



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
<b>Gross Profit Before Interest &amp; Depreciation</b>	<b>499.03</b>	<b>399.44</b>
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)
<b>Profit Before Tax</b>	<b>230.67</b>	<b>191.24</b>
Provision For Tax	26.30	17.42
Deferred Tax Liability	38.30	32.50
Fringe Benefit Tax	1.33	1.01
<b>Profit Available For Appropriation</b>	<b>164.74</b>	<b>140.31</b>
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
<b>I. Power &amp; Fuel Consumption</b>				
<b>1. Electricity</b>				
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
<b>2. Coal</b>				
	Qty.	Tonnes	-	-
	Total amount	Rs.in lacs	-	-
	Rate per Ton	Rs.	-	-
<b>3. Furnace Oil</b>				
	Qty.	Lac Ltrs.	-	-
	Total amount	Rs.in lacs	-	-
	Rate per Unit	Rs.	-	-
<b>4. Others/Internal Consumption</b>				
<b>LDO</b>				
	Qty.	Lac Ltrs.	-	-
	Total amount	Rs.in lacs	-	-
	Rate per Unit	Rs.	-	-
<b>HSD:</b>				
	Qty.	Lac Ltrs.	4.90	7.19
	Total amount	Rs.in lacs	134.79	209.42
	Rate per Unit	Rs.	27.50	29.13
<b>II. Consumption per unit of production:</b>				
	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)**

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

		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**

- |  |  |
|--|--|
| <p>a) Efforts in brief made towards technology, absorption, adaptation and innovation</p> <p>b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc</p> <p>c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)</p> | <p>Please refer para 1 above</p> <p>Please refer para 1 above</p> <p>No technology has been imported</p> |
|--|--|

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

- |   |          |   |
|---|----------|---|
| <p>a) Activities relating to exports, initiatives taken to increase exports, development export of new export markets for products and services and export plans:</p> <p>b) Total foreign exchange used and earned during the year under review and previous year was as under:</p> | <p>:</p> | <p>The company has made a modest beginning in Export market and has received export orders from leading car manufacturer from Europe.</p> |
|---|----------|---|
- 
- |  |        | Year ended<br>31.03.2008 | Year ended<br>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
<b>A. EMPLOYED FOR FULL YEAR</b>								
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

