present, he is Director on the Board of following companies:

1. Cotton County Retail Ltd., Ludhiana
2. WWICS Ltd., SAS Nagar
3. Nahar Industrial Enterprises Ltd.
4. Indian Acrylics Ltd.

He is also member of Audit Committee of the Cotton County Retail Ltd. He is holding 41552 shares of Steel Strips Wheels Ltd.

None of the Directors except Sh. Ajit Singh Chatha is interested or concerned in the resolution.

#### ITEM NO. 9

Sh. Manohar Lal Jain, was appointed as additional director of the Company on 01.08.2013 by the Board of Directors of the company. In terms of Section 260 of the Companies Act, 1956 and Article 133 of the Articles of Association of the Company, he holds the office upto the date of this Annual General Meeting of the company. The Company received a notice in writing from a shareholder alongwith requisite payment of Rs. 500/-, proposing his candidature for the office of the Director of the company.

He is 58 years of age and is a FCS and FCA by qualification. He is associated with the Group for a period of 33 years. Presently he is working as General Manager (Taxation) in Indian Acrylics Limited (a group company)

He is a director of the following Companies:-

- |   |                                     |
|---|-------------------------------------|
| 1. Steel Strips Industries Ltd.             | 2. Malwa Chemtex Udyog Ltd.         |
| 3. Indlon Chemicals Ltd.                    | 4. DHG Marketing Pvt. Ltd.          |
| 5. S.S.Credits Pvt. Ltd.                    | 6. S.J.Mercantile Pvt. Ltd.         |
| 7. Munak Investments Pvt. Ltd.              | 8. Steel Strips Holdings Pvt. Ltd.  |
| 9. Munak Financiers Pvt. Ltd.               | 10. Chandigarh Developers Pvt. Ltd. |
| 11. Steel Strips financiers Private Limited |                                     |

He is holding 26100 shares of Steel Strips Wheels Ltd.

None of the Directors except Sh. Manohar Lal Jain is interested or concerned in the resolution.

#### ITEM NO. 10

The shareholders of the company, in their meeting held on 30.09.2009, had appointed Sh. A.V. Unnikrishnan as "Deputy Managing Director" of the company, for a period of 5 years w.e.f 01.01.2009.

He is 58 years of age and is a B.A. by qualification. He is associated with the Group since 1980 and has held various portfolios since then. He played a major role in the growth of the company's Business. He does not hold any share of the company and is not holding directorship in any other company.

The present term of the appointment of Sh. A.V. Unnikrishnan is to expire on 31.12.2013. Keeping in view his vast experience, the Board of Directors of your company consider that services of Sh. A.V. Unnikrishnan should be available to the company for a further period of five years w.e.f 01.01.2014. Hence the Remuneration cum compensation committee in their meeting held on 22.08.2013 and subsequently the Board of Directors in their meeting held on **27.08.2013**, have, subject to the approval of members in the general meeting, approved re- appointment of Sh. A.V. Unnikrishnan as Deputy Managing Director of the company for a period of 5 years w.e.f. 01.01.2014 at a remuneration mentioned in the Resolution.



## STEEL STRIPS WHEELS LIMITED

**The Directors recommend the passing of the Resolution contained in item No. 10 of the notice as special resolution.**

None of the Directors except Sh. A.V. Unnikrishnan himself, is concerned or interested in the proposed resolution.

This may be taken as an abstract under section 302 of the Companies Act.

### ITEM NO. 11

In order to motivate, to foster a sense of ownership and belonging in the challenging business environment and to reward long term relationship with the Company, it had been proposed by the Board to constitute Employee Compensation Committee ("ECC"). The board also authorized ECC to formulate an Employee Stock Option Scheme for Mr. A.V. Unnikrishnan, Deputy Managing Director of the Company. The ECC has formulated Employees Stock Option Scheme for Mr. A.V. Unnikrishnan, in compliance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

As per the DMD ESOS 2013, Mr. A.V. Unnikrishnan, Deputy Managing Director of the Company (hereinafter referred to as "Employee") would be given options to subscribe upto 51000 options convertible into equal number of equity shares in accordance with the SEBI Guidelines.

The Salient features of the DMD ESOS 2013 are:

a	Total number of options to be granted	A maximum of <b>51000 (Fifty One Thousand only) options</b> convertible into equivalent number of equity shares of the face value of Rs. 10/- each of the company.
b	Identification of class of employees entitled to participate in the DMD ESOS 2013	Mr. A. V. Unnikrishnan , Deputy Managing Director
c	Date of Grant	01.01.2014
d	Requirement of vesting and period of vesting	Vesting of Options will commence immediately after a period of one year from the date of grant subject to the terms and conditions of para (g) below.
e	Maximum period with in which options shall be vested	Maximum period of vesting is four years from the date of grant
f	Exercise Price	The Exercise Price shall be Rs. 10.00 per equity share of face value of Rs. 10.00 per share.
g	Exercise Period and the Process of Exercise	<ol style="list-style-type: none"> <li>The Stock Options granted shall be capable of being exercised in one of more tranche with in a period of four years from the date of grant.</li> <li>The options will be exercisable by the employee by a written application to the Company to exercise the options in such manner, and an execution of such documents, as may be prescribed by the Board/ECC from time to time.</li> <li>In the event of death of employee while in employment, all the options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee &amp; shall be exercisable within one year thereof or before the expiry of the exercise period whichever is earlier. The ECC may in its absolute discretion permit the exercise of the option even beyond the said period. Any vested option not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.</li> <li>In case the employee suffers a permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation, shall vest in him on that day and shall be exercisable within one year thereof or before the expiry of the exercise period whichever is earlier. The ECC may in its absolute discretion permit the exercise of the option even beyond the said period. Any vested option not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period</li> </ol>

		<p>v. In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company or where an extension in retirement date is granted, on completion of such extension period, all vested options should be exercised by the employee immediately after, but in no event later than one year from the date of such employee's retirement or before the expiry of the exercise period whichever is earlier. The ECC may in its absolute discretion permit the exercise of the option even beyond the said period. Any vested option not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.</p> <p>vi) In the event of resignation, all unvested options, on the date of submission of resignation, shall expire and stand terminated with effect from that date unless otherwise determined by the ECC whose determination will be final and binding. However, all vested options as on that date shall be exercisable by the employee within 90 days from the date of resignation or before the expiry of the exercise period, whichever is earlier.</p> <p>vii) In the event of abandonment of employment by the DMD without the Company's consent, all stock options whether granted or vested but not exercised at the time of abandonment shall stand cancelled.</p> <p>viii) In the event of an employee ceasing to be in the service of the Employer, due to Misconduct or violates the terms and conditions of his employment in any manner, all options outstanding on the date of cessation of his employment, shall stand cancelled forthwith and that employee shall not be permitted to exercise any right in respect thereof.</p>
h	Appraisal Process for determining the eligibility of employees to the DMD ESOS 2013	Not Applicable, since only Deputy Managing Director of the Company is eligible to participate in the DMD ESOS 2013.
i	Maximum number of options to be issued per employee and in aggregate	Maximum number of options granted under DMD ESOS 2013 shall not exceed 51,000 to Deputy Managing Director.
j	Disclosure and Accounting Policies	The Company shall follow the disclosure and accounting policies as specified in SEBI Guidelines.
k	Method of Option Valuation	To calculate the stock based compensation, the Company shall use the intrinsic value method for valuation of the options granted.
l	Statement in Director's Report	The difference between the employee compensation cost computed and employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors Report and also the impact of this difference on profits and on the EPS of the Company shall also be disclosed in the Directors' Report.
m	Lock-in of Equity Shares allotted upon exercise of grant	The share allotted upon exercise of options will remain in lock-in for a period of one year from the date of allotment.

As, DMD ESOS 2013 provides for issue of shares to be offered to persons other than existing members of the Company, consent of the members is sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Act and as per clause 6 of SEBI Guidelines.

None of the directors except Mr. A.V. Unnikrishnan, is in any way concerned or interested in the said resolution.

The members may consider and approve the resolution.

Date: 27.08.2013  
Place: Chandigarh

BY Order of the Board of Directors  
Shaman Jindal  
(DGM-cum- Company Secretary)



## STEEL STRIPS WHEELS LIMITED

### ANNEXURE TO NOTICE DATED 27-08-2013 DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT).

Name of Director	Sh. R.K. Garg	Sh. S.S. Grewal	Sh. S.S. Jha
Date of Birth	August 18, 1943	June 28, 1933	February 03, 1943
Date of Appointment on the Board	February 28, 1985	March 30, 1993	August 22, 2005
Qualification	B.E.	B.A.	M.Sc (Physics, M.Phil (Social Science) M.D.P. (Pub. Admn)
Expertise	He is promoter and chairman of the company . He has wide and varied experience in business development operations. He started his career in the Government Service and entered his own business in the year 1975. He is an industrialist and is a technocrat with more than three decades of rich experience in the Industrial field including steel, acrylic fibre, automotive wheel rims, civil construction and other allied activities .	He has over 55 years of practical Experience occupying senior managerial Position in India and Abroad. He had worked with Burmah-Shell Refineries Limited/ Shell International Petroleum Company in India and Abroad. He had also served as an advisor to British Columbia Trade Development Corpn. He was coordinator in India of Del Monte Foods- USA. Currently he is a Management Advisor to certain Companies having manufacturing operations in UP, HP and Punjab.	He served as a 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. 9.11.1967 He served in various Capacities and retired as Chief Commissioner of Central Excise Customs. Presently he is engaged in Social work relating to rural development.
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies	Indian Acrylics Ltd. SAB Industries Ltd. Steel Strips Ltd. Steel Strips Infrastructure Ltd. Indlon Chemicals Ltd.	Imkemex India Ltd.	Nil
Memberships/ chairmanships of committees of companies	<b>Chairman</b> Indian Acrylics Ltd. - Sub Committee	<b>Member</b> Steel Strips Ltd. - Audit Committee - Sub Committee - Shareholder Grievance Committee - Remuneration Committee	<b>Member</b> Steel Strips Wheels Ltd. - Audit Committee - Sub Committee
Shareholding of Non-Executive Directors	289084 Shares	NIL	NIL
Relationships between directors inter-se	Sh. R.K. Garg is related to Sh. Dheeraj Garg, Managing Director & Mrs. Ute Mayr, Wholetime Director of the Company.	NONE	NONE

# DIRECTORS'

## Report

To The Members,

Your Directors are pleased to present the 27th Annual Report together with the audited accounts of the Company for the year ended on March 31, 2013.

### FINANCIAL HIGHLIGHTS

(Rs. in Million)

S. No.	PARTICULARS	2012-13	2011-12
A.	Gross Sales	10,772.60	10,458.31
B.	Other Income	108.67	101.69
C.	<b>Gross Income (A+B)</b>	10,881.27	10,560.00
D.	Total Expenditures (excl Interest, depreciation and amortization)	9,823.05	9,526.93
E.	<b>Earnings before Interest and Depreciation (C-D)</b>	1,058.22	1,033.07
F.	Interest & Financial Charges	296.98	275.89
G.	<b>Earnings before Depreciation and amortization (E-F)</b>	761.24	757.18
H.	Depreciation and other w/ off	496.21	426.07
I.	<b>Earnings after Depreciation (G-H)</b>	265.03	331.11
J.	Add : Prior Period Adjustment (net)	0.64	0.36
K.	<b>Profit Before Tax (I-J)</b>	265.67	331.47
L.	Income tax (net of MAT credit entitlement)	2.51	26.09
M.	Deferred Tax Liability	12.68	17.74
N.	<b>Profit Available for Appropriation (K-L-M)</b>	250.48	287.64

### FINANCIAL PERFORMANCE

The gross Income of your company increased from Rs. 10,560 million in 2011-2012 to Rs. 10881.27 million in 2012-13 . In terms of Number of wheels, the company achieved sale of 10.14 million wheel rims as against sale of 10.19 million wheel rims during the previous year, almost parallel to previous year sales.

The Earnings before interest and depreciation (EBITDA) increased to Rs. 1058.22 million in 2012-13 from Rs. 1033.07 million in 2011-2012. However the Profit before tax during the year under review has decreased to Rs. 265.67 million from Rs. 331.47 million in 2011-12. The fall in profit is primarily due to increase in Depreciation and amortization & increase in financial cost due to a high interest rate regime in majority of FY 2012-2013. The Profit after tax thereby decreased to Rs.250.48 million from Rs. 287.64 million.

The depreciation and other amortization increased to Rs. 496.21 million from Rs. 426.07 million.

### TRANSFER TO RESERVES

Your Company proposes to transfer a sum of Rs. 287.63 millions to General Reserve.

### JAMSHEDPUR UNIT

Your directors are pleased to inform you that the capacity at Jamshedpur Unit of the company has been enhanced from 1.00 million to 1.6 million Wheel Rims. Commercial production of second phase is scheduled to start from Second quarter of 2013-14.

The said unit has already developed and successfully tried out new wheel rims namely "8" X "20" , "7 X 20" and "6.5 X 20" and samples of the same have been submitted to Tata Motors and Ashok Leyland. The company is also developing various wheel rims for Eicher

# STEEL STRIPS WHEELS LIMITED

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Motor and Volvo. Further, facility for Disc. Flow formed wheel Rims have also been installed and samples supplied to the prospective customer.

The unit has developed 'off the highway' wheel rims and the same are being regularly supplied to JCB and L & T. It has also developed TATRA Truck (Army) wheel Rims for BEML and sample submitted and are under testing. Supply of OTR Wheel Rims to various international platform of JCB and caterpillar are under discussion.

## **MANUFACTURING CAPACITIES**

Total installed capacity of the Company comprising of Jamshedpur, Dappar and Chennai Plant at present is 16 millions wheel rims per annum.

Your company is now focusing on Hi- Tech Technology by introducing flow forming process.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management discussion and analysis report for the year under review, as stipulated under clause 49 of listing agreement with stock exchanges, is presented in a separate section forming part of the Annual Report.

## **CORPORATE GOVERNANCE**

The Company is firmly committed to the principles of Good Corporate Governance and believes that statutory compliance and transparency are necessary 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, are included in the Annual Report.

## **DIRECTORS**

During the year under review, Sh. Vijay Narayan Bedekar was appointed as additional Director of the company w.e.f.07.01.2013.

Sh Arun Prakash S korati resigned as a Director of the company. Your Directors place on record their sincere appreciation for the guidance and support provided by him during his tenure as a Director, for the success of the company.

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

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

The Company issued and allotted 3,65,000 equity shares of Rs.10/- each, against cash, at a price of Rs. 300/- (Rupees Three Hundred Only) per equity shares i.e. at a premium of Rs. 290/- per shares to DHG Marketing (P) Ltd. on a preferential allotment basis on 12.06.2012. Accordingly the issued and paid up capital of the Company has increased to Rs. 15,20,81,700 divided into 15208170 equity shares of Rs. 10/- each. DHG Marketing (P) Ltd. belongs to promoter category. The said 3,65,000 equity shares constitute 2.40% of the total enhanced capital of the Company as on 31.03.2013.

## **DIVIDEND**

Yours Directors are pleased to recommend a dividend of 15% (Rs. 1.50/- per share) for the year ended 31st March, 2013. The total cash outflow on account of the proposed dividend (incl. dividend tax) will be of Rs. 26.51 million (Previous year: 25.87 million), which represents 10.59 % of the Profit after tax earned during the year.

## **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.

## **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 (IB) of the Companies Act, 1956, confirming their eligibility for reappointment.

## **COST AUDITORS**

Pursuant to the Circular dated 24th January, 2012 of the Ministry of Corporate Affairs (MCA) and based on recommendation of Audit committee, the Board of Directors of your company has appointed "Aggarwal Vimal & Associates", Cost Accountants, (Firm Registration No. 000350), as the cost auditor of the company for the audit of cost accounting records maintained by the company for the financial year 2012-13. The appointment has been approved by the Central Government. The report of the cost auditors for the financial year 2012-13 is under finalization and will be filed with MCA within the prescribed time.

Further, based on the audit committee recommendations, the Board of Directors at its meeting held on 29.05.2013, has approved the re-appointment of "Aggarwal Vimal & Associates", as Cost auditors of the Company for the Financial year 2013-14. The appointment is subject to the approval of the Central Government.

## **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 of 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.

## **CORPORATE SOCIAL RESPONSIBILITY**

"Corporate Social Responsibility (CSR) initiatives" are a way to reflect the respect and concern for people and communities living around us. It is an opportunity to make a positive change in the life of needy people and to reduce the gap in society.

With this view, your company supports "The Vatsal Chaya Trust" focused on enabling, educating and empowering urban deprived children and women. With the contribution of your company, over 700 children comprising child beggars, child laborers, child vendors, rag pickers and girls facing gender bias are provided free transport, clothing, study related material, skill training, music, art, craft training and personality development. At the core of this program is the marginalized child who is forced to work and stands at the very bottom of the poverty heap facing exploitation, violence, coercion and risky behavior patterns. The Vatsal Chaya Trust successfully provides flexible options for these children to access school and help them bridge the many gaps they have in learning, hygiene, health, nutrition as well as social and emotional skills.

## **ACKNOWLEDGEMENTS**

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. It also acknowledges and appreciates the commitment, dedication and contribution of the Employees towards growth of the company in all fields.

For and on behalf of Board of Directors

Place : New Delhi  
Dated: 29th May, 2013

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 31.03.2013**

**(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 31.03.2013				Year Ended 31.03.2012
		Dappar Unit	Oragadam Unit	Jamshedpur Unit	TOTAL	
I. Power and Fuel consumption						
<b>1. Electricity</b>						
a) Purchased Units	In lakhs	228.31	52.06	85.23	365.60	410.60
Total amount	Rs. in lakhs	1504.18	385.89	339.01	2229.08	2095.23
Rate/ Unit	Rs.	6.59	7.41	3.98	6.10	5.10
b) Own generation Units	In lakhs	5.55	38.71	8.33	52.59	43.26
Total amount	Rs. in lakhs	58.46	522.23	102.55	683.24	560.65
Rate/ Unit	Rs.	10.53	13.49	12.31	12.99	12.96
<b>2. Fuel</b>						
Quantity	Lac ltrs	1.60	11.07	2.38	15.04	13.12
Total amount	Rs. in lakhs	58.46	522.23	102.55	683.24	545.53
Rate/ Unit	Rs.	36.63	47.17	43.16	45.42	41.59
<b>3. Consumption per unit of production</b>						
Production (Wheel Rims)	Lac nos.	69.35	24.73	6.46	100.54	102.21
Electricity units/ wheel	Nos.	3.37	3.67	14.48	4.16	4.44
Cost per unit of production	Rs./ no.	22.53	36.72	68.31	28.97	25.98

**(B) TECHNOLOGY ABSORPTION**

Your Company deploys state of the art technology. As a result the products developed and designed are accepted by its various customers in India and Abroad. Your Company has extended its technical collaboration agreement with M/s Ringtechs Co. Ltd of Japan (a world renowned steel wheel manufacturing company). Your company is increasingly devoting resources for process improvements, cost efficiencies and quality improvements.

## 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,</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) Future plan of action	Development of new products which will be import substitutes		
d) Expenditure on R&D (Rs. in lakhs)		<b>Year Ended 31.03.2013</b>	<b>Year ended 31.03.2012</b>
	Capital	461.31	123.30
	Recurring	175.86	157.57
	Total	637.17	280.87

Total R & D Expenditure is 0.66% of total turnover.

## 2. Technology absorption, adaptation and innovation

a) Efforts in brief made towards technology absorption, adaptation and innovation	NIL	NIL
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:	Your Company is focusing to add 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 31.03.2013</b>	<b>Year ended 31.03.2012</b>
	Used	15389.63	13051.20
	Earned	13638.43	10448.97

For and on behalf of Board of Directors

Place : New Delhi  
Dated: 29th May, 2013

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, 2013**

**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	18	26.06.1993	B.S. (FIN) USA	Rs. 16.63 Million	41	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 is related to Sh. R.K. Garg, Director and Chairman and Mrs. Ute Mayr, Whole Time Director of the company.

For and on behalf of Board of Directors

Place : New Delhi  
Dated: 29th May, 2013

R.K. GARG  
CHAIRMAN

**DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL 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 31<sup>st</sup> March, 2013, 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: New Delhi  
Dated 29<sup>th</sup> May, 2013

DHEERAJ GARG  
MANAGING DIRECTOR

# CORPORATE

## Governance

### REPORT ON CORPORATE GOVERNANCE

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

The philosophy of the Company in relation to Corporate Governance to ensure transparent disclosures and reporting that conforms fully to laws, regulations, guidelines and to promote ethical conduct throughout the organization with primary objective of enhancing shareholders value while being a responsible corporate citizen. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stakeholders aspirations. The Company is committed to attain the highest standards of Corporate Governance.

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 31.03.2013, the Board of Directors comprised of 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.
- Five Board Meetings were held during the year and gap between two meetings did not exceed four months. The said five Board Meetings were held on 30.04.2012, 29.05.2012, 13.08.2012, 12.11.2012, and 14.02.2013.
- 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 31.03.2013 have been made by the directors.

Name of Director and Designation	Category	No. of Board meetings held during the year 2012-13		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	5	3	No	3	2	-	-
Shri Dheeraj Garg (M.D)	Promoter - Executive Director	5	4	No	-	1	-	-
Ms. Ute Mayr (Whole Time Director)	Promoter - Executive Director	5	1	No	-	-	-	-
Sh. A. V. Unnikrishnan (Dy M. D)	Executive Director	5	3	No	-	-	-	-
*Shri Arun Prakash S Korati	Independent Non-Executive Director	5	0	No	-	2	-	-
*Sh Vijay Naryan Bedekar	Independent Non-Executive Director	5	1	No	-	1	-	1
Shri. H.K. Singhal	Non-Executive Director	5	3	Yes	-	7	-	8
Shri. M.M.Chopra	Independent Non-Executive Director	5	4	No	-	2	1	1
Shri Rajeev Singhal	Independent Non-Executive Director	5	1	No	-	1	-	-
Sh. S.K. Bansal	Independent Non-Executive Director	5	3	No	-	1	-	-
Shri. S.S. Grewal	Independent Non-Executive Director	5	4	Yes	-	1	-	-
Shri S.S. Jha	Independent Non-Executive Director	5	5	No	-	-	-	-

\* Sh. Arun Prakash S. Korati has resigned w.e.f. 08.01.2013

\* Sh. Vijay Narayan Bedekar Appointed as Additional Director w.e.f. 07.01.2013

(iv) 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 and listing agreements. 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 four 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 2012-13
Shri S.S. Grewal	Independent Non-Executive	3
Chairman	Director	
Shri S.K. Bansal	Independent Non-Executive	3
	Director	
Shri S.S. Jha	Independent Non-Executive	4
	Director	
Shri H.K. Singhal	Non-Executive Director	2

### SUB-COMMITTEE

The Sub- Committee of Board of Directors has been constituted to review Un-Audited Financial Results. The Composition of the Sub-Committee are given below:

Name	Category
Shri Dheeraj Garg	Managing Director
Chairman	
Shri S.S. Grewal	Independent Non-Executive
	Director
Shri S.S. Jha	Independent Non-Executive
	Director
Shri H.K. Singhal	Non-Executive Director

During the year, no meeting of Sub-Committee was held.

### 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 no meeting of remuneration committee was held. Following are the members of the Remuneration Committee.

1. Sh. S.S. Grewal - Chairman Independent Director
2. Sh. S.K. Bansal - Independent Non Executive Director
3. 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, 2013

Rs. in Lac

Name of Directors	Basic Salary	HRA	Special Allowance	Contribution to Provident Fund	Commission in (lacs)	Total	Date of original Appointment	Tenure
Sh. Dheeraj Garg (MD)	18.00	10.80	NIL	2.16	135.34	166.30	26/06/1993	Up to 31/05/2015
Mrs. Uta Mayr	21.6	12.96	1.44	2.59	NIL	38.59	10/08/2008	Up to 09/08/2014
Sh. A. V. Unnikrishnan	17.92	6.27	0.96	2.15	NIL	27.30	01/01/2009	Up to 31/12/2013

### NON-EXECUTIVE DIRECTORS (as on 31-03-2013):

NAME OF DIRECTOR	SITTING FEE (in Rs.)
1. Sh. R.K. Garg	30,000
2. Vijay Narayan Bedekar	10,000
3. Rear Adml. M.M. Chopra AVSM (Retd.)	40,000
4. Sh. S.K. Bansal	45,000
5. Sh. S.S. Grewal	55,000
6. Sh. S.S. Jha	70,000
7. Sh. H.K. Singhal	40,000
8. Sh. Rajeev Singhal	10,000

#### DETAIL OF SHARES OF THE COMPANY HELD BY DIRECTORS AS ON 31ST MARCH, 2013.

Name	No. of Shares
Sh. R. K. Garg	289084
Sh. Dheeraj Garg	4640228
Sh. M. M. Chopra	11284
Sh. H. K. Singhal	30010

#### SHARE TRANSFER COMMITTEE

The Share Transfer Committee approves and expedites the process of share transfers reviewed by the Company. The Committee met 19 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 2012-13
Shri S.K.Bansal , Chairman	Independent	19
Shri H.K. Singhal	Non-Executive Director	19
Shri Shaman Jindal	Company Secretary	19

#### 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
-	4	4	-

- (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
24th Annual General Meeting (2009-10)	30.09.2010	11.00 A.M	Regd Office of the company at Village Somalheri/ Lehli, P.O.Dappar Tehsil, Dera Bassi, Distt. Mohali, (Pb).
25th Annual General Meeting (2010-11)	30.09.2011	11.00 A.M	--Do--
26th Annual General Meeting (2011-12)	29.09.2012	11.00 A.M	--Do--

#### SPECIAL RESOLUTION IN THE PREVIOUS 3 AGMs

No Special Resolution was passed during the previous 3 AGMs.

#### 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 have been denied access to the audit committee.
- The company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1 D to Clause 49 of the Listing Agreements with the Stock Exchanges.
  - The Company has set up a Remuneration Committee details of which have been given earlier in this Report.
  - 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.

# STEEL STRIPS WHEELS LIMITED

## 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 (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 31.03.2013, 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.

## CONSTITUANTS 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 and Mrs. Ute Mayr

### HUF:

R. K.Garg & Sons (HUF)

### MEANS OF COMMUNICATION

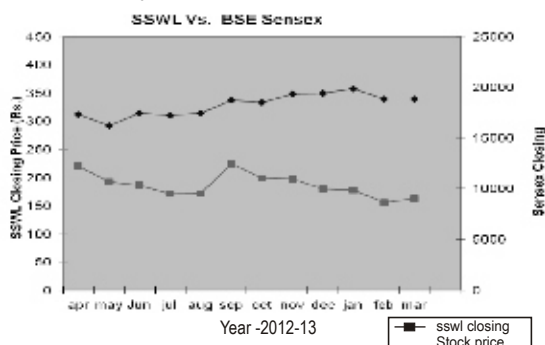
The quarterly and annual results are generally published in “Economic Times”, Financial Express and “Desh Sewak” and have also been submitted to the Stock Exchange on which the Company's equity shares are listed as per the requirements of the Listing Agreements to enable them to put them on their own web sites. These were also put up on the Company's website [www.sswlindia.com](http://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: 30th September 2013.  
Date, Time & Venue: 11.00 A.M. (approx.) at Vill. Somalheri/ Lehli P.O. Dappar, Tehsil Dera Bassi, District Mohali (Pb.)
- (ii) Financial Year: 1st April to 31st March
- (iii) Year Ending: March 31, 2013
- (iv) Financial Calendar: (tentative)  
Results for quarter ending June 2013 -- 2nd week of August, 2013  
Results for quarter ending Sept. 2013 -- 2nd week of Nov, 2013  
Results for quarter ending Dec. 2013 -- 2nd week of February, 2014  
Results for quarter ending March 2014 -- Last week of May, 2014
- (v) Book Closure date: 21-09-2013 to 30-09-2013 (both days inclusive)
- (vi) Dividend Payment date: October 2013.
- (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.

Bombay Stock Exchange			National Stock Exchange of India Limited	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2012	231.00	204.65	231.00	205.20
May 2012	228.80	172.05	228.50	173.15
June 2012	204.00	179.40	203.80	178.00
July 2012	204.95	171.00	207.00	166.00
Aug 2012	205.90	162.00	205.95	161.25
Sept 2012	240.90	168.05	242.00	163.25
Oct 2012	237.00	195.70	236.00	193.25
Nov 2012	212.95	186.00	211.85	187.90
Dec 2012	202.00	178.00	205.00	175.25
Jan 2013	214.40	174.60	209.80	175.00
Feb 2013	181.10	155.00	197.10	154.35
Mar 2013	202.00	147.85	202.00	145.95

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



S.No	PARTICULARS	NO. OF SHARES	(%)
1.	Promoter and Promoter Group	8184900	53.82
2.	Mutual Funds/UTI/Financial Institutions, Banks & Foreign Institutional Investors	395064	2.60
3.	Foreign Bodies Corporate	1227000	8.07
4.	Other Body Corporate	3426229	22.53
5.	Individuals	1901025	12.50
	Any other :		
	Non Residents	22349	0.15
	Clearing Members	12710	0.07
	HUF	28593	0.19
	Trust	10300	0.07
<b>Total</b>		<b>1520081070</b>	<b>100.00</b>

- (xi) Registrar and Transfer Agents  
Name and address:  
Link Intime India Pvt. Ltd.  
44, Community Center, 2nd Floor,  
Naraina Industrial Area,  
Phase- I, Near PVR Naraina,  
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.  
44, Community Center, 2nd Floor,  
Naraina Industrial Area,  
Phase- I, Near PVR Naraina,  
New Delhi 110 028

(xiii) Share Transfer System

93.85% 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, 2013

Shares/Debentures Holding of Nominal Value	Number of share	% age of Total
Upto 5000	1253040	8.24
5001 10000	203063	1.33
10001 20000	149406	0.99
20001 30000	82976	0.55
30001 40000	39143	0.26
40001 50000	38133	0.25
50001 100000	111758	0.73
100001 and above	13330651	87.65
<b>Total</b>	<b>15208170</b>	<b>100.00</b>

- (b) Shareholding Pattern as on 31st March, 2013

**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., 44, Community Center 2nd floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi 110028. The company had also appointed M/s Link Intime India Pvt. Limited as common Agency to look after dematerialization of shares as well as for physical transfer of shares.

As on 31-03-2013 there were 11826 shareholders of the Company. Out of these 7843 shareholders were holding 14272902 (93.85%) equity shares in the dematerialized form and rest of them i.e 3983 shareholders were holding 935268 (6.15%) 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.

**CORPORATE IDENTIFICATION NO.:**

L27107PB1985PLC006159

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

The Company has been paying Dividend regularly for last fifteen 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.



## STEEL STRIPS WHEELS LIMITED

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In compliance with the provisions of Section 205A of the Companies Act, 1956, the unpaid dividend for the year 2004-2005 has already been transferred to the "Investor Education and Protection Fund. Further, the unpaid dividend for the year 2005-2006 shall be transferred to the Investor Education and Protection Fund in the month of October 2013.

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. Chhota Govindpur East Singhbhum district Jamshedpur, Jharkhand

**ADDRESS FOR CORRESPONDENCE:**  
**To the Registrar & Share Transfer Agents**

Link Intime India Pvt. Ltd.  
44, Community Center, 2nd Floor,  
Naraina Industrial Area,  
Phase- I, Near PVR Naraina,  
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 : New Delhi**  
**Date : 29th May, 2013**

**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 31st March 2013 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.

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

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

Place: New Delhi  
Date : 29th May, 2013

**(S.C.DEWAN)**  
**PARTNER**

# MANAGEMENT

## Discussion & Analysis

The growth in Indian economy has slowed rapidly in the past two years from 9.3% in FY 2011 to 5% in FY 2013, the weakest in the last 10 years. This has raised concerns about a prolonged economic slowdown. It is expected that economic growth in FY 2014 will be around 6.4%. The economic growth pickup is already underway and will gain momentum over the 2nd half of FY 2013-14.

We base our case of economic growth on few indicators listed below.

1. The Indian economy was reeling under immense pressure of price rise and RBI raised benchmark rates several times to contain it. This led to a wide spread demand slowdown and pulled the WPI under 6% for the month of March 2013. The core inflation is slowing down considerably over past few months giving elbow room to RBI to further cut the rates to boost the economic growth.
2. The short term interest rates in India have a 2.5X multiplier effect on fixed investment done by corporate and usually gets implemented by a lag of 3-4 quarters. RBI has cut key rates by 125 bps over last 5 quarters and we are hopeful of almost 300bps increase in the Investment demand to start flowing in 2-3 quarters. We expect further cuts by RBI in interest rates to come over next 2 quarters which will improve the overall investment climate in the country.
3. General Election 2014: Indian General Elections are due in H1-2014 or even a little earlier. Prior to the general elections, there are 6-7 states going in for state elections and we expect high political activity during this period. Before election year, we generally witness increased Govt spending. This increase in spend by Govt imparts a positive stimulus in the state and country, resulting in overall pick up in the economic activity.
4. Global Commodity prices: there has been a steady decline in commodity prices and the decline will act as tailwind for the Indian economy. Lower oil & gold prices will ensure a credible fall in Current Account Deficit for FY 2013-14 to give room to RBI to stimulate the economy by continuing with monetary easing.
5. IIP growth has stabilized and we are witnessing a steady increase in Capital goods segment confirming our stance on fixed investment rationale.
6. We are hoping a Normal monsoon in India for 2013 on the back of historical evidence of Normal monsoon following a weak monsoon (2012).

### Indian GDP Growth Analysis

The GDP growth of FY 2012-13 came on the back of sustained high inflation and domestic macro issues. RBI acted firmly against inflation at the cost of sacrificing growth to have long term benefits. We believe that Indian Economy touched a bottom for growth in September-December quarter 2012 and is on a path of gradual recovery going forward. We believe that manufacturing sector will be in focus due to direct correlation of having a multiplier effect on job creation

### Year-on-year rates of growth at constant (2004-05) prices.

Unit: per cent, unless otherwise specified

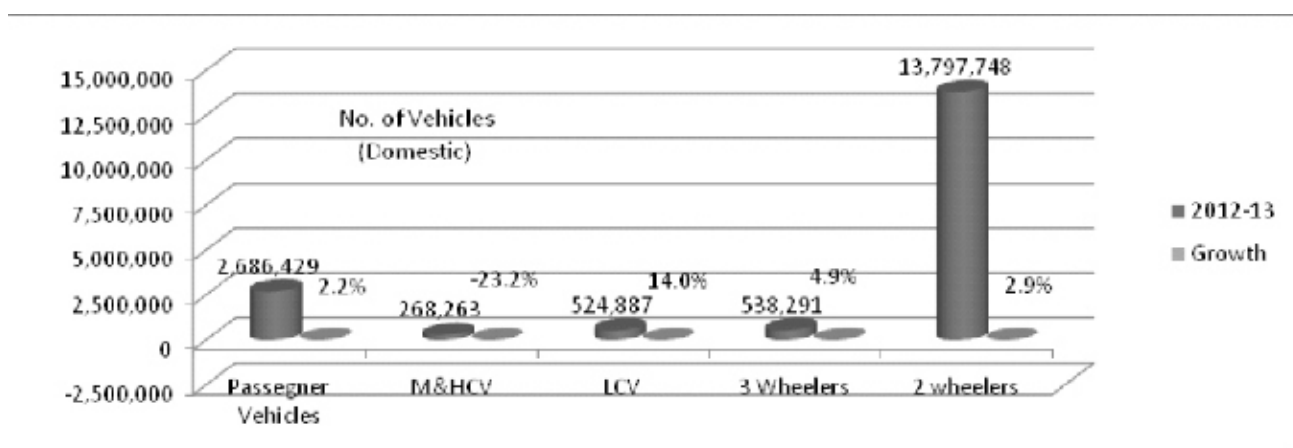
Annual Rates	2009-10	2010-11	2011-12 Q.E.	2012-13 AE	2013-14 Projected
Agriculture & allied activities	0.8	7.9	3.6	1.8	3.5
Mining & Quarrying	5.9	4.9	-0.6	0.4	2.3
Manufacturing	11.3	9.7	2.7	1.9	4.0
Electricity, Gas, Water Supply	6.2	5.2	6.5	4.9	6.4
Construction	6.7	10.2	5.6	5.9	7.0
Trade, Hotels, Transport, Storage & Communication	10.4	12.3	7.0	5.2	7.6
Finance, insurance, real estate & business services	9.7	10.1	11.7	8.6	9.0
Community & personal services	11.7	4.3	6.0	6.8	6.0
GDP (factor cost)	<b>8.6</b>	<b>9.3</b>	<b>6.2</b>	<b>5.0</b>	<b>6.4</b>

## STEEL STRIPS WHEELS LIMITED

### INDUSTRY & SEGMENT ANALYSIS

In view of the slowdown in the Indian Economy, Indian Auto Industry witnessed an overall growth of meager 2% as compared to 12% in the last fiscal year. Various macro factors like high interest rates, low consumer confidence, and overall slow traction in the broader economy were responsible for such slow growth. The headwinds were very strong and have abated a little bit going into the FY 2013-14.

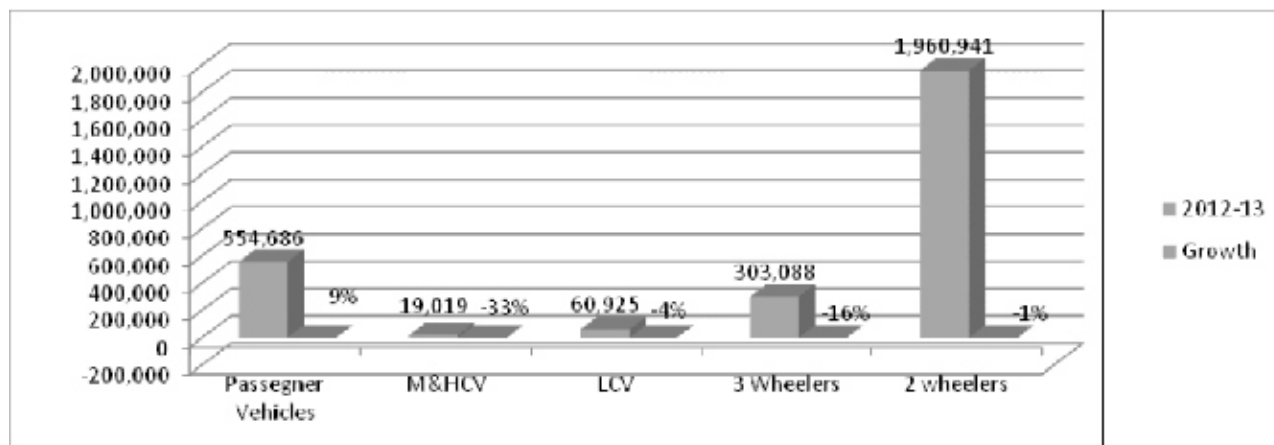
In FY 2012-13 the overall passenger vehicle segment grew by 2.2%, which came on the back of a 50% growth in UV segment. The passenger vehicle segment excluding UV segment witnessed a de-growth of 7%. Commercial vehicle segment saw a severe slow down due to a lot of infrastructure projects stalling and complete mining ban in the country. The obstacles faced during FY 2012-13 are abating and Industry is expecting a better year ahead on the back of lower financing cost and overall improvement in the confidence in the economy. Lifting of mining sector ban will also help the commercial vehicle segment coupled with Governments continuous thrust to kick start the capex program in the country by giving faster clearances to the stalled projects.



### EXPORT OUTLOOK

Total merchandise export of India fell 2% YoY to \$300bn as compared to \$306bn in FY 2011-2012. The drop is on the back of severe slowdown and austere environment in Europe. Europe being the largest trade partner of India had its due impact on overall exports.

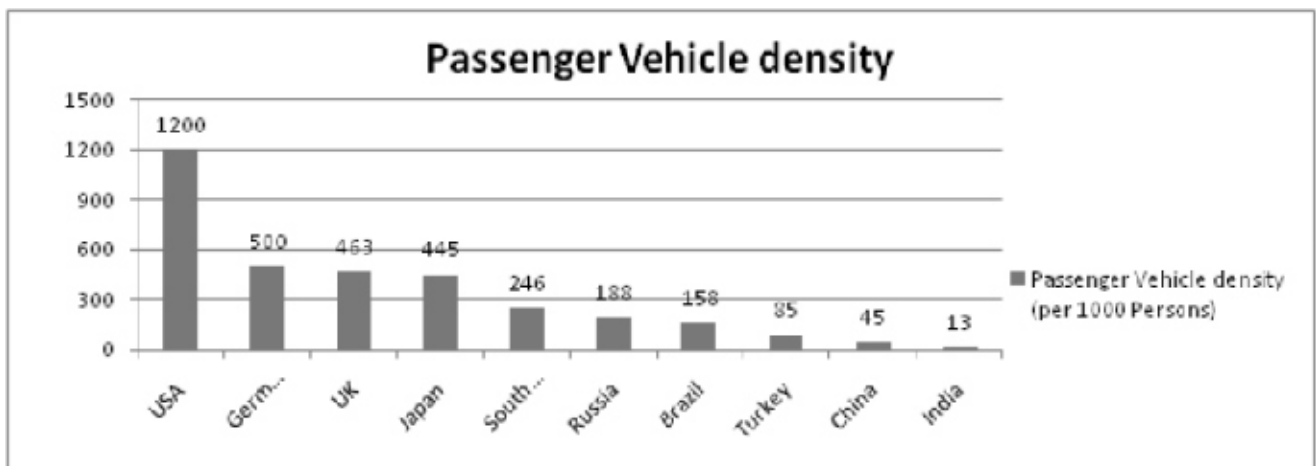
Export auto sales had a negative growth of approx. 1.5% with a slowdown in all the segments except Passenger vehicles. Passenger vehicle exports saw a 9% growth on the back of very strong UV sales. The exports markets have started recovering and will see some support coming from global economic recovery.



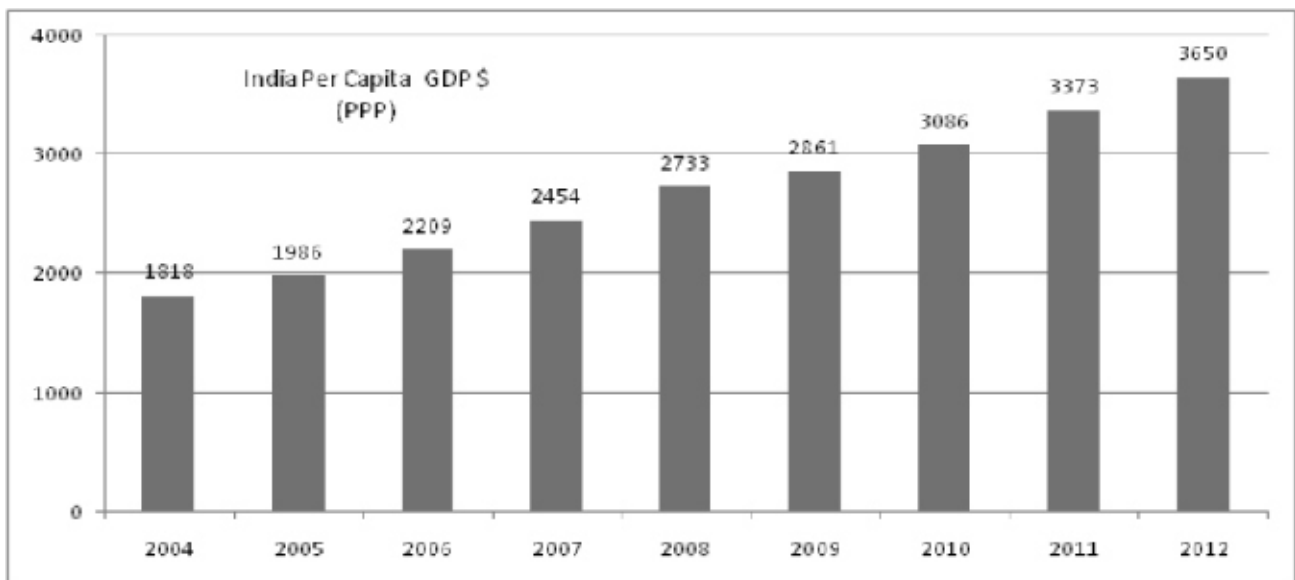
Your company achieved a 19% growth in its export sales and achieved yet another milestone on the back of new business starts and better product offering for export customers. Total export sales grew to 141.31 crores in FY 2012-2013 as compared to 118.47 crores in FY 2011-12. The company is committed to achieve many global milestones in FY 2013-14 with increased repeat business and new business starts. We will focus to penetrate deeper in Europe & Latin American markets to make a stronghold in passenger vehicle segment. The focus is also to move for higher sized vehicle and to feed the demand with our existing wheel portfolio. Depreciated Indian currency will also help us to be competitive and offer greater value addition.

#### Automobile Industry & path Forward

The automobile industry is one of India's major sectors; accounting for approximately 25% of the country's manufacturing GDP. The Indian auto industry, comprising passenger cars, two-wheelers, three-wheelers and commercial vehicles, is the sixth largest in the world with an annual production of approx. 21 million vehicles, of which approx 3 million are exported. The industry has lot of potential as Indian auto penetration is among the lowest in the world and with steady increase in per capita income of Indian population the sector throws excellent growth opportunity for all the industry participants for at least next decade.



Source: ICRA Research (2011-2012)



Source: Trading Economics

## STEEL STRIPS WHEELS LIMITED

The demand mix scenario for India has changed drastically over last couple of years. The income divide of rural and urban India has narrowed down and is steadily reducing due to very good rural growth over last 5 years. The passenger vehicle segment will witness a huge potential market in rural India. The current trend clearly indicates that all car manufacturers are increasing their rural foot hold to cater to this market which has a lot of potential over coming 5-10 years.

### GROWTH STRATEGY

#### India: A Global Automotive Hub

Indian conditions have all the ingredients to become a global automotive production hub. The current favourable tailwinds for such a scenario are listed below

- Attractive & sizeable Domestic Auto market
- Cost Competitiveness coupled with extreme quality control
- Excellent supply chain mechanism
- Good industrial environment coupled with government willingness to support
- Technological capabilities
- Good International trade relation

India possesses all the above listed qualities to attract critical mass of foreign & domestic players for sustained investment for capacity build up. India has seen quite a few players entering or expanding their presence in India over last 2 years. The clear emphasis on cost advantage and superior quality control will pull a lot of investment in foreseeable future for the industry.

India has 5 automotive hubs currently serving the Domestic as well export markets.

- North - NCR, Noida, Gurgaon/Manesar
- North - Pant nagar Haridwar
- West-Gujarat, Sanand, Halol
- West-Pune, Nashik, Aurangabad
- South-Chennai, Oragadam, Hosur, Bangalore

Your Company has presence in 3 locations i.e. at Dappar (Punjab) in the North, Oragadam (Chennai) in South, Jamshedpur in the West, and intends to setup a new production facility in Pune or Gujarat to cover maximum potential business. The company is also looking at potential marketing, supply & technical agreements with overseas players to address this growing market.

The table below shows the new entrants as well as existing players in various segments adding capacities and thereby providing business opportunity for us. The capacity addition shown below presents a unique opportunity for the company to increase its foothold in tractor & M&HCV segment. This will ensure a favourable product mix and increased profitability for the company.

Player	Segment	New Capacity / Expansion (Units/Year)
Daimler	M&HCV	100000
Beiqi Foton Motors	LCV/MCV	100000
Volvo	M&HCV	100000
MAN AG	M&HCV	40000
John Deere	Tractor	50000
M&M	Tractor	100000
SAME	Tractor	25000
New Holland	Tractor	50000
Maruti Suzuki	Car	750000
Ford	Car	125000
GM	Car	125000
Honda Scooters	Scooters	1200000
Honda Car	Car	250000

## FINANCIAL ANALYSIS

Gross revenues stood at 10881.27 million in FY 2012-13 as compared to 10560 million in FY 2011-12. The company withstood the turmoil in automotive segment in FY 2012-13 and is completely geared up to achieve bigger landmarks in FY 2013-14. The Profit after Tax for FY 2012-13 stood at 250.48 million as compared to 287.64 million. The fall in profit is primarily due to increase in depreciation and amortization & increase in financial cost due to a high interest rate regime in majority of FY 2012-13. This is expected to reverse in current year due to fall in interest rates and increased focus on CV, Tractor & Export Segment.

Keeping in view the financial performance, the Directors have recommended a final dividend of 15% i.e. Rs.1.5 per equity share subject to the approval of the shareholders at the ensuing Annual General Meeting resulting in a payout of Rs. 2.28 crores (excluding dividend tax). The earnings per share (EPS) stood at Rs. 16.55 per equity share.

## PERFORMANCE ANALYSIS

FY 2012-13 saw an across the board slowdown in automobile market on the back of global economic slowdown and higher interest rate regime in the country thereby impacting the business climate. The commercial vehicle segment was badly hurt due to business slowdown and a clampdown on mining activity in the country. In FY 2012-13 company tried to consolidate its business position by protecting market share in an otherwise very intense competitive market.

Total wheel sales fell by 1% in FY 2012-2013 on the back of across the board slowdown in vehicle sales. Company did relatively well in maintaining its top line in FY 2012-13. The company achieved a 30% growth in 2 & 3 wheeler segment and expects a further 10%-15% increase in FY 2013-14.

Our tractor segment wheel sales saw a decline of 4% in comparison to overall tractor segment sales drop of more than 6% in FY 12-13 indicating protection of market share by us. We expect to see a relatively very good year in FY 2013-2014 due to a lot of new development coming on-stream and overall tractor segment growing modestly.

Company achieved a 10% growth in LCV & M&HCV segment as against an overall drop of 2% in the segment. We expect the overall commercial vehicle segment to grow at 7-9% and company will make efforts to grow more on the back of increased market share supported by a lot of new business development expected in this financial year.

## DOMESTIC SALES FORECAST FOR FY 2013-2014 BY SIAM

Segment	Actual Total Growth FY 12 -13	Forecast FY 13-14
Passenger Vehicle	2.80%	3%-5%
2 Wheelers	1.90%	6%-8%
Commercial Vehicles	-10.50%	7%-9%
3 wheelers	-4.50%	3%-5%
Overall Industry	1.20%	6%-8%

SIAM expect the auto industry to have one more testing year with some green shoots coming for hard hit commercial vehicle segment. The lower interest rate regime over next few quarters will bring cheer for consumers. The economic activity has started to pick up slowly with capital goods segment showing positive growth for last 2-3 months and is expected to show a steady progress going forward. UV segment will continue to grow strongly on consumer demand shift towards them. The UV segment can grow at more than 15% on the back of slew of new launches and competition heating up in this segment luring the consumer.

Your company will put emphasis on market share growth by adding more products to portfolio and adding latest technological edge to support the customer with best product portfolio. Slew of new business starts will happen in this year to add growth to the company.



## STEEL STRIPS WHEELS LIMITED

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### **Risk & Outlook**

Steel is the primary raw material for the products of the company, and is a very significant part of the final product cost of Steel wheel. Rising steel prices continue to be a reality and pose a challenge to the margins of the company in this competitive auto component sector.

To mitigate the risk, the Company continues to strive to improve its operational performance and develop new components, which are technologically superior and have an edge over the competitors.

### **INTERNAL CONTROLS AND THEIR ADEQUACY**

The Company has a robust internal control and audit system to provide adequate assurance regarding the effectiveness and efficiency of its systems and operations. The controls are commensurate to the needs of the organization given its size and complexity of operations. The standard operating procedures ensure compliance to local regulation and statutes as applicable to the Company. The Company strictly ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

### **HUMAN RESOURCES**

Your company launched many initiatives for Human Resource Development in 2012-13 . Foremost is the launch of SSWL Skill India School of Excellence at Dappar facility . It has been built in collaboration with National Skill Development Corporation of India. School of Excellence is equipped with simulators where employees acquire new skills and existing employees upgrade their skills. The Centre runs courses on Welding Skills, Painting Skills, Press Shop Skills, Inspection Skills beside running modules on Kaizen, 5S, TPM. Company plans to build similar centres at Jamshedpur & Chennai. The said centres will enable its employees to acquire World Class Skill Levels.

In order to bring a culture of performance orientation , Performance Management System was implemented at all the levels. Many forums like Quality Circles for participative management have been created to enable the employees to unleash their creative abilities. Company continues to invest in building capabilities , creating a safe and harmonious work environment to ensure a profitable & sustainable growth

### **SEGMENT REPORTING**

The Company is primarily engaged in the manufacturing business of steel wheel rims catering to different segment of automobile industry. The inherent nature of activities is governed by the same set of risk and returns; hence these have been grouped as a single segment. The said treatment is in accordance with the principle enunciated in the Accounting Standard on Segment Reporting (AS 17).

### **DISCLAIMER**

This report contains certain statements that the Company believes and may be considered as forward looking statements. These forward looking statements may be identified by their use of words like ' plan', 'hope', 'will', 'expect', 'aim' or such similar words or phrases. All such statements are subject to risks and uncertainties which could cause actual results to vary materially from those contemplated by the relevant forward looking statements.

Place: New Delhi  
Date: 29th May, 2013

R.K. GARG  
CHAIRMAN

# INDEPENDENT AUDITORS'

## Report

### S.C. DEWAN & CO.

#### CHARTERED ACCOUNTANTS

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

Tel. : 2556190, 2556890

To the Members of

STEEL STRIPS WHEELS LIMITED

We have audited the accompanying financial statements of **STEEL STRIPS WHEELS LIMITED**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act").

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - b) in the case of the Profit and Loss Account, of the profit/loss for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  2. As required by section 227(3) of the Act, we report that:
    - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
    - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
    - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
    - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S.C. Dewan & Company  
Chartered Accountants  
(Registration No.: 000934N)

S.C. DEWAN

PARTNER

Membership No. : 015678

Place: New Delhi  
Date : 29th May, 2013

# ANNEXURE

## To Independent Auditors' Report

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of STEEL STRIPS WHEELS LIMITED on the accounts of the company for the year ended 31st March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

**1. In respect of its fixed assets:**

- (a) 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.
- (b) 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.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

**2. In respect of its inventories:**

- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- 3. The Company has not granted or taken any loan, secured or unsecured loans to/ from Companies covered in the register maintained under section 301 of the Act.
  - 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
  - 5. The transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered in the register. Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
  - 6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
  - 7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - 8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
  - 9. In respect of statutory dues:
    - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty,

Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.

- (b) The Company is regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities except for the demands/ claims disputed by the Company as per details given below:

Nature of Dues	Amount Rs Lacs	Amt. Deposited Rs. Lacs	Forum where dispute is pending	Period to which the amount relates
Income Tax	23.09	NIL	Asstt. Commissioner of Income Tax (Appeals)	Assessment Year 2010-11

The Company is of the view that the demand is likely to be reversed by the Income tax Department in view of the decisions of various appellate authorities and interpretations of other relevant provision of Income tax Act 1961.

10. The Company has no accumulated losses/cash losses.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not a Financing Company.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. The Company has made a preferential allotment of equity shares to a company covered in the Register maintained under Section 301 of the Companies Act, 1956 and in our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any Debentures to the public.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For S.C. Dewan & Company  
Chartered Accountants  
(Registration No.: 000934N)

Place : New Delhi  
Date : 29th May, 2013

S.C. DEWAN  
PARTNER  
Membership No. : 015678

# STEEL STRIPS WHEELS LIMITED

## BALANCE SHEET

As at 31st March, 2013

₹ in Lacs

PARTICULARS	NOTES	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
1) <b>Shareholders' Funds :</b>			
Share Capital	1	1,520.82	1,484.32
Reserves and Surplus	2	32,722.17	29,424.66
Share Suspense Accounts		-	-
2) <b>Share Application Money</b>		-	-
3) <b>Non Current Liabilities</b>			
Long Term Borrowings	3	28,549.53	27,572.22
Other Long Term Borrowings (UnSecured Loans)		-	-
Deferred Tax Liability (Net)	4	2,436.82	2,309.99
Long Term Provisions	5	406.78	277.32
4) <b>Current Liabilities</b>			
Short Term Borrowings	6	32,645.53	22,921.43
Trade Payables	7	9,087.68	10,600.73
Other Current Liabilities	8	856.78	910.10
Short Term Provisions	9	326.54	409.77
<b>TOTAL</b>		<b>1,08,552.63</b>	<b>95,910.55</b>
<b>II. ASSETS</b>			
1) <b>Non Current Assets</b>			
a) <b>Fixed Assets</b>	10		
Tangible Assets		81,860.33	76,053.66
Intangible Assets		-	-
Less : Depreciation		24,422.07	19,655.78
<b>Net Block</b>		<b>57,438.26</b>	<b>56,397.88</b>
Capital Work in Progress		9,459.86	4,842.68
Intangible Assets Under Development		198.72	198.72
b) <b>Non Current Investments</b>	11	35.61	29.00
c) <b>Long Term Loans and Advances</b>	12	962.71	615.30
2) <b>Current Assets</b>			
Current Investments		-	-
Inventories	13	12,634.10	13,490.98
Trade Receivables	14	14,957.99	13,748.20
Cash and Bank Balances	15	6,367.19	2,276.29
Short Term Loan & Advances	16	6,337.45	4,280.02
Other Current Assets	17	160.74	31.47
<b>TOTAL</b>		<b>1,08,552.63</b>	<b>95,910.55</b>
Significant Accounting Policies			
Notes to Financial Statement	1-28		

As per our report of even date.

For and on behalf of Board

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

S.C. Dewan  
Partner

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

A.V. Unnikrishnan

S.S. Jha

Place New Delhi  
Dated : 29th May, 2013

Shaman Jindal  
**Company Secretary**

M.M. Chopra

**Directors**

# STATEMENT OF PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2013

₹ in Lacs

PARTICULARS	NOTES	31st March, 2013	31st March, 2012
<b>INCOME</b>			
I. Revenue from Operations	18	96,993.25	95,723.99
II. Other Income	19	1,086.68	1,016.87
<b>III. TOTAL REVENUE (I + II)</b>		<b>98,079.93</b>	<b>96,740.86</b>
<b>IV. EXPENSES</b>			
Cost of Material Consumed	20	64,325.38	67,508.87
Purchase of Trading Goods		--	--
Decrease / (Increase) in Stocks	21	978.36	(1,514.22)
Employees Benefits Expenses	22	6,264.40	5,242.24
Financial Expenses	23	2,969.79	2,758.91
Depreciation / Amortization	10	4,962.14	4,260.67
Other Expenses	24	15,929.64	15,173.27
<b>TOTAL EXPENSES</b>		<b>95,429.69</b>	<b>93,429.75</b>
<b>V. Profit before exceptional items</b>		<b>2,650.23</b>	<b>3,311.11</b>
<b>VI. Exceptional Items</b>			
Prior Period Income		6.42	8.41
Prior Period Expenses		--	4.85
<b>Profit Before tax</b>		<b>2,656.66</b>	<b>3,314.67</b>
<b>VII. LESS : Tax Expenses</b>			
Current TAX (MAT)		531.54	663.18
Less : Mat Credit Entitlement		(531.54)	(439.05)
Deferred Tax		126.83	177.37
Wealth Tax		-	-
<b>Total Taxes</b>		<b>126.83</b>	<b>401.50</b>
Add : Taxes - Previous Year		25.09	36.83
		<b>151.92</b>	<b>438.33</b>
<b>VIII. Profit Carried to Balance Sheet</b>		<b>2,504.74</b>	<b>2,876.34</b>
<b>Earnings per Equity Share</b>			
Basic (Nominal value of Share Rs. 10 each)	25	16.55	18.91
Diluted (Nominal Value of Shares Rs. 10 each)		16.55	18.91
Significant Accounting Policies			
Notes to Financial Statement	1-28		

As per our report of even date.

For and on behalf of Board

For S.C. Dewan & Co.  
Chartered Accountants

S.C. Dewan  
Partner

Dheeraj Garg  
Managing Director

A.V. Unnikrishnan

S.S. Jha

Place : New Delhi  
Dated : 29th May, 2013

Shaman Jindal  
Company Secretary

M.M. Chopra

**Directors**



# STEEL STRIPS WHEELS LIMITED

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in Lacs

S. No	PARTICULARS	March 31, 2013		March 31, 2012	
<b>A.</b>	<b>Cash Inflow/ (Outflow) from Operating activities</b>				
	<b>Profit before tax</b>		<b>2,656.66</b>		<b>3,314.67</b>
	Depreciation	4,962.14		4,127.84	
	Miscellaneous expenses written off			-	
	Bad debts written off	25.44		-	
	(Profit)/ Loss on sale of assets	(19.82)		4.01	
	(Profit)/ Loss on sale of investments	-		(3.79)	
	Interest received	(238.35)		91.70	
	Interest paid	<b>2,501.33</b>	<b>7,230.72</b>	<b>2,133.13</b>	<b>6,352.89</b>
	<b>Operating profit before working capital changes</b>		<b>9,887.39</b>		<b>9,667.56</b>
	Adjustment for				
	- (Increase)/ decrease in inventory	856.88		1,556.85	
	- (Increase)/ decrease in trade and other receivables	(1,364.50)		(4,637.41)	
	- Increase/ (decrease) in trade payables	(1,566.89)	(2,074.51)	1,255.26	(1,825.30)
	<b>Cash inflow from operating activities</b>		<b>7,812.88</b>		<b>7,842.26</b>
	Taxes paid		25.09		260.95
	<b>Net cash from / (used) in operating activities</b>		<b>7,787.79</b>		<b>7,581.31</b>
<b>B</b>	<b>Cash flows from/ (used) in Investing Activities</b>				
	Purchase of fixed assets	(11,091.45)		(12,716.23)	
	Exchange fluctuation in Fixed assets	-		-	
	Sale of fixed assets	471.75		471.59	
	Sale of investments	-		1.83	
	Investment in mutual fund	(6.61)		-	
	Profit on sale of investments / Assets	19.82		(0.22)	
	Interest received	238.35		(91.70)	
	<b>Net cash from / (used) in investing activities</b>		<b>(10,368.13)</b>		<b>(12,334.73)</b>
<b>C</b>	<b>Cash flows from/ (used) in Financing Activities</b>				
	Proceeds from issue of equity shares Incl. premium	1,095.00		-	
	Proceeds from long term borrowings	11,552.84		5,058.08	
	Proceeds from long term provisions/short term provisions	46.24		-	
	Repayment of long term borrowings (net of fluctuation)	(4,944.76)		(1425.07)	
	Proceeds from/ (repayment of) Unsecured loans			-	
	Changes in working capital loans/short term borrowings	4,093.33		3,107.09	
	Increase/Decrease in Long/short Term Loan & Advances	(2,404.84)		-	
	Dividend paid	(265.23)		(258.77)	
	Interest paid	(2,501.33)		(2,133.13)	
	<b>Net cash from / (used) in financing activities</b>		<b>6,671.25</b>		<b>4,348.20</b>
	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,090.91</b>		<b>(405.22)</b>
	Cash and cash equivalents as at April 1, 2012		2,276.29		2,681.51
	<b>Cash and cash equivalents as at March 31, 2013</b>		<b>6,367.19</b>		<b>2,276.29</b>

#### 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 & records maintained by the Company for the year ended 31st March, 2013 and found the same in agreement therewith

As per our report of even date.

For and on behalf of Board

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

S.C. Dewan  
Partner

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

A.V. Unnikrishnan

S.S. Jha

Place New Delhi  
Dated : 29th May, 2013

Shaman Jindal  
**Company Secretary**

M.M. Chopra

**Directors**

## 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

- a. 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.
- b. Depreciation on assets costing Rs. 5,000 or less is provided 100% on prorata basis for days put in use.
- c. The leasehold land is amortized over the period of lease.
- d. 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

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

- i) 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.
- ii) 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.
- iii) 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.

## STEEL STRIPS WHEELS LIMITED

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### **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 :

- i) 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.
- ii) 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.
- iii) 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.

### **xiv) Leases**

Leases where lessor effectively retains substantially all the risk and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as expenses in the profit and loss account on straight line bases over the lease term.

- xv)** Provision involving substantial degree of estimate in measurement are recognised when there is present obligation as result of past events and it is probable that there will be an outflow of resources, contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

## Notes on Financial Statements for the year ended 31st March, 2013

The previous year figures have been regrouped / reclassified wherever necessary to confirm the current year presentation

### NOTE - 1

#### SHARE CAPITAL

₹ in Lacs

	March 31, 2013 (Rs.)	March 31, 2012 (Rs.)
<b>Authorised Capital</b>		
1,90,00,000 Equity Shares of Rs.10/-each (1,90,00,000)	1,900.00	1,900.00
12,00,000 Preference shares of Rs. 145/- each * Optionally Convertible, commutative or non-cumulative (12,00,000)	1,740.00	1,740.00
<b>Issued , Subscribed and Paid Up Capital</b>		
1,52,08,170 Equity Shares of Rs.10/-each (1,48,43,170)	1,520.82	1,484.32
<b>TOTAL</b>	<b>1,520.82</b>	<b>1,484.32</b>

- 1.1 No Shares out of the issued , subscribed and paid up Share Capital were allotted as Bonus Shares in the last five years by capitalization of Securities Premium Reserves
- 1.2 No Shares out of the issued , subscribed and paid up Share Capital were allotted in the last five years pursuant to the various scheme of amalgamation without payment being received in cash.
- 1.3 The Company has issued only one class of shares i.e. equity shares. All equity shares rank pari passu and carry equal rights with respect to voting and dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- 1.4 The details of Shareholders holding more than 5% shares.

Name of the Share Holder	March 31, 2013		March 31, 2012	
	No. of Shares	% held	No. of Shares	% held
MR. DHEERAJ GARG	46,40,228	30.51	46,40,228	31.26
SAB INDUSTRIES LIMITED	12,93,686	8.51	12,93,686	8.72
SAB UDYOG LIMITED	11,42,582	7.51	11,42,582	7.70
KALIMATI INVESTMENTS PVT. LTD.	12,55,856	8.26	12,55,856	8.46
SUMITOMO METAL INDUSTRIES LIMITED	8,50,000	5.59	8,50,000	5.73

- 1.5 The reconciliation of number of shares outstanding is set out below :

Particulars	March 31, 2013 No. of Shares	March 31, 2012 No. of Shares
Equity Shares at the beginning of the year	1,48,43,170.00	1,48,43,170.00
Add: Shares issued	3,65,000.00	-
Less : Shares Cancelled	-	-
Equity Shares at the end of the year	<b>1,52,08,170.00</b>	<b>1,48,43,170.00</b>

# STEEL STRIPS WHEELS LIMITED

## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE 2

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Reserves &amp; Surplus</b>		
Share Forfeiture Reserve	59.10	59.10
Assistant under PATSER Scheme	50.00	50.00
Share Premium Account	11,437.18	10,378.68
Capital Subsidy	27.45	27.45
Capital Revaluation Reserve	5,280.64	5,280.64
Capital Reserve-DG Subsidy	0.50	0.50
<b>General Reserve</b>		
As per Last Balance Sheet	6,996.96	4,805.23
Add: Transfer from Profit & Loss	2,876.34	2,191.73
Less : Appropriations	-	-
Closing Balance	9,873.30	6,996.96
<b>Profit and Loss account (Carried over from P&amp;L)</b>		
As per Last Balance Sheet	6,631.33	6,205.49
Add: Profit for the year	2,504.13	2,876.34
Less : Appropriations	-	-
Proposed Dividend	228.12	222.65
Dividend Distribution Tax	37.01	36.12
Transfer to General Reserves	2,876.34	2,191.73
Closing Balance	5,993.99	6,631.33
<b>TOTAL</b>	<b>32,722.17</b>	<b>29,424.66</b>

### NOTE 3

₹ in Lacs

PARTICULARS	March 31, 2013			March 31, 2012		
<b>LONG TERM BORROWINGS</b>						
<b>SECURED</b>						
Loans from Banks	<b>Current</b>	<b>Non Current</b>		<b>Current</b>	<b>Non Current</b>	
- Rupee Term Loans	1,145.76	1,562.50	<b>1,562.50</b>	1,031.94	419.41	419.41
- Foreign Currency Term Loan	4,369.36	15,270.98	<b>15,270.98</b>	3,627.05	16,510.40	16,510.40
- From NBFC	238.60	715.79	<b>715.79</b>	1,000.00	-	-
<b>UN-SECURED</b>						
Payables for Capital Goods	-	11,000.26	<b>11,000.26</b>	-	10,642.41	<b>10,642.41</b>
- Long Term						
<b>TOTAL</b>	<b>5753.72</b>	<b>28,549.53</b>	<b>28,549.53</b>	<b>5,658.99</b>	<b>27,572.22</b>	<b>27,572.22</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.

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

Maturity Profile of Secured Term Loans are as below :

₹ in Lacs

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
Term Loans from Bank - Current Year	5,753.72	5,860.50	3,804.65	3,144.70	2,906.10
Previous Year	5,658.99	4,111.54	3,112.68	2,039.89	1,692.29

## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE - 4

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Deferred Tax Liability ( Net)</b>		
<b>Deferred Tax Liabilities</b>		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	2,436.82	2,309.99
<b>Gross Deferred Tax Liabilities</b>	2,436.82	2,309.99
<b>Deferred Tax Assets</b>		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	-	-
<b>Gross Deferred Tax Assets</b>	-	-
<b>Net Deferred Tax Liability</b>	<b>2,436.82</b>	<b>2,309.99</b>

In compliance with AS 22 issued by ICAI on Accounting for the Taxes on Income, a Sum of Rs. 126.83 lacs (previous Year Rs. 177.37 Lac) 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.

### NOTE - 5

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Long Term Provisions</b>		
Provision for Gratuity	305.31	209.99
Provision for Leave Encashment	101.47	67.32
<b>Total</b>	<b>406.78</b>	<b>277.32</b>

During the Year Company has made a provision for accrued liability on account of Gratuity and leave encashment on the basis of actuarial valuation based on projected unit method as required by AS 15 (Revised 2005).

### NOTE - 6

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Short Term Borrowings (SECURED)</b>		
<b>-Working Capital Loans :</b>		
- Current Maturities of Long Term Debts (Refer Note No. 3)	5,753.72	5,658.99
- From Banks	19,622.23	13,329.18
<b>- Other Loans</b>		
- Loan Against Fixed Deposits	2,256.34	-
<b>- Foreign Currency Loan</b>		
Buyers Credit for Raw Material	3,534.06	3,933.27
<b>(UNSECURED)</b>		
- Loan againsts Bills Receivables	1,479.19	-
	<b>32,645.53</b>	<b>22,921.43</b>

**Note :**

Working Capital Limits from Banks are secured / to be secured by First 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 IInd 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 and/ or Managing Director of the Company.

## STEEL STRIPS WHEELS LIMITED

### Notes on Financial Statements for the year ended 31st March, 2013

<b>NOTE 7</b>	PARTICULARS	₹ in Lacs
	March 31, 2013	March 31, 2012
<b>Trades Payable</b>		
Micro, Small & Medium Enterprises	231.09	311.91
Others	8,856.59	10,288.82
<b>Total</b>	<b>9,087.68</b>	<b>10,600.73</b>

Debit and Credit Balances in the accounts of suppliers and others are subject to confirmation and reconciliations.

Detail of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under :

	March 31, 2013	March 31, 2012
Principal amount due and remaining unpaid	231.09	311.91
Interest due on above and the unpaid Interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

NOTE 8

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
Other Current Liabilities		
Interest Accrued But Note Due	91.74	139.16
Advances from Customers	214.26	196.63
Taxes and duties payable	90.03	88.29
Dues to Directors	93.52	139.67
Unclaimed Dividend	27.84	24.43
Excise Duty on Finished Goods	47.49	65.54
Other Payables	291.90	256.38
(Incl. Salary, Bonus, PF, ESI Payable)		
Total	856.78	910.10

## NOTE 9

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Short Term Provisions</b>		
Provision for Taxation (net of payments)	-	104.77
Provision for Wealth Tax	-	-
Provision for Gratuity	44.76	36.18
Provision for Leave Encashment	16.65	10.05
Proposed Dividend	228.12	222.65
Dividend Distribution Tax	37.01	36.12
<b>Total</b>	<b>326.54</b>	<b>409.77</b>



## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE 10 FIXED ASSETS

₹ in Lacs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deletions/ Adjustments	As at 31.03.2013	As at 01.04.2012	For the Year	Deletions/ Adjustments	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets :</b>										
Land	8,397.13	-	-	8,397.13	67.06	12.19	-	79.26	8,317.87	8,330.06
Building	10,770.67	452.52	-	11,223.19	1,426.53	356.93	-	1,783.46	9,439.73	9,344.14
Plant & Machinery	47,476.56	1,928.34	153.22	49,251.68	13,749.40	3,727.44	27.76	17,449.08	31,802.59	33,727.16
Plant & Machinery - R&D	370.70	32.27	-	402.96	222.58	33.26	-	255.84	147.12	148.12
Furniture & Fixture	572.80	1,408.35	-	1,981.15	124.19	38.21	-	162.40	1,818.75	448.62
Data Processing Equipments	448.10	17.07	-	465.16	313.81	33.24	-	347.06	118.10	134.28
Data Processing Equipments - R&D	18.89	38.60	-	57.49	15.73	1.23	-	16.96	40.53	3.17
Motor Vehicle	650.58	200.05	16.25	834.38	255.22	64.97	7.62	312.56	521.81	395.36
Die Toolings - New Products R&D	557.39	393.66	3.22	947.83	96.15	63.36	0.29	159.22	788.61	461.24
Die Toolings	6,790.84	2,003.42	494.91	8,299.35	3,385.11	631.29	160.18	3,856.22	4,443.13	3,405.72
<b>Intangible Assets :</b>										
Packages & Software	-	-	-	-	-	-	-	-	-	-
Drawing & Copyrights	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>76,053.66</b>	<b>6,474.27</b>	<b>667.60</b>	<b>81,860.33</b>	<b>19,655.78</b>	<b>4962.14</b>	<b>195.85</b>	<b>24,422.07</b>	<b>57,438.26</b>	<b>56,397.88</b>
Previous Year	65,166.51	11,359.23	471.59	76,054.15	15,527.95	4260.67	132.84	19,655.78	56,398.37	49,638.56
Capital work in Progress	-	-	-	-	-	-	-	-	9,459.86	4,842.68
Intangible Assets under development	-	-	-	-	-	-	-	-	198.72	198.72

#### Note 10(1)

- Land for Oragadam plant is obtained on 99 years of lease basis from State Industrial Promotion corporation of Tamilnadu Limited(SIPCOT), a Government of Tamilnadu enterprises. The total cost of Lease hold land is amortised over a period of 99 years. Accordingly a sum of Rs. 12.19 Lacs ( Previous year Rs. 12.19 Lacs) is amortised during the period.

#### Note 10 (2)

Preoperative Expenses/ Interest pending capitalization consist of expenses incurred /being incurred during implementation of project under installation of new fixed Assets. These will be capitalized with other fixed assets when project /fixed assets shall commence commercial production. Interest on term Loan of Rs. 191.52 Lacs (Previous year 295.97 Lacs) has been capitalised during the year.

#### Note 10 (3)

No Assets of the Company is given on lease hold basis to outsiders.

#### Note 10 (4)

Addition in assets during the year also includes the reinstatement of Foreign Currency Term Loans.

#### Note 10 (5)

Intangible Assets under Development represents installation of SAP software in the Company.

#### Note 10 (6)

Straight Line Method of Depreciation on Plant and Machineries is provided as under:

- In case of Oragadam ( Tamilnadu) unit on double shift basis except machineries of Phase IIInd, which is on single shift basis.
- In case of Dappar ( Punjab) unit on tripple shift basis.
- In case of Jamshedpur ( Jharkhand) unit on Double Shift basis except utility plant and paint plant which is on single shift basis.

#### Note 10(7)

Unit Wise Depreciation /Amortisation during the Year as follows:

₹ in Lacs

Particulars	Current Year				Previous Year			
	Dappar	Jamshedpur	Chennai	Total	Dappar	Jamshedpur	Chennai	Total
Depreciation	2,598.32	1,117.19	1,234.43	4,949.94	2,560.92	892.50	795.06	4,248.48
Amortization	-	-	12.19	12.19	-	-	12.19	12.19
<b>Total</b>	<b>2,598.32</b>	<b>1,117.19</b>	<b>1,246.63</b>	<b>4,962.14</b>	<b>2,560.92</b>	<b>892.50</b>	<b>807.25</b>	<b>4,260.67</b>

## STEEL STRIPS WHEELS LIMITED

### Notes on Financial Statements for the year ended 31st March, 2013

#### NOTE 11

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Non Current Investments</b>		
<b>Long Term (At cost)</b>		
<b>Equity Shares</b>		
Investment in Shares	11.25	11.25
(Unquoted and valued at cost)		
1,12,500 (Previous year 1,12,500) Equity Shares of		
Rs. 10/- each of Nimbua Greenfield (Punjab) Limited.		
<b>In Others</b>		
Investment in Bonds & Mutual Funds	24.36	17.75
Dividend option of Axis Mutual fund		
1,72,034.60 (PY 158303.10 ) units of Axis Triple Advantage Fund		
Growth of Axis Mutual Fund		
<b>TOTAL</b>	<b>35.61</b>	<b>29.00</b>

#### NOTE 12

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Long Term Loans and Advances</b>		
<i>(Unsecured - considered good except to the extent provided for)</i>		
Advances and Loans to Subsidiaries	-	-
Advances Recoverable in Cash or in Kind or for the value to be	169.40	122.45
received (Incl. Doubtful Rs. 35 Lakh, Previous Year Rs.35 Lakh )		
Security Deposits	437.01	466.64
Capital Advances	318.18	-
Advance Tax (Previous Year)	36.22	61.22
Advance Tax / Tax deducted at Source	36.91	-
(Net of provision for tax Rs. 531.54 Lacs. (Previous year Rs. 410.33 Lacs)	-	-
	<b>997.71</b>	<b>650.30</b>
<b>Less :- Provisions for Doubtful Advances</b>	35.00	35.00
<b>Total</b>	<b>962.71</b>	<b>615.30</b>

The Income Tax Assessment of the Company has been completed upto the Assessment year 2009-10. The Income tax Demand of Rs. 23.09 Lac has been raised on the Company for the Assessment Year 2010-11 under Summary Assessment. The company had filed an appeal before CIT (A) as well as a rectification application against the aforesaid demand which is pending to be disposed. Therefore no provision has been made by the company.

The Company has entered into an agreement for purchase of land admeasuring 304 kanals approx at village Bir Farozari, Distt. Panchkula, at cost of Rs. 133.00 Lacs for setting up and auto component unit. The land has not yet been registered in the name of Company . Pending the same , the advance of Rs. 35.00 Lacs paid by the Company has been shown as advances recoverable and being under legal suit, a provision for the same has been made. The lower court has given decree in favour of company and now the appeal have been filed in High Court.

## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE 13

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Inventories</b>		
(As taken, valued and certified by management)		
(Cost or market price, whichever is lessor, otherwise stated)		
Raw Material & Components	5,092.63	5,134.09
Stores and Spares	4,158.58	2,981.39
Goods in Transit	-	-
- Raw Material & Components	476.31	1,490.57
Scrap (At estimated marked Price)	67.68	128.20
Work in Progress	2,119.78	2,851.68
Finished Goods	719.11	905.05
<b>Total</b>	<b>12,634.10</b>	<b>13,490.98</b>

### NOTE 14

₹ in Lacs

PARTICULARS	March 31, 2012	March 31, 2011
<b>Trade receivables</b>		
(Unsecured, Considered Goods unless Otherwise Stated)		
Debts outstanding for a period exceeding six months	126.78	148.98
(Considered doubtful Rs. 27.23 lac., Previous year. Rs. 36.62 Lac.)		
Other Debts	14,858.44	13,635.84
	14,985.22	13,784.82
<b>Less : Provisions for Doubtful Debts</b>	<b>27.23</b>	<b>36.62</b>
<b>Total</b>	<b>14,957.99</b>	<b>13,748.20</b>

### NOTE 15

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Cash and Bank Balances</b>		
Cash in Hand	15.53	10.21
Cheques in Hand (Current Account)	1,018.15	692.04
Balances with Scheduled Banks on :		
- In current accounts	756.93	69.71
- in dividend accounts	27.84	29.05
- Fixed Deposit / Margin Money account	4,548.73	1,475.28
(Held under lien with bank)		
<b>Total</b>	<b>6,367.19</b>	<b>2,276.29</b>

### NOTE 16

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Short Term Loans and Advances</b>		
(Unsecured - considered good except to the extent provided for)		
Advances Recoverable in Cash or in Kind (Short Term)	1,024.61	127.08
Advance to Suppliers	-	-
Prepaid Expenses	137.71	170.39
MAT Credit Entitlement	1,679.59	1,148.05
Balance with Excise Authorities	1,230.83	1,248.48
Vat Recoverable	2,264.71	1,586.02
	6,337.44	4,280.02
<b>Less : Provisions for Doubtful Advances</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6,337.44</b>	<b>4,280.02</b>

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 recognised as an assets in accordance with the recommendation contained in guidance note issued by 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.

### NOTE 17

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Other Current Assets</b>		
Interest Accrued but not Received	160.74	31.47
<b>Total</b>	<b>160.74</b>	<b>31.47</b>

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 the amount considered reasonably necessary.

# STEEL STRIPS WHEELS LIMITED

## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE 18

₹ in Lacs

PARTICULARS	March 31, 2013		March 31, 2012	
<b>SALES</b>				
<b>DOMESTIC SALES :</b>				
Manufactured Products	83,160.28		82,502.35	
Scrap	9,974.68		9,812.11	
Trading Sales	-		35.94	
<b>TOTAL GROSS SALES</b>		93,134.96		92,350.40
Less : Excise Duty		10,732.77		8,859.16
<b>NET DOMESTIC SALES</b>		<b>82,402.18</b>		<b>83,491.24</b>
Other Sales		459.71		385.39
<b>EXPORT SALES:</b>				
Manufactured Products		14,131.35		11,847.36
<b>Total</b>		<b>96,993.25</b>		<b>95,723.99</b>

The Company is in 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

### NOTE 19

₹ in Lacs

PARTICULARS	March 31, 2013		March 31, 2012	
Other Income				
Interest Income		238.35		91.70
Miscellaneous Income :				
Insurance claim recd	37.39		30.09	
VAT Subsidy	560.12		889.51	
Misc. Income	230.99		1.78	
		<b>828.50</b>		<b>921.38</b>
Profit on Sale of Shares /Mutual Funds		-		3.79
Profit on Sale of Asset		19.82		-
<b>TOTAL</b>		<b>1,086.68</b>		<b>1,016.87</b>

### NOTE 20

₹ in Lacs

PARTICULARS	%age of Consumption	March 31, 2013	%age of Consumption	March 31, 2012
<b>Cost of Material Consumed</b>				
Imported	13.10	8,428.42	15.71	10,607.71
Indigenous	86.90	55,896.96	84.29	56,901.16
<b>Total</b>	<b>100.00</b>	<b>64,325.38</b>		<b>67,508.87</b>

Value of Imports on CIF Basis in respect of :	March 31, 2013	March 31, 2012
Raw material	7,557.19	7,606.39
Components & Spare Parts	853.24	1,138.69
Capital goods	980.64	1,759.59
<b>Total</b>	<b>9,391.07</b>	<b>10,504.67</b>

### NOTE 21

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Change In Inventories Of Finished Goods, Stock-In-Process And Stock-In-Trade</b>		
Opening Stocks :		
F.G.	905.05	447.19
Scrap	128.20	38.42
Stock-in-process	2,851.68	1,885.10
Closing Stocks :		
F.G.	719.11	905.05
Scrap	67.68	128.20
Stock-in-process	2,119.78	2,851.68
<b>Net Change in Stock</b>	<b>978.36</b>	<b>(1,514.22)</b>

## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE 22

₹ in Lacs

Particulars	March 31, 2013	March 31, 2012
<b>Employees' Benefits Expenses</b>		
Salaries, Wages, Bonus & Incentives etc.(Net)	5,528.81	4,563.71
Contribution to Provident and Other Funds	213.92	154.39
Workmen and Staff Welfare Expenses	409.09	494.65
Gratuity	112.58	29.49
<b>Total</b>	<b>6,264.40</b>	<b>5,242.00</b>

The Company has a defined benefit gratuity and Earned Leave plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. And accumulation of EL for Staff is upto 60 days and for Workers is 90 Days

The following tables summarize the components of net benefit expense recognised in the Profit and Loss Account and the amounts recognised in the balance sheet.

The Employee's gratuity fund scheme managed by a Trust (Life insurance corporation of India) is defined benefit plan. The Present Value of obligation is determined based on actuarial valuation using the projected unit credit method which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Net employee benefit expenses (recognised in Employee Cost)

#### Profit & Loss

(Amount in Rs.)

Particulars	Earned Leave	Gratuity	Earned Leave	Gratuity
	2012-13	2012-13	2011-12	2011-12
Current service cost	53,63,148	51,82,521	37,75,735	36,61,246
Interest cost on benefit obligation	6,18,996	19,84,458	5,33,188	18,05,712
Net actuarial (gain)/ loss recognised in the period	(13,51,376)	36,89,133	(30,37,391)	(27,48,971)
Net benefit expenses recognised in Profit & Loss a/c	44,44,866	97,86,858	11,15,543	22,57,176

#### Balance Sheet

##### Details of Provision for Gratuity

(Amount in Rs.)

Particulars	Earned Leave	Gratuity	Earned Leave	Gratuity
	2012-13	2012-13	2011-12	2011-12
Defined benefit obligation	(51,23,610)	(1,98,57,891)	(51,23,610)	(1,20,71,033)
Less: Unrecognised past service cost	-	-	-	-
Net asset/ (liability) recognised in the balance sheet	(51,23,610)	(1,98,57,891)	(51,23,610)	(1,20,71,033)

Note: The above plans are funded.

Changes in present value of the defined benefit obligation are as follows:

(Amount in Rs.)

Particulars	Earned Leave	Gratuity	Earned Leave	Gratuity
	2012-13	2012-13	2011-12	2011-12
Opening defined benefit obligation	77,37,452	2,48,05,719	64,62,884	2,18,87,421
Interest cost	6,18,996	19,84,458	5,33,188	18,05,712
Past service cost	-	-	-	-
Current service cost	53,63,148	51,82,521	37,75,735	36,61,246
Benefit paid	(5,91,518)	(7,13,261)	(52,159)	(2,29,607)
Actuarial (gains)/ losses on obligation	(13,16,309)	38,04,697	(29,82,196)	(23,19,053)
Closing defined benefit obligation	1,18,11,769	3,50,64,134	77,37,452	2,48,05,719

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2012-13	2012-13	2011-12	2011-12
	%	%	%	%
Discount rate	8.25	8.25	8.25	8.25
Expected Increase in Compensation cost	7	7	7	7
Attrition	10	10	10	10
Mortality basis	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96)

Note : The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority promotion and other relevant factors such as supply and demand in the employment market. The discount rates have been determined by reference to market yields as on 31st March 2013 on CG Secs of currency and terms consistent with those of liability obligations.

# STEEL STRIPS WHEELS LIMITED

## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE 23

₹ in Lacs

PARTICULARS	March 31, 2013	March 31, 2012
<b>Finance Charges</b>		
Interest to Bank		
- on Term Loan	413.28	319.04
- on Working Capital Loan	1,307.19	1,010.88
- on Foreign Currency Loan	681.67	792.70
Interest Others	99.18	10.52
Finance Charges	380.92	306.99
Loss/(Gain) on Foreign Exchange Fluctuation	87.54	318.79
<b>Total</b>	<b>2,969.79</b>	<b>2,758.91</b>

### NOTE 24

₹ in Lacs

PARTICULARS	% age of Consumption	March 31, 2013	% age of Consumption	March 31, 2012
<b>OTHER EXPENSES</b>				
<b>Manufacturing Expenses</b>				
Store Spares Consumed :				
Imported	23.03	1,184.52	23.00	1,045.98
Indigenous	76.97	3,959.40	77.00	3,502.43
Other Misc. Manufacturing Exp		327.77		156.80
Power, Electricity & Water Charges (Net)		2,912.32		2,655.88
-Repair and Maintenance -Plant & Machinery		406.23		1,027.57
		<b>8,790.23</b>		<b>8,388.65</b>
<b>Administrative &amp; Selling Expenses</b>				
Rent (Including Lease Rent)		253.52		252.80
Rates and Taxes		46.71		41.04
Service tax Paid		12.04		4.72
Insurance		176.84		137.34
Auditors' Remuneration		8.00		8.00
Advertisement, Publicity and Sales Promotion		6.26		2.31
Repairs & Renewals		163.06		70.43
Travel & Conveyance		559.81		574.09
Travel & Conveyance - Directors		15.05		15.32
Legal & Professional Charges		148.41		131.26
Bad debts Written Off		25.44		-
Electricity and Water Charges		8.69		7.81
Balances Written Back/ Off (Net)		0.51		0.79
Director's Sitting Fees		3.00		0.85
Loss on Sale of Assets		-		4.01
Managerial Commission		166.30		196.91
Telephone & Communication Expenses		66.35		65.47
Vehicle Running, Repair & Maintenance		63.77		89.31
Miscellaneous Expenses		279.74		380.02
		<b>2,003.52</b>		<b>1,982.49</b>
<b>Selling and Distribution Expenses</b>				
Business Promotion		141.53		48.92
Forwarding Expenses		4,490.13		4,099.22
Other Selling and Distribution Expenses		-		5.85
Rebates and Discounts		201.28		459.15
Royalty on Sales		127.09		31.43
		<b>4,960.03</b>		<b>4,644.56</b>

## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE 24 (Continued)

₹ in Lacs

	March 31, 2013	March 31, 2012
<b>Research and Development Expenses</b>		
Research and Development Expenses	-	3.76
Salaries , Wages and other allowances	160.87	142.33
Travelling and Conveyance	15.00	11.48
	<b>175.86</b>	<b>157.57</b>
<b>Grand Total</b>	<b>15,929.64</b>	<b>15,173.27</b>

### NOTE 24 (1)

₹ in Lacs

Expenditure in Foreign Currency	March 31, 2013	March 31, 2012
Raw Material	11,621.97	7,606.39
Machinery stores	853.24	1,138.69
Capital goods	172.83	1,759.59
Technical Know-how fee	54.45	29.20
Foreign Travel-Directors	11.99	46.21
-Staff	24.16	27.41
Other Expenditure	2,650.99	2,443.70
F.O.B. Value of Exports	13,577.95	11,318.99
Earnings in Foreign Exchange	13.638.43	10,448.97

### NOTE 24 (2)

₹ in Lacs

	March 31, 2013	March 31, 2012
<b>Payment to Auditor</b>		
Statutory Audit Fee	5.00	5.00
Tax Audit Fee	1.50	1.50
Certificate Charges	1.50	1.50
Out of Pocket Exp.	-	-
<b>Total</b>	<b>8.00</b>	<b>8.00</b>

\* Service Tax has not been included in above being Cenvatable.

### NOTE 24 (3) Prior Period adjustment comprises of the following.

₹ in Lacs

	March 31, 2013	March 31, 2012
<b>Expenses</b>		
Repair bills	-	-
Sales credit notes	-	-
Freight, Stores and other expenses	-	4.85
<b>Total</b>	<b>-</b>	<b>4.85</b>
<b>Income</b>		
Stores and other Expenses	0.04	8.41
Sales credit notes	6.04	-
Interest Income	0.34	-
<b>Total</b>	<b>6.42</b>	<b>8.41</b>

### NOTE 24 (4)

Details of Provisions as per the requirements of AS 29 (Provision, Contingent Liabilities and Contingent Assets)

₹ in Lacs

Particulars	Opening 01/04/2012	Provisions Made	Amount Used	Amount Reversed	Closing 31/03/2013
Gratuity	246.17	112.58	8.11	-	350.64
Leave encachment	77.38	57.69	16.95	-	118.12
Doubt Full debts	71.62	22.55	31.94	-	62.23
Others	353.57	643.90	235.26	-	762.21
Dividend & Dividend Tax	258.77	265.13	258.77	-	265.13
Income tax	663.18	531.54	663.18	-	531.54
MAT Credit Entitlement	1,148.06	531.54	-	-	1,679.60



## STEEL STRIPS WHEELS LIMITED

### Notes on Financial Statements for the year ended 31st March, 2013

#### NOTE 25

₹ in Lacs

	March 31, 2013	March 31, 2012
<b>Earnings per share (EPS)</b>		
Basic		
Net Profit as per profit and loss account	2,504.74	2,876.34
weighted average no. of equity shares outstanding during the year	1,51,36,169	1,52,08,170
<b>Earning per Share- Basic</b>	<b>16.55</b>	<b>18.91</b>
Diluted		
Net Profit as per profit and loss account	2,504.74	2,876.34
weighted average no. of equity shares outstanding during the year	1,51,36,169	1,52,08,170
<b>Earning per Share- Diluted</b>	<b>16.55</b>	<b>18.91</b>
<b>Nominal Value of Equity Share</b>	<b>10</b>	<b>10</b>

#### NOTE 26

##### Related Party Disclosure

Detail of transactions entered into with related parties during the year as required by accounting standard 18" Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

₹ in Lacs

Related Party Disclosures	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP are able to exercise significant influence	Total for the Current Year 2012-2013	Previous Year 2011-2012
Purchase of Goods	-	-	0.56	0.56	0.28
Lease Line Charges	-	-	3.64	3.64	11.78
Rent Paid	-	8.00	-	8.00	-
Sitting Fee	0.30	-	-	0.30	0.40
Remuneration incl. commission	232.20	-	-	232.20	257.75
Dividend Paid	73.94	0.62	42.74	117.30	116.75
<b>Total</b>	<b>306.44</b>	<b>8.62</b>	<b>46.94</b>	<b>362.00</b>	<b>386.96</b>

##### Note :

- Key Managerial Personnel : Sh R.K Garg, Chairman & Sh. Dheeraj Garg, Managing Director, Ms. Ute Mayr, Whole Time Director, Sh. A.V. Unnikrishnan, Deputy Managing Director.
- Enterprises over which key management personnel (KMP) are able to exercise significant control with which transactions have taken place during the year.  
**SAB Industries Limited, SAB Udyog Limited, Malwa Chemtex Udyog Ltd., Steel Strips Financial Pvt. Ltd., Munak International Pvt. Ltd., S.S. Credits Pvt. Ltd., S.J. Mercantile Pvt. Ltd., Malwa Holdings Pvt. Ltd., Munak Investment Pvt. Ltd., Steel Strips Holding Pvt. Ltd. & Chandigarh Developer Pvt. Limited .**
- Relatives of the KMP with whom transactions have taken place : Smt. Sunena Garg and Ms. Priya Garg.

## Notes on Financial Statements for the year ended 31st March, 2013

### NOTE 27

₹ in Lacs

	March 31, 2013	March 31, 2012
<b>Managing Director Remuneration</b>		
Salary and Allowances	28.80	28.80
Contribution to Provident Fund	2.16	2.16
Commission on Profit	135.34	165.95
<b>Total</b>	<b>166.30</b>	<b>196.91</b>
<b>b) Whole Time Director Remuneration</b>		
Salary and Allowances	61.16	56.48
Contribution to Provident Fund	4.74	4.36
<b>Total</b>	<b>65.90</b>	<b>60.84</b>

### NOTE 28

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

₹ in Lacs

	March 31, 2013	March 31, 2012
<b>A. Letter of Credit Outstanding for Import / Purchase of Raw Materials, Spares and Plant and Machinery</b>	885.12	2,532.61
<b>B. Estimated amount of Contracts remaining to be executed on account of Capital account and not provided for (net of advances)</b>	1,325.25	1,708.16

As per our report of even date.

For and on behalf of Board

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

S.C. Dewan  
Partner

Place : New Delhi  
Dated : 29th May, 2013

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

Shaman Jindal  
**Company Secretary**

A.V. Unnikrishnan

S.S. Jha

M.M. Chopra

**Directors**

## 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 SEVENTH ANNUAL GENERAL MEETING** of the Company to be held on Monday  
the 30th day of September 2013 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.....2013.

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

Revenue  
Stamp

#### 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

## 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 SEVENTH ANNUAL GENERAL MEETING** held on Monday the 30th day of September, 2013 at 11.00 A.M. at Company's Registered 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)



NOTES :

[illegible]

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There is a small horizontal line at the top left corner, possibly indicating a margin or a fold. The paper appears to be a standard sheet of notebook paper.

## BOOK POST

(Printed Material)



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

If undelivered, please return to :

### **STEEL STRIPS GROUP**

SCO 49-50, Sector-26, Madh a 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)

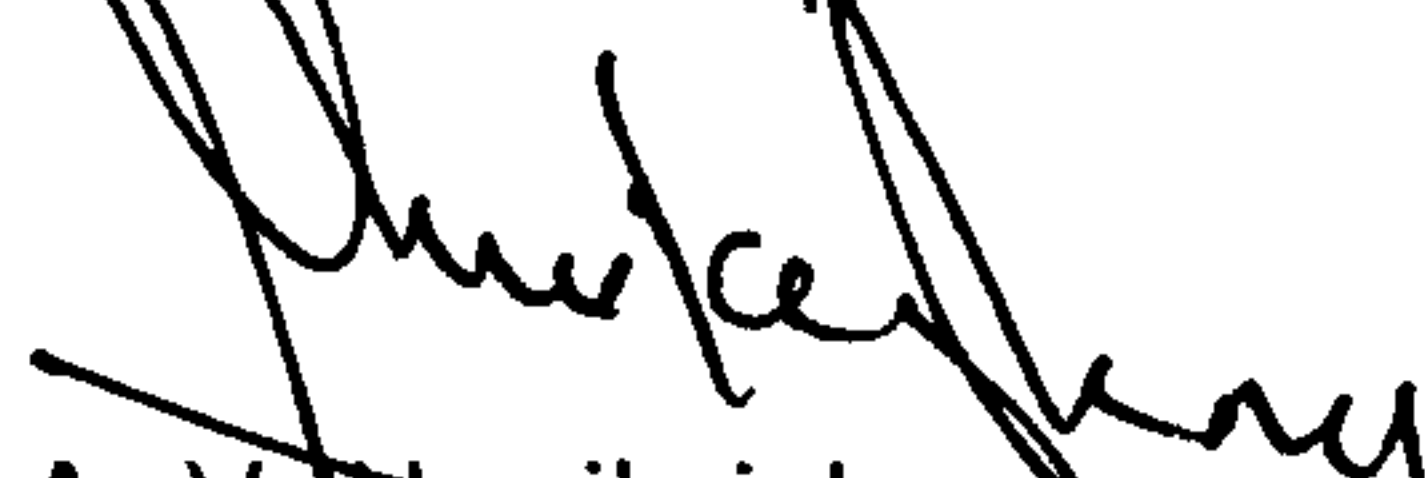


**FORM A**


*Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges*

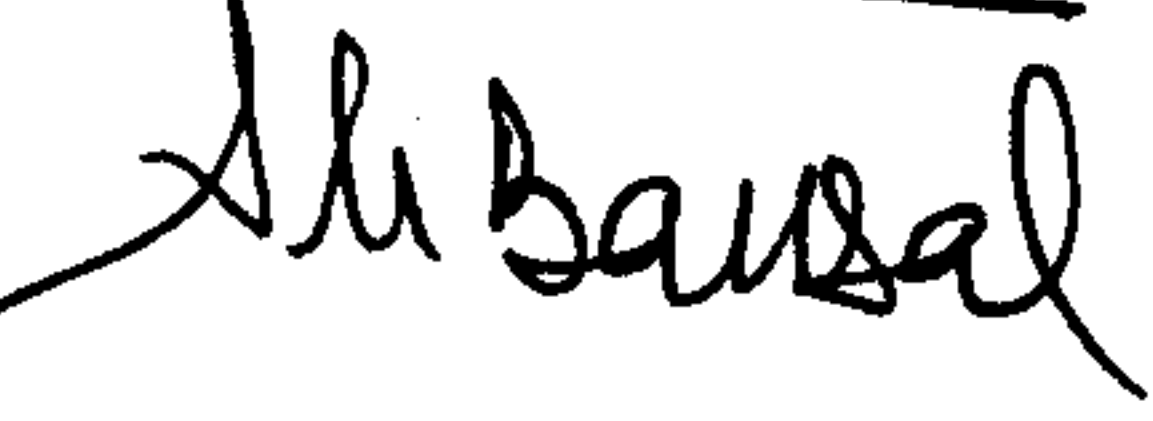
1	Name of the Company	STEEL STRIPS WHEELS LIMITED
2	Annual Financial statements for the year ended	31 <sup>ST</sup> MARCH, 2013
3	Type of Audit observation	Unqualified/ Matter of Emphasis
4	Frequency of observation	<del>Whether appeared first time..../ repetitive..../ since how long period....</del> Not Applicable
5	To be signed by- <ul style="list-style-type: none"> <li>• CEO/ Managing Director</li> <li>• CFO</li> <li>• Auditor of the Company</li> <li>• Audit Committee Chairman</li> </ul>	

For Steel Strips Wheels Limited

  
 A. V. Unnikrishnan  
 Deputy Managing Director

  
 Naveen Sorot  
 Deputy General Manager (Finance)

  
 \*S.S. Grewal  
 (Former chairman of Audit committee)

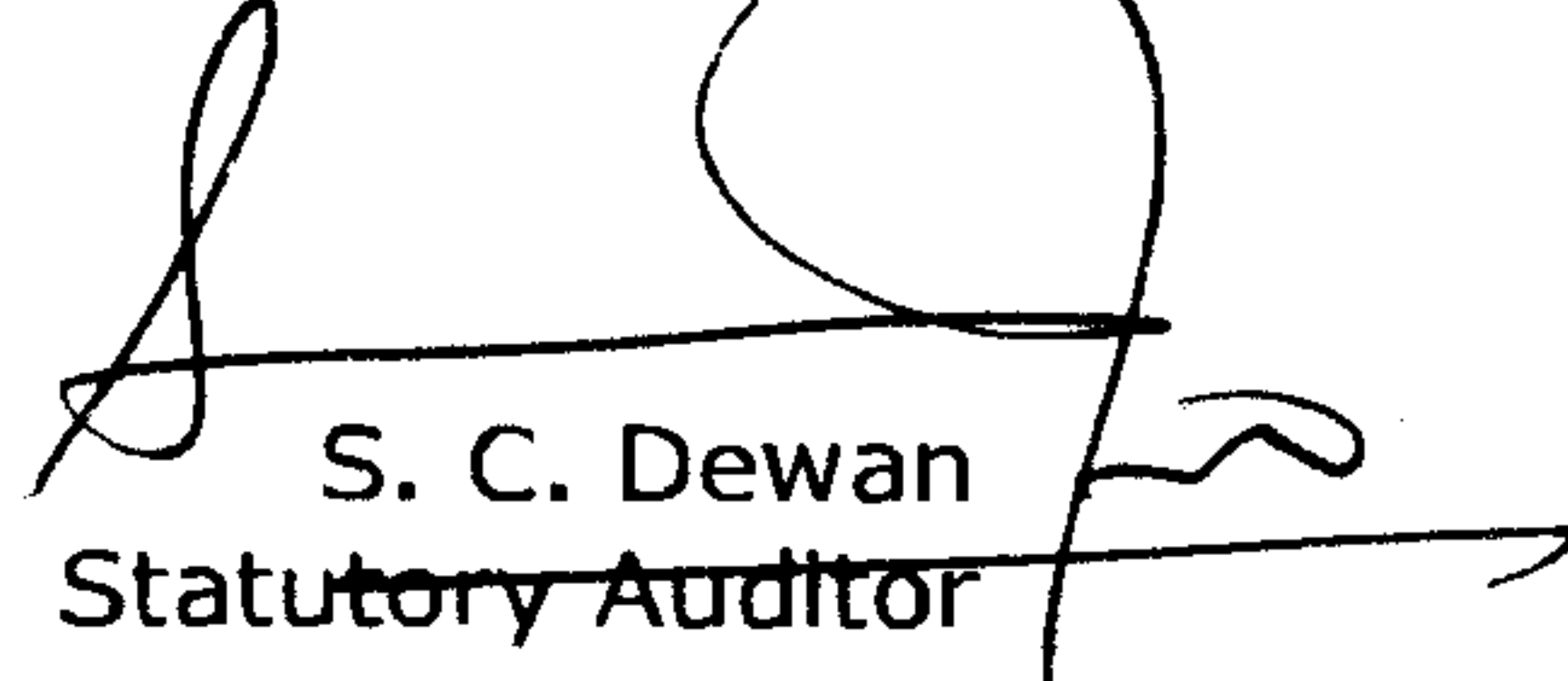
  
 \*\*S.K. Bansal  
 (Present Chairman of Audit committee)

\*Resigned as chairman of audit committee w.e.f. 07.08.2013

\*\*Appointed as Chairman of Audit committee w.e.f 07.08.2013

Dated: 03.09.2013

For S. C. Dewan & Co.

  
 S. C. Dewan  
 Statutory Auditor

