



STEEL STRIPS GROUP

Steel Strips Wheels Limited
Wheeling Towards Excellence

ANNUAL REPORT

exploring
possibilities

ISO 9002, QS 9000 & TS-16949 Certified Company

2007-08

CORPORATE Information

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REGD. OFFICE

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

HEAD OFFICE

SCO 49-50,
Sector 26, Madhya Marg,
Chandigarh-160019.

REGISTRAR & TRANSFER AGENTS

Intime Spectrum Registry Limited
A-40, 2nd Floor, Near Batra Banquet Hall,
Naraina Industrial Area, Phase II,
New Delhi-110028

BOARD OF DIRECTORS

Sh. R.K. Garg, Chairman
Sh. Dheeraj Garg, Managing Director
Ms. Ute Mayr, ED
Rear Adml. M.M. Chopra, AVSM (Retd.)
Sh. H.K. Singhal
Ms. Priya Garg
Sh. S.K. Bansal
Sh. S.S. Grewal
Sh. S.S. Jha

COMPANY SECRETARY

Sh. Shaman Jindal

INSTITUTIONS/BANKERS

IFCI Limited
DEG, Germany
Technology Development Board
Punjab National Bank
Axis Bank Limited
State Bank of Indore
HDFC Bank Limited
Indian Overseas Bank
State Bank of Bikaner & Jaipur

AUDITORS

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

STEEL STRIPS WHEELS LIMITED

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

NOTICE

NOTICE is hereby given that the **22nd Annual General Meeting** of the Shareholders of the Company shall be held as scheduled below:

Day & Date : Monday, 29th day of September, 2008

Time : 11.30 A. M.

Venue : Company's Regd. Office at
Village Somalheri/ Lehli, P.O.
Dappar,
Teh. Dera Bassi, Distt. Mohali (Pb.)

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account and Cash Flow Statement for the year ended March 31, 2008, the Balance Sheet as on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend.
3. To elect a Director in place of Sh. R. K. Garg who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Sh. M. M. Chopra who retires by rotation and being eligible offers himself for re-appointment.
5. To elect a Director in place of Sh. H K. Singhal 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 Boards of Directors. 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, following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Ms. Ute Mayr who was appointed as additional director w.e.f. 09.07.2008 and in respect of whom the company has received

notice under section 257 of the Companies Act, 1956, 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 following resolution as an SPECIAL RESOLUTION:

"RESOLVED THAT subject 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 Central Govt. and any other statutory/appropriate authority, if required, consent of the Company be and is hereby accorded to the appointment of Ms. Ute Mayr, as Whole time Director of the Company for a period of 3 years w.e.f 10.08.2008 on the following terms and conditions:

(A) (i) Basic Salary	Rs. 1,50,000/- per month
(ii) H.R.A. @60%	Rs. 90,000/- per month
(iii) Perquisites & allowance	Rs. 10,000/- per month
Including inter-alia Gas, electricity & water, furnishing allowance, medical reimbursement leave travel concession, club/association fees, insurance etc.	
Total	Rs. 2,50,000/- per month

B) Other Perquisites :

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

- (a) 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.

- (b) 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.
- (c) Encashment of 30 days leave per year at the end of tenure.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, augment and / or enhance or vary the remuneration to be paid and provided from time to time to Ms. Ute Mayr in accordance with the provisions of Companies Act, 1956, and /or any statutory modifications or re-enactment thereof, and /or the guidelines/orders for managerial remuneration issued by the Govt. of India or other appropriate authority in that behalf as are in force and as amended from time to time.

RESOLVED FURTHER THAT in the event of losses or inadequate profits in any financial year during the term of office of Ms. Ute Mayr as Whole time director, the aforesaid salary and all other benefits, remuneration and other perquisites mentioned at (A) and (B) above, be paid to the appointee as minimum remuneration subject to the ceiling laid down in scheduled XIII to the Companies Act, 1956 as amended/ modified or enacted from time to time.

RESOLVED FURTHER THAT in the event of any statutory amendment or modifications or relaxations in the provisions of the Companies Act, 1956, and Schedule XIII of the Companies Act, 1956 and / or by the way of any notification/ order issued by the Central Govt. or any Statutory Authorities in respect of appointment and remuneration payable to Whole Time Director, from time to time, and also in the event of terms and conditions being modified and imposed, if any, by appropriate authority in respect of present appointment of the incumbent as whole time director, the Board of Directors be and is hereby authorized to vary the terms and conditions of the said appointment and remuneration including salary and perquisite in such a manner as the Board may in its absolute discretion, consider appropriate, subject to such terms and conditions or variation of such appointment and / or remuneration as is in conformity with the approval of appropriate authorities, wherever required and /or within the guidelines/orders/ modifications/ amendments / relaxations issued / imposed for the managerial remuneration issued by the central Govt. or any other appropriate authority, as the case may be, from time to time, and / or any amendments as may be made from time to time in scheduled XIII and / or the Companies Act, 1956 and / or in any notifications and the above

resolutions be suitably amended to give effect to such statutory amendments or modifications or relaxations as imposed or issued by the Central Govt. or any other statutory authority without any further reference to the company/ members in general meeting.

RESOLVED FURTHER THAT for purpose of giving effect to this resolution, the Board of Directors of the Company, be and are hereby authorized to execute all such documents and to do all such acts, deeds, matters and things as it may in its absolute discretion deems necessary expedient and proper.

- 9. To Consider and if thought fit, to pass, with or without modification(s), if any , following resolution as an ORDINARY RESOLUTION

"RESOLVED THAT the consent of the Company be and is hereby accorded, under the provisions of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company, for borrowing money by way of loan(s), working capital facilities, secured promissory notes, securities (comprising fully/partly Convertible Debentures and/ or Non Convertible Debentures with or without detachable or non detachable warrants) or any other debt instrument, from time to time, or such money as they deem fit, for the purpose of business of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans, obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate of the "paid up" Capital of the Company and its free reserves not set apart, for any specific purpose, provided that the total amount upto which the money can be borrowed by the Board of Directors, shal not exceed the sum of Rs.500 Crores (Rupees Five Hundred Crores only) at any time.

- 10. To Consider and if thought fit, to pass, with or without modification(s), if any following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 293 (1) (a) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors (hereinafter referred to as "The Board") to mortgage and/ or charge, in addition to the mortgage/ charges created/ to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and /or immovable properties of the company, both present and future and /or the whole or any part of the undertaking(s) of Company, in favour of lender(s) for securing the borrowings of the company availed/ to be availed by the company from time to time by way of loan(s), working capital facilities, secured

promissory notes, securities (comprising fully/partly Convertible Debentures and/or Non Convertible Debentures with or without detachable or non detachable warrants) or any other debt instrument, subject to the limits approved under Section 293 (1) (d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, remuneration of the Trustees and all other costs and charges and all other monies payable in respect of the said loan, agreements, debenture trust deed(s) or other documents entered into/ to be entered into between the Company and the lenders/ trustees, in respect of the said loans/ borrowings/ working capital facilities/ debentures and containing such specific terms, conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lenders/ trustees.

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, the Board be and is hereby authorised to finalise, settle and execute such documents/ papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, doubt or difficulty that may arise with regard to creating mortgages/ charges as aforesaid.

FURTHER RESOLVED THAT the mortgage/ charge created/ to be created or all agreements, documents executed/ to be executed and all acts done/ to be done in terms of the above resolution by and with the authority of Board of Directors be and are hereby approved and confirmed."

BY Order of the Board of Director

Place: Chandigarh

H.K.Singhal

Dated : 09-07-2008

Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company. The proxy executed and properly stamped should reach the Company's Registered Office or Head Office at least 48 hours before the time of the meeting. The Blank Proxy Form is enclosed herewith.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 20.9.2008 to 29.9.2008 (both days inclusive).

3. The Dividend, if approved, will be paid to members whose names appear on Register of Members of the Company on 19.9.2008. Members are requested to notify their changed address, if any, immediately.
4. The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
5. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, Unclaimed/Unpaid dividend for the year ended 31.03.2000 was transferred to "INVESTORS EDUCATION AND PROTECTION FUND" in the year 2007. This year the Unpaid/Unclaimed Dividend for the year ended 31.03.2001 shall be transferred to the "INVESTORS EDUCATION AND PROTECTION FUND" in November, 2008. 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.
7. M/s Intime Spectrum Registry Limited, at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi – 110028 are acting as the common agency to carry out the Dematerialization and physical transfer of shares. The shareholders are requested to send the shares for transfer at the above-mentioned address of the registrar.

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

ITEM NO. 7 & 8

Ms. Ute Mayr, was appointed as additional director of the Company on 09.07.2008 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, Ms. Mayr 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 her candidature for the office of the Director of the company.

Ms. Ute Mayr is having over 6 years experience with DEG- Deutsche Investitions und Entwicklungsgesellschaft mbH, Cologne, Germany and has also served as Director/alternate Director in various companies. Presently she is not a Director in any other company. She has extensive global exploration having expertise in the areas of International Project financing, developing and expansion of new business within and outside India and focusing on cross- cultural business and negotiations.

She has got Director's training at IOD- institute of Directors, London and has a master of Economics of "L. Bocconi university" in Milan, Italy after Research/

Diploma thesis on "Institutional Strategies and Dynamics in the Bolivian Microfinance Market" and Diploma at Linguistic High School in Italy and a high school degree for French language.

Keeping in view the growth of Export business and expansion projects of the company and experience of Ms. Ute Mayr in the development and expansion of business with in and out side India, the Board of Director of your company consider that her association at the Board level would be of immense value to the Company, According the Board of Directors, in their meeting held on 9th July 2008, were pleased to appoint Ms. Ute Mayr as whole time Director of the company for the period of 3 years commencing from 10.08.2008.

The appointment of Ms. Ute Mayr is subject to the approval of Central Government.

Having regard to the above, the Board recommends passing of resolutions set out in item 7 (by ordinary regulation) and item no. 8 (by special resolution).

None of the Directors except Ms. Ute Mayr herself, Sh. Dheeraj Garg, Managing Director, Sh. R.K.Garg, Chairman and Ms. Priya Garg, Director, being related to Ms. Ute Mayr, are concerned or interested in the proposed resolution.

This may be taken as abstract U/s 302 at the Companies Act, 1956

Item No. 9

During the year ended 31.03.2008, your Company achieved a record production of 5.42 million Wheels and sales of 5.40 millions Wheels as against 4.47 millions Wheels respectively during the previous year. As a result of this the gross income of the Company increased to Rs. 3034.30 Millions from Rupees 2325.27 Millions, recording a growth of 30.50%. Besides this, the Company is under expansion phase and has set up a new factory at Oragadam near Chennai. The Company is also setting up a new factory at Jamshedpur in the State of Jharkhand for manufacturing tube type and tubeless truck wheels.

To maintain the growth rate of the company and for the implementation of the expansion schemes, the Company needs to borrow funds. The borrowing power of the Board of Directors of the Company, as approved by the shareholders in the Annual General Meeting, held on 22nd August, 2005 is Rs. 300 Crores only. Accordingly, it is proposed that to enable the Company to obtain further financial assistance from financial institutions/ banks/investing agencies by way of loan(s), working capital facilities, secured promissory notes, securities (comprising fully/partly Convertible Debentures and/ or Non -

Convertible Debentures with or without detachable or non-detachable warrants) or any other debt instrument, the borrowing powers be increased to Rs. 500 crores (Rupees Five Hundred Crores only).

Since the borrowing powers exceed the limit of aggregate of paid up capital and free reserves of the Company, the approval of shareholders of the Company is required, in compliance with the provisions of Section 293(1)(d) of the Companies Act, 1956. Accordingly, the resolution in the accompanying notice is proposed for your approval.

None of the Directors of the Company is, in any way, interested in the proposed resolution.

ITEM NO. 10

The shareholders consent in terms of Section 293(1) (a) of the Companies Act, 1956 was obtained at the Annual General Meeting held on 22nd August, 2005 for creation of mortgage/charge on the assets of the company in respect of financial assistance not exceeding the limit of borrowings of Rs. 300 Crores, as permitted under Section 293(1)(d) of the Act.

To meet the Capital expenditure and other requirements, the Company proposes to obtain in the coming years further financial assistance from financial institutions/banks/investing agencies by way of loan(s) etc., as set out in the resolution. To secure such borrowings, the Company would have to mortgage /charge /hypothecate the assets and properties of the Company, both present and future, as may be required by lenders etc., which requires your approval under section 293(1)(a) of the Companies Act, 1956. Hence it is necessary to seek approval of members, by way of resolution passed under the said section. The enclosed resolution is, therefore, proposed for approval of members.

None of the Directors of the Company is, in any way, interested in the proposed resolution.

BY Order of the Board of Director

Place: Chandigarh
Dated : 09-07-2008

H.K.Singhal
Director

DIRECTORS' Report

To The Members,

Your Directors are pleased to present the 22nd Annual Report together with the audited accounts of the Company for the year ended March 31, 2008

FINANCIAL HIGHLIGHTS

(Rs. in Million)

	2007-08	2006-07
Gross Income	3034.30	2325.27
Gross Profit Before Interest & Depreciation	499.03	399.44
Interest & Financial Charges	121.60	77.83
Profit Before Depreciation	377.43	321.61
Depreciation	143.95	122.52
Profit After Depreciation	233.48	199.09
Prior Period Adjustment	(2.81)	(7.85)
Profit Before Tax	230.67	191.24
Provision For Tax	26.30	17.42
Deferred Tax Liability	38.30	32.50
Fringe Benefit Tax	1.33	1.01
Profit Available For Appropriation	164.74	140.31
Proposed Dividend	20.09	18.08
Tax On Distributed Profits	3.42	3.08
Balance Carried Over To Balance Sheet	141.23	119.15

BUSINESS PERFORMANCE

Your Company achieved a production of 5.42 million wheels and sales of 5.40 million wheels as against production of 4.47 million & sales of 4.47 million wheels respectively during the previous year. The gross income of the company increased from Rs.2325.27 millions in 2006-07 to Rs.3034.30 millions in the year 2007-08. Thus the company achieved a growth of 30.50% in gross income during the year. Despite increase in input cost, the gross profit before interest and depreciation also increased from Rs.399.44 Million in 2006-07 to Rs.499.03 million in 2007-08, registering a growth of 25% in gross profit. The company earned a net profit of Rs.164.74 million as against 140.31 million during the previous year.

ORAGADAM PROJECT

Your company has set up a new plant for manufacturing wheel rims for passenger cars and MUVs at Oragadam near Chennai in Tamil Nadu with installed capacity of 3.00 million Wheel Rims p.a. to cater to growing Southern Market and export market. The capacity which will be further enhanced to 6.0 Million Wheels per annum in the second phase. M/s Ring Techs Co., Japan, a sumitomo group company and one of the major steel wheel manufacturers in Japan, has provided technical assistance for the project.

The unit has been partly financed by term loans from DEG, Axis Bank, HDFC Bank and State Bank of Bikaner & Jaipur.

JAMESHEDPUR PROJECT

Your company is also setting up a wheel rim manufacturing plant for commercial vehicles in Jamshedpur. The cost of the project is estimated at Rs. 1200 Million. The plant will have an initial installed capacity of 1.0 Million flat base tube type wheels per annum (With a provision for producing tubeless type also) The line shall be capable of producing wheels from 16" diameter to 24" diameter. The company has taken possession of land. The project is likely to be implemented over a period of next 18 months from now.

FUTURE OUTLOOK

The focus of your company is to develop world-class facilities for manufacture of quality products and to increase the customer base to cater to all automobile segments.

The company made a modest beginning in export market during the year 2005-06 with export sales of Rs. 8.93 millions which increased to Rs. 13.12 millions in 2006-07. The export sales further increased to Rs. 91.88 millions in 2007-08 signifying a growth by seven times as compared to last year. The company has received large export orders from leading car manufacturer like PSA Peugeot Citroen from Europe, and is in active discussions with other car manufacturer in Europe and Asia for their various projects. Some of these car manufacturers are also planning to put up their plants in India.

The company expects to achieve robust growth in the current year and years to come.

ALLOTMENT OF EQUITY SHARES ON PREFERENTIAL BASIS

The Company issued and allotted 12,55,856 Equity Shares of Rs. 10/- each for cash, at a price of Rs. 170/- (Rupee One Hundred and Seventy only) per equity share i.e. at a premium of Rs. 160/- each per Share to M/s Kalimati Investment Company Ltd. (a wholly owned subsidiary of Tata Steel Limited), a Company incorporated under the Companies Act, 1956, during the year.

ALLOTMENT OF CONVERTIBLE WARRANTS

The Company also issued 3,47,663 convertible warrants of Rs 170/- each to Sh. Dheeraj Garg, Managing Director of the Company, in January 2008

on preferential allotment basis, with an option to him to convert the same into equal number of fully paid up Equity Shares of the face value of Rs. 10/- each for cash at a price of Rs. 170/- (Rupees One Hundred and Seventy Only) per equity share (i.e. at a premium of Rs. 160/- per equity share), at any time not exceeding 18 months from the date of allotment of the warrants in accordance with the SEBI (DIP) Guidelines. These warrants have not yet been converted into equity shares.

ALLOTMENT OF OPTIONALLY CONVERTIBLE BONDS

The company issued 20,00,00,000 Optionally Convertible Bonds (OCBs) of Rs. 1/- each on 04.07.2008, to Tata Capital Limited on preferential allotment bases. These OCBs are eligible to be converted into equity shares on the terms and conditions approved by the shareholders in their Extra Ordinary General meeting held on 28th June, 2008. These OCBs have not yet been converted into equity shares.

DIRECTORS

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

During the period under review, IFCI withdrew the nomination of Shri Narendar Kumar. Sh. Arun Prakash S Korati also resigned as a Director during the period. Your Directors place on record their sincere appreciation for the guidance and support provided by Shri Narendar Kumar and Sh. Arun Prakash S Korati during their tenure as a Director, for the success of the Company.

DIVIDEND

Your Directors are pleased to recommend a dividend of 16% for the year ended 31st March 2008. The total cash outgo on account of proposed dividend will be Rs. 23.51 million (Previous Year Rs 21.16 Million), which represents 14.27 % of the Profit After Tax available for appropriation.

INTERNAL CONTROL SYSTEMS

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

CORPORATE GOVERNANCE

During the year, the Company has continued its commitment to the principles of good corporate governance. The Company believes that due statutory compliances and transparent disclosures are necessary for enhancing shareholder value.

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

LISTING OF EQUITY SHARES

We are pleased to inform that the equity shares of the company are listed on 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. were appointed as Statutory Auditors of the company to hold office till the conclusion of the ensuing Annual General Meeting. The Auditors retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Company has received a certificate from them pursuant to Section 224 (1B) of the Companies Act, 1956, confirming their eligibility for reappointment.

INSURANCE

All Properties and insurable interests of the Company including Buildings and Plant & Machinery, are adequately insured.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been selected and applied consistently, judgments

and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year and the profit for that period.

3. 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.
4. 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

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

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation for the continued co-operation the Company received from various departments of the Central and State Government, Bankers, Financial Institutions, Dealers and Suppliers and also acknowledge the contribution made by the employees.

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.

For and on behalf of
BOARD OF DIRECTORS

Place : CHANDIGARH
Date : 9th July, 2008

(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 31.3.2008.

Annexure to Report of Board of Directors

(A) CONSERVATION OF ENERGY

Energy Audits from reputed agency are being conducted periodically and consumption levels are being monitored. The details regarding present energy consumption including captive generation are furnished below as per Form A of the Annexure to the rules.

Form A:			Year ended 31.03.2008	Year ended 31.03.2007
I. Power & Fuel Consumption				
1. Electricity				
a)	Purchased			
	Units	In lacs	150.68	109.25
	Total amount	Rs.in lacs	664.91	475.33
	Rate/Unit	Rs.	4.41	4.35
b)	Own generation			
	Units	In lacs	9.85	15.51
	Total amount	Rs.in lacs	129.74	206.13
	Cost/Unit	Rs.	13.18	13.29
2. Coal				
	Qty.	Tonnes	-	-
	Total amount	Rs.in lacs	-	-
	Rate per Ton	Rs.	-	-
3. Furnace Oil				
	Qty.	Lac Ltrs.	-	-
	Total amount	Rs.in lacs	-	-
	Rate per Unit	Rs.	-	-
4. Others/Internal Consumption				
LDO				
	Qty.	Lac Ltrs.	-	-
	Total amount	Rs.in lacs	-	-
	Rate per Unit	Rs.	-	-
HSD:				
	Qty.	Lac Ltrs.	4.90	7.19
	Total amount	Rs.in lacs	134.79	209.42
	Rate per Unit	Rs.	27.50	29.13
II. Consumption per unit of production:				
	Production (Wheel Rims)Nos.		5416314	4473393
	Electricity			
	Units/wheel	Unit/No.	2.97	2.78
	Cost per unit of production	Rs./No.	14.67	15.23
	Coal		-	-
	Furnace Oil		-	-

(B) TECHNOLOGY ABSORPTION

Wheels designed and developed for many of the new vehicles entering the market have been accepted by your Company's customers. Your company is devoting more resources to process improvements, to bring down costs and improve quality.

1. Research & Development (R&D)

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> a) Specific areas in which R&D carried out by company b) Benefits derived as a result of the above R&D c) Development of new products which will be import substitute | <ul style="list-style-type: none"> } } } } | <p>R&D has been carried out in the following areas:</p> <ul style="list-style-type: none"> 1(a) Design and development of new wheels as also tools & dies in-house. (b) Development of new manufacturing process for wheel disc by improving & smoothening the existing forming process. <p>2 Benefits Derived:
The technology has resulted in:-</p> <ul style="list-style-type: none"> * Reduction in raw material Consumption. * Better performance of the end product. * Reduced cost of end product. * Reduction in process rejection. * Better productivity. * Beneficial to car manufacturers due to reduced weight of the wheel assembly, leading to better fuel efficiency. |
|---|--|---|

	Year ended 31.03.2008	Year ended 31.03.2007
d) Expenditure on R&D (Rs.in lacs)	i) Capital 00.00	70.08
	ii) Recurring 83.35	79.22

2. Technology absorption, adaptation and innovation

- | | |
|---|---|
| <ul style="list-style-type: none"> a) Efforts in brief made towards technology, absorption, adaptation and innovation b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) | <ul style="list-style-type: none"> Please refer para 1 above Please refer para 1 above No technology has been imported |
|---|---|

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|--|--|
| <ul style="list-style-type: none"> a) Activities relating to exports, initiatives taken to increase exports, development export of new export markets for products and services and export plans: b) Total foreign exchange used and earned during the year under review and previous year was as under: | <ul style="list-style-type: none"> The company has made a modest beginning in Export market and has received export orders from leading car manufacturer from Europe. |
|--|--|
-
- | | Year ended
31.03.2008 | Year ended
31.03.2007 |
|--------|--------------------------|--------------------------|
| Used : | 2400.46 | 1233.65 |
| Earned | 918.75 | 131.23 |

For and on behalf of Board of Directors

Place: CHANDIGARH
Dated: 09.07.2008

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 DIRECTOR'S REPORT FOR THE YEAR ENDING 31ST MARCH, 2008

Sr. No.	Name of Employee	Designation	Experience (Yrs)	Date of Commencement of Employment	Qualification	Remuneration	Age (Yrs)	Last Employment before joining
A. EMPLOYED FOR FULL YEAR								
1.	Sh.Dheeraj Garg	Managing Director	14	26.06.93	B.S. (FIN) USA	12306221/-	35	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) He is related to Sh. R.K.Garg, Director and Chairman of the company, Ms. Priya Garg, Director and Ms. Ute Mayr, Executive Director.

For and on behalf of Board of Directors

Place: CHANDIGARH
Dated: 09.07.2008

R.K.GARG
CHAIRMAN

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

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

I confirm that the company has in respect of the year ended 31st March, 2008, received from its Board Members as well as senior management personnel, a declaration of compliance with the code of conduct as applicable to them.

For Steel Strips Wheels Limited

Place: Chandigarh
Dated: 9th July, 2008

(DHEERAJ GARG)
MANAGING DIRECTOR

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

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

Transparency, integrity, professionalism and accountability are the cornerstones of the company's value system. These guide the Company's management in all aspects of business conduct and in creating value for all its stakeholders, including its shareholders, customers, employees and the community in which it operates.

BOARD OF DIRECTORS

Composition and category of Directors:

- (i) As on 31st March, 2008, the Board of Directors comprises 9 Directors with a Non-Executive Chairman. Of the nine Directors, 8 (i.e. 88%) are Non-Executive Directors, including 5 (i.e. 55%) Independent Directors. None of the Non-Executive / Independent Directors has any material pecuniary relationship or transactions with the Company.
- (ii) Five Board Meetings were held during the year and gap between two meetings did not exceed four months. The dates on which the Board Meetings were held on 19.06.2007, 25.09.2007, 29.10.2007, 15.12.2007 and 31.03.2008.
- (iii) 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 Directorship and Committee chairmanships / memberships held by them in other companies is given below. Other Directorships do not include directorships of private limited company, foreign companies, and companies under Section 25 of the Companies Act. Chairmanships/ Memberships of Board Committees include only Audit and Shareholders/ Investors Grievance Committees.

Name of Director and Designation	Category	No. of Board meetings attended during the year 2007-08	Whether last AGM attended	No. of Directorships in other Public companies		No. of Committee positions held in other public companies	
				Chairman	Member	Chairman	Member
		Attended					
Shri R.K.Garg, (Chairman)	Promoter Non-Executive Director	3	No	3	2	-	-
*Shri Arun P Korati (Nominee of New Vernon Pvt. Equity Ltd.)	Independent Non-Executive Director	-	No	-	-	-	-
Shri Dheeraj Garg (M.D)	Promoter Executive Director	4	No	-	1	-	-
Shri. M.M.Chopra	Independent Non Executive Director	4	No	-	3	1	1
Shri Narendar Kumar (IFCI Nominee)	Independent Non-Executive Director	*4	No	-	-	-	-
Ms.Priya Garg	Promoter -Non Executive Director	-	No	-	-	-	-
Sh. S.K. Bansal	Independent Non Executive Director	4	No	-	1	1	-
Shri. S.S. Grewal	Independent Non-Executive Director	5	Yes	-	2	-	-
Shri S.S. Jha	Independent Non-Executive Director	4	No	-	-	-	-
Shri. H.K. Singhal	Non-Executive Director	4	Yes	-	6	-	7

- * Sh. Arun P Korati has resigned w.e.f 22.05.2008.
- ** IFCI has Withdrawn the nomination of Sh. Narendar Kumar w.e.f. 26.03.2008.
- *** Sh. Narinder Kumar, IFCI Nominee has attended 3 Board Meetings and 1 Board Meeting was attended through his observer.
- (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.

(v) Directors retiring by rotation and being considered for reappointment:

In accordance with the provisions of Companies Act, 1956, Sh. R. K. Garg, Sh. H. K. Singhal and Sh. M. M. Chopra retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

The Company has not entered into any materially significant transactions with its Directors/ Management or relatives etc. affecting the interest of the Company at large, except in normal course of business.

Sh. R. K. Garg

Sh. R.K.Garg is a qualified Engineer. He has started his career in the Government Service and started 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 is the Promoter Director of Steel Strips Group.

Sh. R.K. Garg holds Directorship in the following Companies:

Name of Company	Nature of interest
Indian Acrylics Ltd.	Managing Director
Steel Strips Wheels Ltd.	Chairman
SAB Industries Ltd.	Chairman
Steel Strips Infrastructures Ltd	Chairman
Steel Strips Ltd.	Chairman
Indlon Chemicals Ltd.	Director
Lavan Chemical Company Iran	Managing Director & Vice Chairman (representing SAB Industries Ltd)
SAB Developers (P) Ltd	Director

Sh. R. K. Garg is also Member/ Chairman of the following Committees of Board of other Companies:

Name of the Company	Name of the Committee	Designation (member or Chairman)
Indian Acrylics Ltd.	Sub Committee	Chairman

Sh. R.K.Garg holds 584651 equity shares representing 4.65% of the paid up share capital of the company.

Sh. H.K.Singhal

Sh.H. K.Singhal, a Chartered Accountant has more than 30 years of experience in the area of corporate finance, banking, audit, treasury operations, internal management and management information systems. He has made significant contributions to the Company's growth and implementation of investment plans and business strategies. Over the period he occupied several managerial and advisory positions. He holds directorship of various Companies and is a member of audit and other committees. He is the Whole – time Finance Director of Indian Acrylics Ltd., a group Company.

Sh. H.K. Singhal holds Directorship in the following Companies:

Name of Company	Nature of interest
Indian Acrylics Ltd.	Finance Director
Steel Strips Wheels Ltd	Director
Steel Strips Ltd.	Director
Steel Strips Infrastructures Ltd	Director
Indlon Chemicals Ltd.	Director
SAB Udyog Ltd.	Director
SAB Industries Limited	Director
Steel Strips Mercantile P Ltd.	Director
Malwa Holdings Pvt. Ltd	Director
Munak Financiers Pvt. Ltd.	Director
Munak Investments Pvt. Ltd	Director
Arya Hospital Pvt. Ltd	Director
SAB Developers (P) Limited	Director
S.J. Mercantile Pvt. Ltd	Director

STEEL STRIPS WHEELS LIMITED

Sh. H. K. Singhal is also Member of the following Committees of Board of Companies. He is not acting as Chairman in any committee.

Name of Company	Name of Committee
Steel Strips Wheels Ltd.	Audit Committee
	Shareholders Grievance Committee
	Share Transfer Committee
	Remuneration Committee
	Allotment Committee
	Sub Committee
	Audit Committee
Steel Strips Infrastructures Ltd	Investors Grievance Committee
Steel Strips Ltd	Share Transfer Committee
	Audit Committee
	Investors Grievance Committee
Sab Industries Ltd.	Share Transfer Committee
	Audit Committee
	Share Transfer Committee
Indian Acrylics Ltd.	Investor Grievance Committee
	Shareholders Grievance Committee
	Secretarial Committee
	Sub Committee

Sh. H.K.Singhal holds 50010 equity shares representing 0.40% of the paid up share capital of the company.

REAR ADML. (Retd.) M.M.CHOPRA

Rear Adml. (Retd.) M.M.Chopra is Non Executive Independent Director of the Company. He has held various prestigious positions in Indian Navy. After retiring from Navy, he functioned in advisory capacities to many big corporates and was also the Executive Director of M/s Bombay dyeing & Mfg. Co. Limited. He has been guiding the Company to streamline procedures, ensure better coordination and faster decision making. He is the president of the Governing Board of Delhi Public School Society and Chairman of National Bravery Award Commission.

Sh. M. M. Chopra holds Directorship in the following Companies:

Name of Company	Nature of interest
Indian Acrylics Ltd.	Director
Steel Strips Ltd.	Director
Steel Strips Wheels Ltd.	Director
National Stock Exchange Association Limited	Director

Sh. M. M. Chopra is also Member/ Chairman of the following Committees of Board of Companies:

Name of Company	Name of Committee	Designation (Member or Chairman)
Steel Strips Ltd	Audit Committee	Member
Indian Acrylics Ltd.	Audit Committee	Chairman
	Remuneration/ Compensation committee	Member
	Sub Committee	Member

Sh. M.M. Chopra holds 10284 equity shares representing 0.08% of the paid up share capital of the company

AUDIT COMMITTEE

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

Name	Category	No. of meetings attended during the year
Shri S.S. Grewal Chairman	Independent Non-Executive Director	4
Shri Narendar Kumar*	Independent Non-Executive Director	4
Shri S.K. Bansal	Independent Non-Executive Director	3
Shri H.K. Singhal	Non-Executive Director	5
Shri S. S. Jha**	Independent Non-Executive Director	-

* IFCI withdrew the nomination of Sh. Narendar Kumar w.e.f. 26.03.2008.

** Sh. S. S. Jha inducted w.e.f. 31.03.2008.

SUB-COMMITTEE

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

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

Name	Category	No. of meetings attended during the year
Shri Dheeraj Garg	Managing Director	-
Shri S.S. Grewal	Independent	2
Chairman	Non-Executive Director	
Shri Narendar Kumar*	Independent	2
Shri S.K. Bansal	Non-Executive Director	2
	Independent	1
Shri H.K. Singhal	Non-Executive Director	2
Shri S. S. Jha**	Independent	
	Non-Executive Director	-

* IFCI withdrew the nomination of Sh. Narendar Kumar w.e.f. 26.03.2008.

** Sh. S. S. Jha inducted w.e.f. 31.03.2008..

REMUNERATION CUM COMPENSATION COMMITTEE

(i) 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.

(ii) The committee consists of following members:-

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

(iii) 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.

(vi) Details of Remuneration for the year Ended March 31,2008

(1) MANAGING DIRECTOR:

The remuneration being paid to Sh. Dheeraj Garg, Managing Director of the Company is as follows:

(A) (i) Basic Salary	Rs. 1,50,000/- per month
(ii) H.R.A. @ 60%	Rs. 90,000/- per month
(iii) Perquisites & allowance Including inter-alia Gas, electricity & water, furnishing allowance, medical reimbursement leave travel concession, club/association fees, insurance etc	Rs. 10,000/- per month.
Total	Rs.2,50,000/- per month.

(B) Other Perquisites :

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

(a) 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.

STEEL STRIPS WHEELS LIMITED

(b) 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.

(c) Encashment of 30 days leave per year at the end of tenure.

(C) Commission :

5% of net profit inclusive of remuneration mentioned in (A) & (B) above.

Tenure: Five Years w.e.f. 1st June, 2005.

In the event of losses or inadequate profits in any financial year during the term of office of Shri Dheeraj Garg as Managing Director, the aforesaid salary and all other benefits and other remuneration/perquisites mentioned at (A) + (B) above, shall be paid as minimum remuneration subject to the ceiling laid down in Schedule XIII to the companies Act, 1956 as amended, modified or re-enacted from time to time.

(2) NON-EXECUTIVE DIRECTORS (as on 31-03-2008):

NAME OF DIRECTOR	SITTING FEE (in Rs.)
1. Sh. R.K. Garg	30000
2. Shri Arun Prakash S. Korati	-
3. Rear Adml. M.M. Chopra AVSM (Retd.)	40000
4. Sh. Narendar Kumar (Nominee Director IFCl)	60000
5. Sh. S.K. Bansal	55000
6. Sh. S.S. Grewal	70000
7. Sh. S.S. Jha	40000
8. Sh. H.K. Singhal	65000
9. Ms. Priya Garg	-

DETAIL OF SHARES OF THE COMPANY HELD BY NON EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2008.

Name	No. of Shares
Sh. R. K. Garg	584651
Sh. M. M. Chopra	10284
Ms. Priya Garg	6500
Sh. H. K. Singhal	50010

SHARE TRANSFER COMMITTEE

The Share Transfer Committee approves and expedites the process of share transfers reviewed by the Company.

The committee consists of the following members:

Name	Category	Attended during the year
Shri S.K. Bansal Chairman	Independent Non-Executive Director	17
Shri H.K. Singhal	Non-Executive Director	17
Shri Shaman Jindal	Company Secretary	17

All the shares received for transfer have been transferred within the time period prescribed. The Committee met 17 times during the year. No transfer of shares and no request for demat of shares is pending.

INVESTORS GRIEVANCE COMMITTEE

(i) The company has constituted an 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. The Committee also recommends measures for overall improvement in the quality of investor services.

The committee consists of following members:-

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

The Company addresses all complaints, suggestions and grievances expeditiously and replies are sent/ issues resolved usually within 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
-	49	49	-

(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
19th AGM	22.08.2005	10.30 A.M.	Regd Office of the Company at Village Somalheri/Lehli, P.O. Dappar, Teh Derabassi, Distt. Mohali (Pb.)
20th AGM	30.09.2006	11.00 A.M.	-do-
21st AGM	27.09.2007	11.00A.M.	-do-

SPECIAL RESOLUTION IN THE PREVIOUS 3 AGMs

- (a) At the AGM held on 22nd day of August, 2005:
 - (i) Re-appointment of Sh. Dheeraj Garg, Managing Director for a period of 5 years w.e.f 1st June, 2005.
- (b) At the AGM held on 30th day of September, 2006:
 - (i) Issue and allot 8,32,845 OCPS @ Rs. 145/-each to New Vernon Pvt. Equity Ltd.
 - (ii) Raise funds not exceeding Rs. 75 crores by issuing any/or various securities from time to time.

POSTAL BALLOT

No Postal Ballot was conducted during the year.

DISCLOSURES

- (i) There are no materially significant related party transactions of the company which have potential conflict with the interests of the company at large.
- (ii) No penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority or any matter related to capital markets, during the last three years. Company has made all the compliances.
- (iii) The company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviors. No personnel has been denied access to the audit committee.
- (iv) 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.

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

INSIDER TRADING

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

CEO/CFO CERTIFICATION

A certificate from Managing Director and Chief Financial officer on the financial statements of the company was placed before the Board.

CONSTITUANTS OF RELATED PARTIES.

Following named Companies and individuals constitute the related parties:

GROUP COMPANIES:

Indian Acrylics Limited, SAB Industries Limited, Steel Strips Limited, Steel Strips Infrastructures 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 and Munak Financiers Pvt. Limited.

INDIVIDUALS:

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

MEANS OF COMMUNICATION

The quarterly and annual results are generally published in "Economic Times", "Punjabi Tribune" and "Desh Sewak" and have also been submitted to the Stock Exchange as per the requirements of the Listing Agreements on which the Company's equity shares are listed to enable them to put them on their own web sites. These were also put up on the Company's website www.sswlindia.com.

STEEL STRIPS WHEELS LIMITED

GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting shall be held on or before 30th September, 2008.

Venue : 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, 2008

(iv) Financial Calendar : (tentative)

Results for quarter ending June 2008 --
IInd week of July, 2008

Results for quarter ending Sept. 2008 --
Last week of Oct., 2008

Results for quarter ending Dec. 2008 --
Last week of Jan., 2009

Results for quarter ending March 2009 --
Last week of June, 2009

(v) Book Closure date: Tentatively Last week of August/September, 2008

(vi) Dividend Payment date : Oct. 2008

(vii) Listing on stock Exchange: The Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.

The company has paid listing fees to all the above stated Stock Exchange and there is no outstanding payment as on date.

(viii) Stock code ;

Bombay stock Exchange (BSE) - 513262

National Stock Exchange (NSE) - SSWL

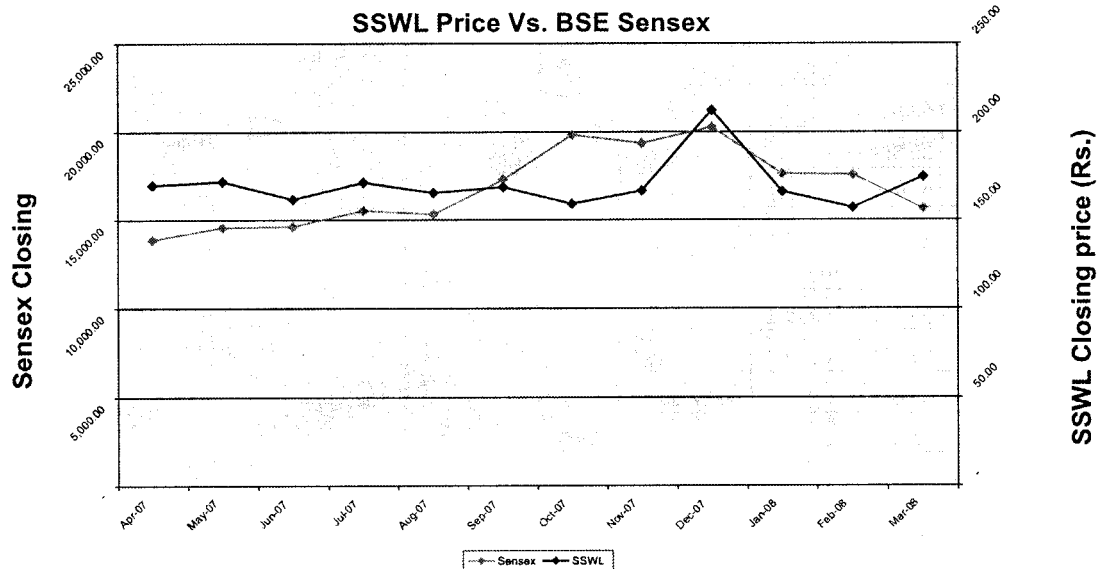
ISIN No. of the Company 's shares in Demat form : INE802C01017 (with NSDL and CDSL).

(ix) Stock Market Price data

Market Price Data: High and Low (based on closing prices) on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE) during each month in last financial year:-

Month	Bombay Stock Exchange		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2007	204.00	168.00	203.95	171.00
May 2007	184.40	155.15	184.50	155.00
June 2007	173.70	157.20	175.00	158.00
July 2007	177.50	158.60	178.00	160.55
Aug 2007	174.95	156.50	175.00	159.00
Sept 2007	175.00	162.60	180.00	163.00
Oct 2007	190.00	147.00	174.80	148.55
Nov 2007	185.00	152.50	179.00	152.00
Dec 2007	235.50	163.00	235.00	159.50
Jan 2008	256.25	152.00	260.00	151.00
Feb 2008	204.70	148.00	186.65	143.30
Mar 2008	186.75	126.10	182.00	126.25

Performance of share price at the Company in comparison to the BSE Sensex



xi) Registrar and Transfer Agents

Name and address:

Intime Spectrum Registry Ltd

A-40, 2nd floor, Naraina Industrial Area, Phase- II,
Near Batra Banquet Hall, New Delhi – 110 028

Phone Number: 011-41410592,93,94

Fax Number : 011-4141091

Email: delhi@intimespectrum.com

(xii) Place for Acceptance of documents:

Intime Spectrum Registry Ltd

A-40, 2nd floor, Naraina Industrial Area, Phase - II,
Near Batra Banquet Hall, New Delhi – 110028

(xiii) Share Transfer System

64.33% 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. Intime Spectrum Registry 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, 2008

Shares/Debentures Holding of Nominal Value	Number	%age
Upto 5000	1091217	8.69
5001 - 10000	148655	1.18
10001 - 20000	98807	0.79
20001 - 30000	55367	0.44
30001 - 40000	36227	0.29
40001 - 50000	27423	0.22
50001 - 100000	97003	0.77
100001 and above	11003857	87.62
Total	12558556	100.00

(b) Shareholding Pattern as on 31st March, 2008

PARTICULARS	NO. OF SHARES	(%)
Promoter and Promoter Group	6749757	53.75
Mutual Funds/UTI/Financial Institutions, Banks & Foreign Institutional Investors	1118653	8.91
Bodies Corporate	3001988	23.90
Individuals	1654413	13.18
Any other	33745	0.26
Total	12558556	100.00

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 Intime Spectrum Registry Limited, A-40, 2nd floor, Naraina Industrial Area, Phase II, Near Batra Banquet Hall, New Delhi 110 028. The company has also appointed M/s Intime Spectrum Registry Limited as common Agency to look after dematerialization of shares as well as for physical transfer of shares.

As on 31-03-2008 there were 8860 shareholders of the Company. Out of these 5699 shareholders were holding 8078714 (64.33%) equity shares in the dematerialized form and rest of them i.e 3161 shareholders were holding 4479842 (35.67%) equity shares in physical form.

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company issued 3,47,663 convertible warrants on 24.01.2008 to Sh. Dheeraj Garg, Managing Director of the Company, on preferential allotment basis, with an option to him to convert the same into equal number of fully paid up Equity Shares of the face value of Rs. 10/- each for cash at price of Rs. 170/- (Rupees One Hundred and Seventy Only) per equity shares (i.e. at a premium of Rs. 160/- per equity shares), at any time not exceeding 18 months from the date of allotment of the warrants in accordance with the SEBI (DIP) Guidelines. These warrants are not yet converted into equity shares.

On 04.07.2008, the company issued 20,00,00,000 Optionally Convertible Bonds (OCBs) of Rs. 1/-each to Tata Capital Limited on preferential allotment bases. These OCBs are eligible to be converted into equity shares on the terms and conditions approved by the shareholders in their Extra Ordinary General meeting held on 28th June, 2008. These OCBs are not yet converted into equity shares.

There is no other outstanding GDR / ADR or any other convertible instrument except as mention above.

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

The Company has been paying Dividend regularly for last ten years, starting from the year 1996-97. Some amount of the dividend remains lying unclaimed in the "Unpaid Dividend Accounts" being maintained by the Company with Punjab National Bank, Merchant Banking Division, Sector 17, Chandigarh and with HDFC Bank limited, Sector 8, Chandigarh.

In compliance with the provisions of Section 205A

STEEL STRIPS WHEELS LIMITED

of the Companies Act, 1956, the unpaid dividend for the year 1999-2000 has already been transferred to the "Investor Education and Protection Fund. Further, the unpaid dividend for the year 2000-2001 shall be transferred to the Investor Education and Protection Fund in the month of November 2008.

PLANT LOCATION

(a) Village Somalheri/ Lehli, P.O. Dappar,
Tehsil Dera Bassi, District Mohali (Pb.)

(b) Plot No. A-10, SIPCOT Industrial
Growth Center, Oragadam,
Vallam Vill., Sriperumbudur,
Tamilnadu.

ADDRESS FOR CORRESPONDENCE:

To the Registrar & Share Transfer Agents	To the company
Intime Spectrum Registry Ltd A-40, 2nd floor, Naraina Indl. Area Phase- II, Near Batra Banquet Hall, New Delhi – 110 028 Phone Number : 011-41410592, 93,94 Fax Number: 011-4141091 Email: delhi@intimespectrum.com Contact Persons: Mr. Swapan Nasker or Mr. Deo	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

On behalf of Board of Directors

Place: Chandigarh

(R.K.GARG)

Date: 09.07.2008

CHAIRMAN

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 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation there of, adopted by the Company for ensuring compliance with 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.

On the basis of our review of the relevant records and documents maintained by the company and furnished to us for review and the information and explanations given to us by the company, we certify that the company complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement with the Stock Exchanges.

For S. C. Dewan & Company
Chartered Accountants

Place: Chandigarh
Date: 9th July, 2008

(S.C.DEWAN)
PARTNER

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Business Overview:

The automotive industry is one of the key contributors to the Indian Manufacturing economy. The Indian automotive industry achieved a turnover in excess of Rs 1,65,000 crores in financial year 2005-06. As per automotive Mission plan 2016 of Government of India, automotive industry has accounted for over 130 Lacs direct and indirect jobs and 17% of the total indirect taxes in the country. The Indian Auto Components industry has an estimated production of US \$ 10 Billion. The spiraling demand from domestic and international auto companies has seen this sector emerging as one of the fastest growing manufacturing sectors in India and globally. According to ACMA, the sector is set to grow at a CAGR of 15% till fiscal 2012. With this, India is considered to have the potential to become one of the top five auto component economies by Year 2025. In the Financial Budget 2008-09, the excise duty on small cars has been reduced from 16% to 12% and a similar cut has been made on two and three wheelers and buses and chassis. The Finance Minister has also announced that excise on hybrid vehicles would be slashed from 24% to 14%. With these positive factors from the Government coming into play, the automotive industry is set to grow substantially.

Domestic Passenger and Multiutility Vehicles: As per data published by SIAM, the total sales of Passenger vehicles and Multi Utility Vehicles (MUVs) in India during the year under review grew by 12% over the previous year. The company sold 42.51 Lac Steel Wheel Rims for this segment in the same period registering a growth of 18% over the previous year.

Exports: Automotive Industry witnessed a growth of 22% in the export segment of vehicles. The company has achieved a growth rate of more than the industry growth rate by exporting around 1.42 lac Steel Wheel rims, a growth of over 250%. The company has also notched impressive growth in exports turnover by

registering 700% increase in the year 2007-08 which is Rs 918.74 Lacs as compared to Rs 131.23 Lacs in 2006-07.

Two Wheelers and Three Wheelers: The Two wheeler and three wheeler market saw a decline of around 8% in sales. The company however has achieved a growth rate of 43% in this segment by selling 6.37 Lac wheel rims.

Our business of manufacturing Steel wheel Rims for Commercial vehicle market, including for trucks, tractors and LCVs, is also likely to grow in coming years.

Business Strategy

The main aim of our company is to sustain its growth momentum and maintain & consolidate its position as a leading manufacturer in its sphere. We intend to achieve sufficient growth in future by implementing the following strategy:

- **Plan to enter new segments to broaden Product Range**

Our company is setting up a wheel rim manufacturing plant for heavy commercial vehicles in Jamshedpur mainly to meet the requirement of M/s Tata Motors. The cost of the project is estimated at Rs. 1200 Million. The initial installed capacity of the plant is expected to be 1.0 Million.

- **Focus on the export market**

Having achieved substantial success in the domestic market, the company proposes to focus on tapping the vast export market. The company made a modest beginning during the year 2005-06 and the exports are steadily growing. The company has received large export orders from leading car manufacturer from Europe and is in active discussions with other car manufacturers in Europe and Asia for their various projects. Some of these car manufacturers are also planning to put up their plants in India. The company is also deliberating the viability of setting up a Manufacturing plant in Morocco, in northern Africa which is also near to Europe. Morocco plant would give us an added advantage to cater to the needs of OEMs of European market.

• Latest Published results Apr-June 08

Despite lower growth in Domestic Auto Industry, the company has been able to achieve its highest sales and best ever financial results for the 1st Quarter ended June, 08. The company has recorded a growth of 57% in Net Sales, 76% in EBITDA and 92% in PAT during the quarter- April - June 2008, in comparison to the Corresponding period of the previous year.

The Export business of the Company has also shown a substantial growth during the quarter April - June 2008 with export turnover of Rs 63 Million as compared to Rs 18 Million in corresponding period of the previous year, signifying an increase of 244%.

With the completion of our new plant at Oragadam (Near Chennai) which has been set up for the manufacture of steel wheel rims for passenger cars and multi utility vehicles, the company expects to achieve better growth in sales and production during the rest of the period for the year 2008-09.

Research & Development

Our strategy is to develop the product with all the required quality standards quickly and efficiently. We have a well equipped R&D centre and Tool & Die manufacturing Shop. Our R&D department is recognized by the Ministry of Science and Technology, Government of India. This has allowed us to get sole supplier status for many of the newer models that have been introduced in the market. Our competency in process designing has lead to reducing costs for many of our customers.

MANAGEMENT'S PHILOSOPHY ON QUALITY:

Management's quality policy is: "In the race for quality, there is no finish line".

Under this policy, every employee of the Company is committed to quality assurance activities that span the complete product cycle. The company constantly strives to make customer satisfaction our number one priority.

Based on the above quality policy, the Company has implemented a quality and reliability system that meets the international quality assurance standard, and achieved:

ISO 9002 Certification in 1995.

QS 9000 Certification in 2000 for Management

Systems.

ISO/TS-16949:2002 Certification in Dec. 2004 for Quality Management Systems.

ISO-14001:1996 Certification in Apr. 2005 for Environmental Management Systems

All the referred certificates were awarded by BVQI, U.K.

HUMAN RESOURCE DEVELOPMENT

Your company believes that a well-trained, motivated and satisfied employee base is the key to success. We are committed to the development of the expertise and know how of our employees. Our personnel policies are aimed towards recruiting the talent that we need, to facilitate the integration of our employees into the company and to encourage the development of their skills in order to support our performance and growth.

We conduct training program for all levels of management. Such programs focus on leadership development, skill and competency enhancement. In addition, we conduct workers' training programs at our plant to improve productivity and skills. Your Directors appreciate the sincere efforts, put in by the members of the team at all levels, during the year.

Future Outlook:

With domestic economic environment deteriorating significantly in recent months and the US and European economies slowing down, the year 2008-09 is clearly going to be a challenging one. Inflation under the influence of galloping oil and steel prices is currently hovering close to 12% and is expected to remain high over the next several months. Monetary policy, as a consequence, is likely to remain restrictive and interest rates high. The weakening rupee will, undoubtedly, help shore up external demand but it will, at the same time, make the task of managing inflation that much harder. In view of slowdown of economy, increase in inflation, poor credit facility, hardening of interest rates and rise in prices of input materials, the passenger and commercial vehicle industry has challenging year ahead, with pressure on volumes and margins. The company hopes to cope with these challenges with its continued focus on cost control, process efficiencies and product innovations.

Place: Chandigarh
Date: 9th July, 2008

(R.K.GARG)
CHAIRMAN

AUDITORS' REPORT

S.C. DEWAN & CO.

CHARTERED ACCOUNTANTS
S.C.O. 90, 1st Floor, Swastik Vihar,
Panchkula – 134 109.
Tel . No. 2556190, 2556890

To
The Shareholders,
Steel Strips Wheels Limited.

We have audited the attached Balance Sheet of M/s STEEL STRIPS WHEELS LIMITED as at 31.03.2008 and also the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

- (iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
- (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report, comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- (v) On the basis of written representation received from Directors, as on 31.03.2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2008 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies as per schedule of Notes on Accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (a) In the case of Balance Sheet, of the state of affairs of the company as at 31.03.2008,
 - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date, and,
 - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

for S.C. Dewan & Company
Chartered Accountants

Place : Chandigarh
Dated : 9th July 2008

(S.C. Dewan)
Partner

ANNEXURE

TO AUDITORS' REPORT

S.C. DEWAN & CO.

CHARTERED ACCOUNTANTS

S.C.O. 90, 1st Floor, Swastik Vihar,
Panchkula - 134 109.

Tel . No. 2556190, 2556890

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

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
2. Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts.
3. The company has not granted or taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
5. The transactions that need to be entered into a register in pursuance of section 301 of the 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. The company has not accepted any deposit from the public.
7. The company has an internal audit system commensurate with its size and nature of its business.
8. Maintenance of cost records has been prescribed by the Central Government under clause (d) of sub - section (1) of section 209 of the Act. Such accounts and records have been made and maintained.
9. The company is regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales -tax, Service tax, Wealth - tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
10. The company has no accumulated losses/ cash losses.
11. The company has not defaulted in repayment of dues to a financial institution or banks. The company has not issued any debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund company.
14. The company is not running any Nidhi/ Mutual Benefit Fund/ Society.
15. The company is not a Financing Company.
16. The company has not given any guarantee for loans taken by others from bank or financial institutions.
17. The term loans were applied for the purpose for which the loans were obtained, as per the information available from the records of the company.
18. The funds raised by the company on short terms basis have not been used for long-term investment.
19. The company has not issued any Debentures to the public.
20. No fraud on or by the company has been noticed or reported during the year.
21. The company is not sick company under the Provision of the Sick Industrial Companies (Special Provisions) Act, 1985.

for S.C. Dewan & Co.
Chartered Accountants

Place : Chandigarh
Dated : 9th July 2008

(S.C. Dewan)
Partner

BALANCE SHEET

As at 31st March, 2008

PARTICULARS	Schedule No.	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Capital	1	13,14,95,831	11,30,27,000
Reserves & Surplus	2	1,39,15,19,718	52,12,85,311
		<u>1,52,30,15,549</u>	<u>63,43,12,311</u>
LOAN FUNDS - Secured	3	1,69,17,54,840	1,35,98,65,378
- Unsecured Loan	4	15,50,00,000	10,15,23,409
Deferred Tax Liability		12,21,42,137	8,38,44,403
TOTAL		3,49,19,12,526	2,17,95,45,501
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	3,01,48,68,703	2,08,16,88,981
Less : Depreciation		<u>76,00,62,869</u>	<u>61,61,10,140</u>
Net Block		<u>2,25,48,05,834</u>	<u>1,46,55,78,841</u>
Add : CAPITAL WORK-IN-PROGRESS		87,54,61,538	25,01,84,953
		<u>3,13,02,67,372</u>	<u>1,71,57,63,794</u>
INVESTMENTS	6	20,00,000	20,00,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	40,48,73,450	33,20,35,775
Sundry Debtors	8	40,03,04,940	22,80,02,275
Cash & Bank Balances	9	7,62,23,054	5,80,23,639
Other Current Assets	10	2,06,50,437	1,45,50,585
Loans & Advances	11	<u>23,53,37,733</u>	<u>9,07,64,891</u>
		<u>1,13,73,89,615</u>	<u>72,33,77,165</u>
Less :			
CURRENT LIABILITIES & PROVISIONS	12	<u>77,91,28,462</u>	<u>26,36,71,458</u>
NET CURRENT ASSETS		35,82,61,154	45,97,05,707
MISC EXPENDITURE (To the Extent not written off or adjusted)			
Capital Issue Expenses		13,84,000	20,76,000
TOTAL		3,49,19,12,526	2,17,95,45,501
NOTES ON ACCOUNTS	23		

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

FOR S.C.Dewan & Co.
Chartered Accountants

S. C. Dewan
Partner

Dheeraj Garg
Managing Director

Shaman Jindal
Company Secretary

H.K.Singhal

M.M.Chopra

S.K.Bansal

Directors

Place : CHANDIGARH
Dated : 09.07.2008

PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2008

PARTICULARS	Schedule No.	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
INCOME			
Operating & other Income	13	2,62,18,41,422	2,00,10,37,551
Increase in Stocks of Finished Goods, Stock-in-Process and Scrap	14	71,40,312	2,36,19,255
		<u>2,62,89,81,734</u>	<u>2,02,46,56,806</u>
EXPENDITURE			
Raw Material Consumed	15	1,66,00,59,118	1,25,94,11,050
Manufacturing Expenses	16	17,25,05,275	13,52,45,952
Employee Cost	17	11,27,37,252	8,56,41,249
Financial Expenses	18	12,15,94,785	7,78,33,747
Administrative Expenses	19	5,86,81,871	5,36,15,769
Selling & Distribution Expenses	20	11,69,45,121	8,26,84,270
Research & Development Expenses	21	83,35,386	79,21,861
Depreciation	5	14,39,52,728	12,25,17,509
Capital Issues Expenses Written off		6,92,000	6,92,000
		<u>2,39,55,03,536</u>	<u>1,82,55,63,407</u>
Profit for the Year		23,34,78,198	19,90,93,399
Prior Period Adjustment		28,09,151	78,52,939
Profit before Tax		<u>23,06,69,047</u>	<u>19,12,40,460</u>
Provision for Taxation		2,63,02,805	1,74,20,190
Deferred Tax Liability		3,82,97,735	3,24,97,320
Provision for Fringe Benefit Tax		13,26,341	10,14,837
PROFIT FOR THE YEAR AFTER TAX AVAILABLE FOR APPROPRIATION		<u>16,47,42,165</u>	<u>14,03,08,113</u>
APPROPRIATION ACCOUNT			
PROFIT FOR THE YEAR AFTER TAX AVAILABLE FOR APPROPRIATION		16,47,42,165	14,03,08,113
Less:			
- Proposed Dividend		2,00,93,690	1,80,84,320
- Tax on distributed Profits		34,14,923	30,73,430
Balance Carried to Balance Sheet		<u>14,12,33,553</u>	<u>11,91,50,363</u>
Earning per Share (EPS)			
- Basic		13.12	12.41
- Diluted		13.12	12.41

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

FOR S.C.Dewan & Co.
Chartered Accountants

Dheeraj Garg
Managing Director

H.K.Singhal

M.M.Chopra

S.K.Bansal

Place : CHANDIGARH
Dated : 09.07.2008

S. C. Dewan
Partner

Shaman Jindal
Company Secretary

Directors

CASH FLOW STATEMENT

For the year ended 31st March 2008

(Amount in Rs.)

		Current Year 2007-2008		Previous Year 2006-2007
A. Cash Flow From Operating Activities :				
Net Profit before Tax and extraordinary items		23,34,78,198		19,90,93,399
Adjustment for:-				
- Depreciation		14,39,52,728		12,25,17,509
- Profit on sale of fixed Assets		-		-71,97,650
- Interest and other financial charges		12,15,94,785		7,78,33,747
Operating Profit before working capital changes		49,90,25,711		39,22,47,005
Adjustment for :-				
- Trade and other receivables	-32,29,75,359		-4,56,49,311	
- Inventories	-7,28,37,675		-4,62,02,546	
- Trade payables	68,43,71,891	28,85,58,856	14,60,45,375	5,41,93,517
Cash generated from operations		78,75,84,567		44,64,40,522
- Interest and other financial charges paid		12,15,94,785		7,78,33,747
- Provision for Dividend/Dividend Tax		2,35,08,612		2,11,57,750
- Provision for Fringe Benefit Tax		13,26,341		10,14,837
- Provision for Direct Tax		2,63,02,805		1,74,20,190
- Deferred Tax Liability		3,82,97,735		3,24,97,320
Cash flow before Extraordinary items		57,65,54,288		29,65,16,678
- Extraordinary items (Prior Period)		28,09,151		78,52,939
Net cash from Operating activities (A)		57,37,45,137		28,86,63,739
B. Cash Flow From Investing Activities				
- Purchase of fixed Assets	-1,03,03,92,414		-53,49,13,590	
- Capital Issue Expenses	6,92,000		6,92,000	
- Sale of fixed Assets	-		2,21,26,519	
- Investments	-		-15,00,000	
Net Cash Used In Investing Activities (B)	-1,02,97,00,414		-51,35,95,071	
C. Cash Flow From Financing Activities				
- Share Capital proceeds	1,84,68,831		-	
- Unsecured Loan received	5,34,76,591		-	
- Proceeds from Long Term Borrowings	23,62,72,311		27,54,70,035	
- Proceeds from Unsecured Term Loan	-		-	
- Assistance under Patser Scheme	-		-	
- Repayment of Term Loan Liabilities - IFCI	-3,50,00,000		-3,50,00,000	
- Others	20,09,36,960		25,10,884	
Net Cash From Financing Activities (C)	47,41,54,692	-55,55,45,722	24,29,80,919	-27,06,14,153
Net Increase In Cash And Cash Equivalents (A+B+C)		1,81,99,416		1,80,49,586
Cash and cash Equivalents as at the beginning of the year (Opening Balance)		5,80,23,639		3,99,74,052
Cash and cash Equivalents as at the end of the year (Closing Balance)		7,62,23,054		5,80,23,639

Dheeraj Garg
Managing Director
Shaman Jindal
Company Secretary

H.K.Singhal
M.M.Chopra
S.K.Bansal
Directors

Place : CHANDIGARH
Dated : 09.07.2008

AUDITORS' CERTIFICATE

We have verified the attached Cash Flow Statement of M/s Steel Strips Wheels Limited derived from audited financial statements and the books and records maintained by the Company for the Year ended 31st March, 2008 and found the same in agreement therewith.

FOR S.C.Dewan & Co.
Chartered Accountants
S. C. Dewan
Partner

Place : CHANDIGARH
Dated : 09.07.2008

STEEL STRIPS WHEELS LIMITED

SCHEDULE - 1
SHARE CAPITAL

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Authorised Capital		
1,90,00,000 Equity Shares of Rs.10/-each	19,00,00,000	19,00,00,000
12,00,000 Optional Convertible Preference Shares of Rs. 145/- each, cummulative or non-cummulative	17,40,00,000	17,40,00,000
TOTAL	36,40,00,000	36,40,00,000
Issued, Subscribed and Paid Up		
1,25,58,556 Equity Shares of Rs.10/- each fully paid up (Previous year 1,13,02,700 Equity Share of Rs.10 each)	12,55,85,560	11,30,27,000
Application Money for Convertible Warrants (Share warrant 3,47,663 @ Rs.170/-, amount received 10%) (Previous year Nil)	59,10,271	-
TOTAL	13,14,95,831	11,30,27,000

SCHEDULE - 2
RESERVES & SURPLUS

PARTICULARS	AS AT 31-03-2008 (Rs.)		AS AT 31-03-2007 (Rs.)	
State Capital Subsidy		15,00,000		15,00,000
D.G Set Subsidy		50,000		50,000
Share Premium Account		23,66,49,460		3,57,12,500
Assistance under PATSER Scheme		50,00,000		50,00,000
Capital Revaluation Reserve		52,80,63,893		-
General Reserve				
As Per Last Balance Sheet	35,90,00,000		27,52,44,158	
Add: Trfd from Profit & Loss a/c	12,00,22,811	47,90,22,812	8,37,55,842	35,90,00,000
Profit & Loss Account				
As Per Last Balance Sheet	12,00,22,811		8,46,28,290	
Less :- Trf to General Reserve	12,00,22,811		8,37,55,842	
Net Balance	-		8,72,448	
Add : Trf from Profit & Loss a/c	14,12,33,553	14,12,33,553	11,91,50,363	12,00,22,811
TOTAL		1,39,15,19,718		52,12,85,311

SCHEDULE - 3
SECURED LOANS

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
A) TERM LOANS :-		
- IFCI Limited	6,41,72,763	9,91,72,763
- Technology Development Board	1,99,20,000	2,98,80,000
- Punjab National Bank	10,45,76,632	11,55,69,454
- State Bank of Indore	15,96,38,239	19,06,91,628
- D.E.G. Germany	63,00,67,405	40,55,10,000
- Punjab National Bank	12,91,83,157	16,21,70,820
- Axis Bank Ltd.	16,36,21,468	5,05,37,867
- Indian Overseas Bank	6,01,25,179	7,65,00,000
	1,33,13,04,843	1,13,00,32,532
B) WORKING CAPITAL LIMITS :-		
- Axis Bank Ltd	11,20,64,291	9,55,19,872
- Indian Overseas Bank	2,95,63,097	2,94,39,439
- HDFC Bank Ltd	10,41,72,432	6,18,73,945
- State Bank of Indore	5,50,49,328	2,95,33,992
- State Bank of Bikaner & Jaipur	5,96,00,848	1,34,65,597
	36,04,49,997	22,98,32,846
TOTAL	1,69,17,54,840	1,35,98,65,378

NOTES:-

- All Term Loans are secured / to be secured by equitable mortgage created/to be created by deposit of title deeds of the Company's immovable properties in addition to the deed of hypothecation charging Company's all the moveable properties, present and future, in favour of Term Lenders subject to first charge created / to be created in favour of banks on raw materials, semi-finished goods, consumable stores, finished goods and book debts etc. for working capital facilities. The loans are further secured by personal guarantee of promotor director(s).
- Working Capital Limits of 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 and personal guarantees of Promotor Director(s). The Limits have further been secured/to be secured by lnd pari-passu charge over fixed assets of the company.

SCHEDULE - 4
UNSECURED LOANS

PARTICULARS	AS AT 31-03-08 (Rs.)	AS AT 31-03-07 (Rs.)
New Vernon Private Equity Limited	-	10,15,23,409
Centurion Bank of Punjab	11,50,00,000	-
Tata Capital Limited	4,00,00,000	-
TOTAL	15,50,00,000	10,15,23,409

**SCHEDULE- 5
FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01-April-07	Sale	Revaluation	Additions	As at 31-Mar-08	As at 01-April-07	Adjustment	For the Year	As at 31-Mar-08	As at 31-Mar-08	As at 31-Mar-07
Land	32,36,107	-	52,80,63,893	-	53,13,00,000	-	-	-	-	53,13,00,000	32,36,107
Buildings	29,35,83,495	-	-	11,84,166	29,47,67,661	3,93,09,638	-	93,80,154	4,86,89,792	24,60,77,869	25,42,73,857
Plant, Machinery & Equipment	1,39,71,25,333	-	-	32,30,45,653	1,72,01,70,986	42,73,37,620	-	9,56,52,022	52,29,89,643	1,19,71,81,343	96,97,87,713
Plant, Machinery & Equip.- R & D	2,43,49,011	-	-	-	2,43,49,011	51,27,848	-	25,17,688	76,45,536	1,67,03,475	1,92,21,163
Furniture & Fixtures	1,55,36,984	-	-	24,33,384	1,79,70,368	47,33,981	-	10,07,819	57,41,800	1,22,28,568	1,08,03,003
Data Processing Equipments	2,48,88,903	-	-	11,37,579	2,60,26,482	1,53,88,501	-	24,45,444	1,78,33,946	81,92,536	95,00,402
Data Processing Equipments- R & D	12,97,680	-	-	-	12,97,680	12,32,796	-	-	12,32,796	64,884	64,884
Vehicles	2,76,65,355	-	-	-	2,76,65,355	1,34,98,965	-	20,95,029	1,55,93,993	1,20,71,362	1,41,66,391
Die Toolings	29,40,06,113	-	-	7,73,15,047	37,13,21,160	10,94,80,790	-	3,08,54,573	14,03,35,363	23,09,85,797	18,45,25,323
TOTAL	2,08,16,88,981	-	52,80,63,893	40,51,15,829	3,01,48,68,703	61,61,10,140	-	14,39,52,728	76,00,62,869	2,25,48,05,834	1,46,55,78,841
Previous Year	1,46,90,82,360	1,55,74,632	-	62,81,81,253	2,08,16,88,981	49,42,36,394	6,45,763	12,25,17,509	61,61,08,140	87,54,61,538	25,01,84,953
CAPITAL WORK-IN-PROGRESS										TOTAL	3,13,02,67,372

NOTES :-
Capital Work-in-Progress includes
Rs.1151.90 lacs on account of pre-operative expenses (Previous year Rs.373.01 lacs), Rs.29.64 lacs on account of Leasehold Land at Jamshedpur in respect of which lease deed is pending execution. (previous year Rs.29.64 lacs), Rs.2675.36 lacs for advances to capital suppliers (Previous year Rs.235.34 lacs), Building under Construction and Plant & Machinery under installation Rs.4183.72 lacs (Previous year Rs.1149.86), Land at Chennai for Rs.714.00 lacs (Previous year Rs.714.00 lacs)

SCHEDULE - 6
INVESTMENTS

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
UNQUOTED & VALUED AT COST 200,000 Equity Shares of Rs.10/- each of M/s Nimbua Greenfield (Punjab) Limited.	20,00,000	20,00,000
TOTAL	20,00,000	20,00,000

SCHEDULE-7
INVENTORIES

PARTICULARS	AS AT 31-03-2008 (Rs.)		AS AT 31-03-2007 (Rs.)	
As taken, valued & certified by the management (At lower of cost or estimated realisable value)				
Finished Goods		2,18,71,245		1,46,23,676
Scrap		14,88,905		1,47,136
Work in Process		3,38,04,752		3,52,53,778
Raw Material				
- at works	6,10,11,284		3,87,68,882	
- with Slitters	12,76,62,889		10,72,11,966	
- in transit	4,48,85,427	23,35,59,600	1,64,94,602	16,24,75,450
Stores & Spares		11,41,48,948		11,95,35,735
TOTAL		40,48,73,450		33,20,35,775

SCHEDULE - 8
SUNDRY DEBTORS

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Unsecured Considered Good, unless otherwise stated		
a) Outstanding for a period exceeding six months	63,45,860	10,24,969
b) Others	39,80,73,968	22,75,47,679
	40,44,19,828	22,85,72,648
Less: Provision for Bad & Doubtful debts	41,14,888	5,70,374
TOTAL	40,03,04,940	22,80,02,275

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SCHEDULE - 9

CASH AND BANK BALANCES

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Cash In Hand	8,67,723	1,79,895
Cheques in Hand	58,57,094	94,02,101
With Scheduled Banks		
-in Current Accounts	77,83,575	37,77,346
-in Dividend A/c	37,98,216	42,91,657
-in Margin Money Account	5,79,16,446	4,03,72,640
TOTAL	7,62,23,054	5,80,23,639

SCHEDULE - 10

OTHER CURRENT ASSETS

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Prepaid Expenses	84,44,226	25,67,689
Security Deposits	1,22,06,211	1,19,82,896
TOTAL	2,06,50,437	1,45,50,585

SCHEDULE - 11

LOANS AND ADVANCES

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Advances Recoverable in Cash or in Kind or for value to be received (Unsecured Considered Good unless otherwise stated)	17,45,31,123	6,22,15,537
Less: Provision for Doubtful Advances	35,00,000	35,00,000
	17,10,31,123	5,87,15,537
Balance With Excise	5,32,88,563	1,80,84,849
Advance Income Tax Deposited	90,00,000	1,20,00,000
Fringe Benefit Tax	11,00,000	8,90,987
Tax Deducted at Source	9,18,048	3,87,681
Advance Tax (MAT)	-	6,85,837
TOTAL	23,53,37,733	9,07,64,891

**SCHEDULE - 12
CURRENT LIABILITIES & PROVISIONS**

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
CURRENT LIABILITIES		
Interest accrued but not due on term loan	91,76,386	73,98,894
Sundry Creditors :-		
-For Purchases- SSI Units	75,49,182	20,52,242
-For Purchases- Others (Including creditors for Capital Goods)	64,46,84,252	16,05,40,030
Tax Deducted at Source	50,79,047	43,73,192
Interest Payable	-	20,76,066
Expenses Payable	1,94,81,056	1,41,18,137
-Unclaimed Dividend *	37,98,216	42,91,657
Other Liabilities	1,07,50,172	27,16,370
PROVISIONS FOR		
- Proposed Dividend	2,00,93,690	1,80,84,320
- Dividend Tax	34,14,923	30,73,430
- Income Tax	2,63,02,805	1,74,20,190
- Fringe Benefit Tax	13,26,341	10,14,837
- Gratuity	78,24,604	56,32,426
- Leave Encashment	5,80,562	13,90,667
- Excise duty on Finished Goods	27,56,366	20,69,009
- Stores Spares Purchases	89,66,774	1,15,73,409
- Other Expenses	73,44,087	58,46,582
TOTAL	77,91,28,462	26,36,71,458

* - No Amount is due and outstanding to be credited to investor Education and Protection Fund.

**SCHEDULE - 13
OPERATING AND OTHER INCOME**

PARTICULARS	AS AT 31-03-2008 (Rs.)		AS AT 31-03-2007 (Rs.)	
Gross Sales				
- Domestic	2,67,13,09,865		2,12,63,91,047	
- Export	9,18,74,996		1,31,23,740	
- Scrap/Trading Sale	25,08,40,825		16,99,40,981	
	3,01,40,25,686		2,30,94,55,768	
Less : Excise duty	41,24,60,368	2,60,15,65,318	32,42,36,769	1,98,52,18,999
Interest Received		32,89,877		17,30,569
Agriculture Income		-		50,000
Bad & Doubtful Debts Prov. written back		-		50,351
Profit on Sale of Assets		-		71,97,650
Other Misc.Income		1,69,86,228		67,89,982
TOTAL		2,62,18,41,422		2,00,10,37,551

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SCHEDULE - 14

INCREASE/DECREASE IN STOCKS OF FINISHED GOODS, STOCKS IN PROCESS AND SCRAP

PARTICULARS	AS AT 31-03-2008(Rs.)		AS AT 31-03-2007(Rs.)	
	A. OPENING STOCK			
- Finished Goods	1,46,23,676		1,06,97,543	
- Scrap	1,47,136		69,555	
- Stocks-in-Process	3,52,53,778		1,56,38,237	
		5,00,24,590		2,64,05,335
B. CLOSING STOCK				
- Finished Goods	2,18,71,245		1,46,23,676	
- Scrap	14,88,905		1,47,136	
- Stocks-in-Process	3,38,04,752		3,52,53,778	
		5,71,64,902		5,00,24,590
Increase in Stocks (B-A)		71,40,312		2,36,19,255

SCHEDULE - 15

RAW MATERIALS CONSUMED

PARTICULARS	AS AT 31-03-2008 (Rs.)		AS AT 31-03-2007(Rs.)	
	Opening Stock			
-H.R.Coils	13,64,43,853		12,56,93,719	
-Paints & Chemicals	90,37,902		59,38,675	
-Packing Material	4,99,093		4,81,355	
		14,59,80,848		13,21,13,749
Add: Purchases				
-H.R.Coils	1,59,34,18,685		1,18,94,67,568	
-Paints & Chemicals	6,85,59,533		5,77,46,595	
-Packing Material	4,07,74,225		2,60,63,986	
		1,70,27,52,443		1,27,32,78,149
Less : Closing Stock				
-H.R.Coils	17,82,75,659		13,64,43,853	
-Paints & Chemicals	85,11,009		90,37,902	
-Packing Material	18,87,505		4,99,093	
		18,86,74,173		14,59,80,848
TOTAL		1,66,00,59,118		1,25,94,11,050

SCHEDULE - 16

MANUFACTURING EXPENSES

PARTICULARS	AS AT	AS AT
	31-03-2008 (Rs.)	31-03-2007 (Rs.)
Consumable stores	4,68,02,581	3,81,37,016
Power & Fuel	7,94,65,645	6,81,46,566
Repair & maintenance - Machinery	3,89,24,487	2,47,69,328
Repair & maintenance - Building	20,30,335	2,09,503
Technical Know-how fees	35,01,307	15,59,413
Other Manufacturing Expenses	17,80,920	24,24,126
TOTAL	17,25,05,275	13,52,45,952

**SCHEDULE - 17
EMPLOYEE COST**

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Salary & Allowances	11,21,75,758	7,01,69,706
Managing Director's Remuneration (including contribution to provident fund)	1,23,06,221	1,01,28,197
Contribution to PF & other funds - Others	54,42,115	38,13,105
Staff Welfare	1,00,17,957	59,41,690
Staff Recruitment & Training Exp.	5,18,965	7,35,943
TOTAL	14,04,61,016	9,07,88,641
Less : Expenses Capitalised	2,77,23,763	51,47,392
TOTAL	11,27,37,252	8,56,41,249

**SCHEDULE - 18
FINANCIAL EXPENSES**

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Interest on - Term Loans	12,15,40,287	9,38,64,899
Redemption Premium on OCPS	-	25,95,170
Interest Paid on Unsecured Loan	-	26,31,763
Interest on - CC Limits	2,80,45,973	3,11,64,600
Other Financial costs	2,01,34,285	47,98,762
TOTAL	16,97,20,545	13,50,55,195
Less : Expenses Capitalised	4,81,25,760	5,72,21,448
TOTAL	12,15,94,785	7,78,33,747

**SCHEDULE - 19
ADMINISTRATIVE EXPENSES**

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Rent	58,74,418	60,55,600
Vehicle Repair & Maintenance	1,10,92,318	61,85,367
Insurance	91,97,380	51,18,744
Rates & Taxes	27,08,883	13,70,559
Auditors Remuneration	4,00,000	4,00,000
Sitting Fees	3,40,000	5,40,000
Legal & Professional Exp.	76,46,136	44,34,715
Travelling & Conveyance		
- Directors	10,32,404	8,82,055
- Others	1,05,52,575	1,00,18,067
Expenses on Foreign Travelling		
- Directors	9,18,982	4,83,222
- Staff	19,83,850	27,03,141
Advertisement	7,84,153	4,79,722
Postage & Telegrams	33,20,972	28,61,165
Stationery & Office Expenses	78,98,137	71,29,015
Slovakia Project Expenses	-	35,64,913
Miscellaneous Expenses	81,32,832	53,35,817
Provision for Doubtful Advances	40,42,855	35,00,000
TOTAL	7,59,25,896	6,10,62,102
Less : Expenses Capitalised	1,72,44,025	74,46,333
TOTAL	5,86,81,871	5,36,15,769

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**SCHEDULE - 20
SELLING AND DISTRIBUTION EXPENSES**

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Cash Discount & Rebates	1,81,12,553	1,10,93,734
Royalty	13,00,000	13,00,000
Freight Outward	9,75,32,568	7,02,90,536
TOTAL	11,69,45,121	8,26,84,270

**SCHEDULE - 21
RESEARCH AND DEVELOPMENT EXPENSES**

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Salary & Wages	73,85,836	65,63,026
Travelling Expenses	6,90,360	3,42,115
Stores Consumed & Other Expenses	2,59,190	10,16,720
TOTAL	83,35,386	79,21,861

SCHEDULE - 22

PRE-OPERATIVE/TRIAL RUN EXPENDITURES PENDING CAPITALISATION

PARTICULARS	AS AT 31-03-2008 (Rs.)	AS AT 31-03-2007 (Rs.)
Employees Cost	2,77,23,763	21,51,165
Travelling Expenses	34,47,402	10,88,409
Other Admn. Expenses	1,23,95,872	31,64,342
Financial Expense	2,83,49,883	61,17,668
Other Pre-Operative Expenses	4,32,73,448	2,47,79,892
Balance transferred to Capital Work in Progress under schedule No. 5	11,51,90,369	3,73,01,476

SCHEDULE - 23
NOTES ON ACCOUNTS
1. SIGNIFICANT ACCOUNTING POLICIES
i) Convention

The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

ii) Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of duties, taxes and other incidental expenses net of modvat. Die Tooling expenses include cost of dies and other direct/incidental expense and interest on in-house development. Capital work in progress includes machinery installed and running under Trial Run.

All pre-operative and trial run expenses (net of income) are accumulated as Capital Work in Progress, and are allocated to the relevant fixed assets on a pro-rata basis on the prime cost of the assets.

iii) Depreciation

Sr. No.	Name of Assets	Year Ending 31.03.2008	Year Ending 31.03.2007
1.	Plant & Machinery	SLM basis	SLM basis
2.	R&D Equipments	SLM basis	SLM basis
3.	Other Assets	SLM basis	SLM basis

Depreciation on Plant & Machinery and R&D equipments has been provided on Triple Shift basis, Depreciation on New Paint Plant has been provided on Double Shift basis, Depreciation on new Truck Line has been provide on single shift basis and on other assets it has been provided as per the rates specified in schedule XIV of the Companies Act, 1956.

iv) Inventories

Raw material and Stores lying at Factory have been valued at cost. Stocks in process have been valued at production cost. Finished goods lying at factory have been valued at cost including excise duty payable. Scrap has been valued at net realisable value.

v) Transactions in Foreign Currency

Foreign currency exposure against assets and liabilities, if any, not covered by forward exchange contracts are translated at the rates ruling at year-end.

vi) Retirement Benefits

Gratuity and Earned leave have been provided for in the books of accounts on actuarial valuation basis.

vii) Interest

Interest in respect of fixed deposits with Bank have been accounted for on accrual basis.

viii) Modvat

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

ix) Recognition of Income/Expenditure

All revenues and expenses are accounted for on accrual basis.

x) Technical Know-how Fee

The Technical Know-how Fee paid to Ring Techs. Co.Ltd., JAPAN, as per agreement duly approved by RBI, has been accounted for on cash payment basis.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR ON ACCOUNT OF:

	(Rupees in Lacs)	
	As at 31.03.2008	As at 31.03.2007
a) Letters of Credit outstanding for import of Raw Material, Spares and Plant & Machinery.	816.65	334.27
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5557.94	4885.43

- In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.
- Debit and Credit Balances in the accounts of a few suppliers and others are subject to confirmation and reconciliation.
- The Company had been granted exemption from Sales Tax under the Punjab Industrial Policies, 1989 and 1996. Any liability on account of Sales Tax, if arises, shall be accounted for at the time of assessment.
- Payments to auditors included under the head Auditor Remuneration:

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fee	2,50,000	2,50,000
Tax Audit Fee	70,000	70,000
Certificate Charges	40,000	40,000
Out of Pocket Exp. (Including Travelling)	40,000	40,000
	4,00,000	4,00,000

Service Tax has not been included above being modvatable.

- Sundry Creditors include a sum of Rs. 7549182/- (Previous year Rs.2052242 /-) due to Micro and

STEEL STRIPS WHEELS LIMITED

(Rs. in Lacs)

Small Scale Undertakings, which are outstanding for more than 45 days as at 31.03.2008. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, as determined to the extent the parties have been identified on the basis of information with the company.

8. During the year the Company has made a provision for accrued liability on account of Gratuity and leave encashment on the basis actuarial valuation as required by AS 15 (Revised 2005) - Employee Benefits issued by The Institute of Chartered Accountant of India, New Delhi.
9. In compliance with AS 22 issued by ICAI on Accounting for the Taxes on Income, a sum of Rs. 3,82,97,735/- (Previous Year Rs. 3,24,98,648/-) 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.
10. Prior period adjustment comprises of the followings

Particulars	Amount(In Rs)
Taxation Provision for AY 2007 -08	1,36,087
Adv. Tax for AY 2004 -05	26,73,064
Total	28,09,151

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

12. Earning per Share (EPS)

Particulars	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
Profit after tax as per profit and loss account	1647.42	1403.08
Less: Dividend and tax thereon in respect of preference shares	-	-
Profit available for shareholders	1647.42	1403.08
No. of equity shares	12558556	11302700
Earning per share (Rs.) EPS	13.12	12.41
Diluted Earning per share (Rs)	13.12	12.41

13. Related Party Disclosures

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

Particulars	Key management personnel (KMP)	Enterprises over which KMP are able to exercise significant influence including relatives	Total for the current year 2007-08	Previous year 2006-07
Purchase of fixed assets	-	-	-	2.20
Sale of Goods (Scrap)	-	-	-	6.52
Purchase of goods	-	3.69	3.69	-
Civil Work (Construction/ Repair)	-	698.67	698.67	21.71
Civil Work (Consultancy)	-	21.35	21.35	43.68
Maintenance Charges	-	15.22	15.22	5.77
Lease Line Charges	-	17.10	17.10	13.19
Rent paid	-	24.68	24.68	23.25
Salary paid to Deputation Staff	-	22.11	22.11	23.66
Finance				
Managing Director's Remuneration	123.06	-	123.06	101.28
Dividend Paid	11.25	96.76	108.01	108.01
Amounts written off or written back in the period in respect of debts due from or to related parties	Nil	Nil	Nil	Nil

Note :

- a) Key Management: Sh. R.K. Garg Sh. Dheeraj Garg Sh. H.K.Singhal
personnel Chairman Managing Director Director
- b) Enterprises over which Key Management Personnel (KMP) are able to exercise significant control with whom transactions have taken place during the year:
SAB Industries Ltd., Steel Strips Ltd.
- c) Relatives of the Key Management Personnel(with whom transactions have taken place):
- i) Mrs. Sunena Garg is related to Sh. R.K. Garg, Chairman and Sh. Dheeraj Garg, Managing Director.
- ii) Mrs. Priya Garg is related to Sh. R.K. Garg, Chairman and Sh. Dheeraj Garg, Managing Director.
14. Managing Directors' Remuneration

(Amount in Rs.)

	Current Year Ended 31.03.2008	Previous Year Ended 31.03.2007
Salary & Allowances	28,80,000	28,80,000
Contribution to Provident Fund	2,16,000	2,16,000
Commission on Profit	92,10,221	70,32,197
	1,23,06,221	1,01,28,197

15. The Computation of Net profits in accordance with Section 198 read with section 349 of companies Act, 1956 in given here under for the purpose at Calculation at Commission payable to Managing Director:

	Amount in (Rs.)	
	Current Year Ended 31.03.08	Previous Year Ended 31.03.07
Profit as per Profit & Loss A/c	16,47,42,165	14,03,08,113
Add:		
Depreciation as per P&L A/c	14,39,52,728	12,25,17,509
Managing Director's Remuneration	1,23,06,221	1,01,28,197
Sitting Fee	3,40,000	5,40,000
Tax for the year	2,63,02,805	1,74,20,190
Deferred Tax Liability	3,82,97,735	3,24,97,320
Fringe benefit Tax	13,26,341	10,14,837
Total	38,72,67,995	32,44,26,166
Less:		
Depreciation calculated for Managerial Remuneration	14,39,52,728	12,25,17,509
Profit on Sale of Assets	-	71,97,650
Prior period adjustment	(28,09,151)	(78,52,938)
Available Profit	24,61,24,418	20,25,63,945
Commission/Remuneration	1,23,06,221	1,01,28,197
Less: Salary already paid (including value of perquisite as per Income Tax Rules)	30,96,000	30,96,000
Net Commission payable	92,10,221	70,32,197

16. a) Previous year figures have been re-grouped and rearranged wherever considered necessary to make them comparable with those of current year.
 b) Figures have been rounded off to the nearest rupee.
17. The company is in the business of manufacture and sale of wheel rims and there is no other segment as per Accounting Standard (AS -17) dealing with the segment reporting.
18. Detail of Provisions as per AS-29.

	Employee Benefits (Gratuity Earned Leave)	Excise duty on Finished Goods lying in stock	Doubtful Debts	Store Spare Purchases	Others	Dividend & Dividend Tax	Income Tax & Fringe Benefit Tax
Balance as at April 1, 2007	70.23	20.69	40.71	115.73	58.47	211.58	184.35
Provision made during the year	32.26	27.56	35.64	76.33	72.74	235.09	276.29
Provision written off/ back during the period	18.43	20.69	0.20	102.39	57.77	211.58	184.35
Balance as at March 31, 2008	84.06	27.56	76.15	89.67	73.44	235.09	276.29

19. Schedule 1 to 23 form an integral part of the Balance Sheet, Profit & Loss Account and Cash Flow Statement.

AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

FOR S.C.Dewan & Co.
Chartered Accountants

S. C. Dewan
Partner

Dheeraj Garg
Managing Director

Shaman Jindal
Company Secretary

H.K.Singhal

M.M.Chopra

S.K.Bansal

Directors

Place : CHANDIGARH
Dated : 09.07.2008

STEEL STRIPS WHEELS LIMITED

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

PARTICULARS		2007-2008		2006-2007	
A. QUANTITATIVE DATA			QTY (Nos) Delicensed		QTY (Nos) Delicensed
1	Licensed Capacity (per annum) (Automotive Wheels)		75,00,000		75,00,000
2	Installed Capacity at the year end (As certified by the management)		54,16,314		44,73,393
3	Production		Value (Rs.)	Qty. (MT)	Value (Rs.)
4	Raw-Material Consumed	Qty. (MT)			
	HR Strips	50,672	1,55,15,86,879	43,601	1,17,87,17,434
	Other material (Paints, Chemical, Packing)		10,84,72,239		8,06,93,617
			1,66,00,59,118		1,25,94,11,050
5	Opening Stock				
	Wheels	Nos. 31,751	1,46,23,676	30,066	1,06,97,543
	Scrap	MTs. 8	1,47,136	5	69,555
	W.I.P.		3,52,53,778		1,56,38,237
6	Closing Stock				
	Wheels	Nos. 50,859	2,18,71,245	31,751	1,46,23,676
	Scrap	MTs. 55	14,88,905	8	1,47,136
	W.I.P.		3,38,04,752		3,52,53,778
7	Turnover (Net)				
	Wheels	Nos. 53,97,206	2,38,56,93,785	44,71,708	1,83,93,15,716
	Scrap / Trading Sales		21,58,71,533		14,59,03,283
B. EXPENDITURE ON EMPLOYEES					
a)	Drawing remuneration of not less than Rs.2400000/- per annum and employed throughout the year				
	-Nos. of Employees		1		1
	-Salary	(Rs.)	28,80,000		28,80,000
	-Contr.to Provident & Other Funds	(Rs.)	2,16,000		2,16,000
	-Commission on profits	(Rs.)	92,10,221		70,32,197
b)	Employees drawing remuneration of not less than Rs. 200000/- per month and employed for a part of the year		NONE		NONE
C. CIF VALUE OF IMPORTS (DIRECT)			(Rs.)		(Rs.)
	Raw Material		5,16,09,446		3,58,53,987
	Components & Spare Parts		3,36,10,487		3,17,39,763
	Capital Goods		9,71,69,396		2,72,79,470
D. CONSUMPTION OF RAW MATERIAL AND SPARES & COMPONENTS					
		Value (Rs.)	%age	Value (Rs.)	%age
a)	Indigenous	1,74,57,86,185	95.35%	1,32,23,17,394	97.37%
b)	Imported	8,52,19,933	4.65%	3,57,46,053	2.63%
		1,83,10,06,119	100.00%	1,35,80,63,447	100.00%
E. Expenditure in Foreign Currency			(Rs.)		(Rs.)
a)	Raw Material		5,16,09,446		3,58,53,987
b)	Machinery stores		3,36,10,487		3,17,39,763
c)	Capital goods		9,71,69,396		2,72,79,470
d)	Technical Know-how fee		79,47,325		41,20,012
e)	Foreign Travel-Directors		5,09,133		11,52,563
	-Staff		4,52,661		20,17,433
f)	Other Expenetiture		4,87,48,090		2,12,02,055
F. F.O.B. VALUE OF EXPORTS			8,80,32,184		1,23,15,354
G. EARNINGS IN FOREIGN EXCHANGE			9,18,74,996		1,31,23,740

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FOR S.C.Dewan & Co.
Chartered Accountants

S. C. Dewan
Partner

Dheeraj Garg
Managing Director

Shaman Jindal
Company Secretary

H.K.Singhal

M.M.Chopra

S.K.Bansal

Directors

Place : CHANDIGARH
Dated : 09.07.2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<p>I. Registration Details</p> <p>Registration No. 006159</p> <p>Balance Sheet Date 31032008</p> <p>II. Capital Raised during the year (Amount in Rs.)</p> <p style="padding-left: 40px;">Public Issue NIL</p> <p style="padding-left: 40px;">Bonus Issue NIL</p> <p>III. Position of Mobilization and Deployment of Funds (Amount in Rs.)</p> <p>Sources of Funds</p> <p style="padding-left: 40px;">Paid-up Capital (Incl. App. Money for Convertible Warrants) 131495831</p> <p style="padding-left: 40px;">Secured Loans 1691754840</p> <p style="padding-left: 40px;">Unsecured Loans 155000000</p> <p style="padding-left: 40px;">Net Fixed Assets 3130267372</p> <p style="padding-left: 40px;">Net Current Assets 358261154</p> <p style="padding-left: 40px;">Accumulated Losses NIL</p> <p>IV. Performance of Company (Amount in Rs.)</p> <p style="padding-left: 40px;">Turnover 2621841422</p> <p style="padding-left: 40px;">Profit Before Tax 230669047</p> <p style="padding-left: 40px;">Earning Per Share 13.12</p> <p>V. Generic Names of Three Principal Products of Company (as per monetary terms)</p> <p>Item Code No. (ITC Code) 8708</p> <p>Product Description Automotive Wheel Rim</p>	<p>State Code 16</p> <p>Right Issue NIL</p> <p>Total Assets 3491912526</p> <p>Reserves & Surplus 1391519718</p> <p>Investments 2000000</p> <p>Deferred Tax Liability 122142137</p> <p>Misc. Expenditure to the extent not written off 1384000</p> <p>Total Expenditure 2391172375</p> <p>Profit After Tax 164742165</p> <p>Dividend (%) 16</p>
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Chartered Accountants

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H.K.Singhal

M.M.Chopra

S.K.Bansal

Directors

Place : CHANDIGARH
Dated : 09.07.2008

STEEL STRIPS WHEELS LIMITED

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 SECOND ANNUAL GENERAL MEETING of the Company to be held on Monday, the 29th day of September, 2008 at 11.30 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 2008.



Regd. Folio No./Client ID Signature

NOTE :

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

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 SECOND ANNUAL GENERAL MEETING held on Monday, the 29th day of September, 2008 at 11.30 A.M. at Company's Regd. Office & Works Village Somalheri/Lehli, P.O. Dappar, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab.

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

BOOK-POST



Steel Strips Wheels Limited
Wheeling Towards Excellence

CORPORATE OFFICE:

STEEL STRIPS GROUP

S.C.O. 49-50, Sector-26, Madhya Marg
Chandigarh - 160019, India

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