

# CORPORATE

# Information

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## REGD. OFFICE

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

## WORKS

- Village Somalheri/Lehli,  
P.O. Dappar, Tehsil Derabassi,  
Distt. S.A.S. Nagar (Mohali) Punjab.
- Plot No. A-10, SIPCOT, Industrial Growth Centre,  
Vallam Village, Sriperumbudur, Tamil Nadu.

## HEAD OFFICE

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

## REGISTRAR & TRANSFER AGENTS

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

## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

- Sh. Shaman Jindal

## BANKERS / INSTITUTIONS

- DEG, Germany
- Technology Development Board
- AXIS Bank Ltd.
- Punjab National Bank
- HDFC Bank Limited
- State Bank of Indore
- Indian Overseas Bank
- IFCI Limited
- State Bank of Bikaner & Jaipur
- United Bank of India
- Tata Capital Limited

## AUDITORS

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

# DIRECTORS'

# Report

To The Members,

Your Directors are pleased to present the 23rd Annual Report together with the audited accounts of the Company for the year ended March 31, 2009.

## FINANCIAL HIGHLIGHTS

(Rs. in Million)

	2008-09	2007-08
Gross Income	3588.73	3031.51
<b>Gross Profit Before Interest &amp; Depreciation</b>	461.82	496.94
Interest & Financial Charges	160.12	118.81
Profit Before Depreciation	301.70	378.13
Depreciation and other written off	172.01	144.65
Profit After Depreciation	129.69	233.48
Prior Period Adjustment	(4.10)	(2.81)
<b>Profit Before Tax</b>	<b>125.59</b>	<b>230.67</b>
Provision For Tax	14.40	26.30
Deferred Tax Liability	31.80	38.30
Fringe Benefit Tax	1.45	1.33
<b>Profit Available For Appropriation</b>	<b>77.94</b>	<b>164.74</b>
Proposed Dividend	-	20.09
Tax On Distributed Profits	-	3.42
Balance Carried Over To Balance Sheet	219.17	141.23

## BUSINESS PERFORMANCE

Your Company achieved a production of 5.36 million wheels and sales of 5.35 million wheels as against production of 5.42 million & sales of 5.40 million wheels respectively during the previous year. The gross income of the company increased from Rs. 3081.51 millions in 2007-08 to Rs. 3588.73 millions in the year 2008-09. Thus the company achieved a growth of 18.38% in gross income during the year. Due to increase in input costs the gross profit before interest and depreciation decreased from Rs.496.94 Million in 2007-08 to Rs.461.82 million in 2008-09. The net profit also reduced to Rs.77.94 millions as against 164.74 million during the previous year due to additional impact of increased depreciation.

## ORAGADAM PROJECT

Your company commenced commercial production at Oragadam plant (near Chennai) Tamil Nadu with installed capacity of 2.50 million Wheel Rims p.a. to cater to growing Southern Market and export market. Being the initial year the capacity utilization remained very low. 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.

## JAMESHPUR 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.1300 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 completed by March, 2010.

### **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.

2008-09 has witnessed significant deterioration in worldwide economic environment particularly in Automobile sector. Situation has started improving in India from 1<sup>st</sup> quarter of 2009-10. During 2009-10 Passenger car segment is likely to grow by 8% and Tractor segment is likely to grow by 25%. Truck segment is expected to improve its position by approx. 25% over last quarter of 2008-09. Steel prices will play a major role in determining the bottom line.

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 and in 2008-09 it rose to Rs. 215.23 millions registering a growth of 135%. The company has export orders from leading car manufacturers like PSA Peugeot Citroen, Kromag and Renault from Europe and is in active discussions with other car manufacturers in Asia and South America 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.

### **CONVERSION OF OPTIONALLY CONVERTIBLE BONDS INTO EQUITY SHARES**

During the year, 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. Out of the said 20,00,00,000 OCBs, 10,00,00,000 OCBs have been converted into 507614 equity shares of Rs. 10/- each at a price of Rs.

197/- per share on 17.12.2008. Now the total shareholding of the Tata Group (through Tata Capital Limited and Kalimati Investment Private Limited) in the company has increased to 13.50% of the total paid up capital of the company.

### **DIRECTORS**

During the period under review, Ms. Priya Garg resigned as a Director w.e.f 16.10.2008. Your Directors place on record their sincere appreciation for the guidance and support provided by Ms. Priya Garg during her tenure as a Director, for the success of the Company.

During the period under review, Ms. Ute Mayr was appointed as Director of the company. Further she was also appointed as Whole time Director of the company for a period of three years w.e.f 10.08.2008 subject to the approval of Central Government. She is a resident of Italy, a foreign national. Therefore, to comply with the provisions of schedule XIII and other applicable provisions of the Companies Act, 1956, the Company has applied to the Central Govt. for seeking its approval for her appointment as Whole Time Director and to pay remuneration as approved by the shareholders in their Annual General meeting held on 29.09.2008. The said application is pending before the appropriate authorities. Accordingly, the Company has not paid any remuneration to Ms. Ute Mayr till date.

The Board has also appointed Sh. A.V. Unnikrishanan as additional Director and Whole time Director with effect from 01.01.2009 and Sh. B.B.Tandon as additional Director of the company w.e.f 22.12.2008.

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

### **DIVIDEND**

Keeping in view the large capital commitment of the company towards the ensuing Jamshedpur Project, which is in full swing and expected to be commissioned by March, 2010, it is decided not to declare any dividend for the year under review.

### **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 (IB) 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.

## **DIRECTORS' 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 : 29th May, 2009

R.K. GARG  
CHAIRMAN

# ANNEXURE-A

## To the Directors' Report

INFORMATION AS PER SECTION 217 (1) (e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS), RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31.3.2009.

### Annexure to Report of Board of Directors

#### (A) CONSERVATION OF ENERGY

The company as continuous process adopts suitable measures to Consume the energy which includes periodical check-up and calibration of all electrical instruments & machineries besides energy audits from independent agencies.

The details regarding present energy consumption including captive generation are furnished below as per Form A of the Annexure to the rules.4

#### Form A :

I. Power & Fuel Consumption			Year ended 31.03.2009	Year ended 31.03.2008
<b>1. Electricity</b>				
a) Purchased				
Units	In lacs		163.58	150.68
Total Amount	Rs. in lacs		712.96	664.91
Rate/Unit	Rs.		4.36	4.41
b) Own Generation				
Units	In lacs		3.47	9.85
Total Amount	Rs. in lacs		38.90	87.83
Cost/Unit	Rs.		11.20	8.92
<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.		2.37	4.90
Total Amount	Rs. in lacs		72.81	134.79
Rate per Unit	Rs.		30.76	27.50
<b>II Consumption per unit of production</b>				
Production (Wheel Rims)	Nos.		5364112	5416314
Electricity				
Units/wheel	Unit/No.		3.11	2.97
Cost per unit of production	Rs./No.		14.01	13.90
Coal			-	-
Furnace Oil			-	-

# STEEL STRIPS WHEELS LIMITED

**(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 }<br/>         b) Benefits derived as a result of the above R&amp;D }<br/><br/>         c) Development of new products which will be import substitute }</p> | <p>R&amp;D has been carried out in the following areas :<br/>         1(a) Design and development of new wheels as also tools &amp; dies in-house.<br/>         (b) Development of new manufacturing process for wheel disc by improving &amp; smoothening the existing forming process.<br/>         (c) The Company's R&amp;D team developed a new stylish steel wheel rims to replace alloy wheels for one of its customers.</p> |
|---|---|

**Benefits Derived :**

The technology has resulted in :

- 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.

	<b>Year ended 31.3.2009</b>	<b>Year ended 31.3.2008</b>
d) Expenditure on R&D (Rs. in lacs) :		
i) Capital	133.13	00.00
ii) Recurring	97.00	83.35
<b>2. Technology absorption, adaptation and innovation</b>		
a) Efforts in brief made towards technology absorption, adaptation and innovation	NA	NA
b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	NA	NA
c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :		
i) Technology imported	NIL	NIL
ii) Year of Import	NA	NA
iii) Has technology been fully absorbed	NA	NA
iv) If not fully absorbed, areas where this has not taken place reason thereof and future plan of action.	NA	NA

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

- |  |  |
|--|--|
| <p>a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:</p> | <p>: During the year company added new customers in overseas market mainly from Europe which has resulted into increased export sales.</p> |
|--|--|

- |  |          |
|--|----------|
| <p>b) Total foreign exchange used and earned during (Rs. in lacs) the year under review and previous year was as under :</p> | <p>:</p> |
|--|----------|

	<b>Year ended 31.03.2009</b>	<b>Year ended 31.03.2008</b>
Used :	2996.91	2400.46
Earned :	2070.99	918.75

For and on behalf of Board of Directors

Place : CHANDIGARH  
 Dated : 29th May, 2009

R.K. GARG  
 CHAIRMAN

# ANNEXURE-B

## To the Directors' Report

**STATEMENT UNDER SECTION 217 2(A) OF COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 ANNEXED TO THE DIRECTORS' REPORT FOR THE YEAR ENDING 31ST MARCH, 2009**

Sr. No.	Name of Employee	Designation	Experience (Yrs.)	Date of Commencement of Employment	Qualification	Remuneration (Rs.)	Age (Yrs.)	Last Employment before Joining
<b>A. EMPLOYED FOR FULL YEAR</b>								
1.	Sh. Dheeraj Garg	Managing Director	15	26.06.93	B.S. (FIN) USA	66,79,731/-	36	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.

For and on behalf of Board of Directors

Place : CHANDIGARH  
Dated : 29th May, 2009

R.K. GARG  
CHAIRMAN

### **DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONAL 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, 2009, 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 : 29th May, 2009

DHEERAJ GARG  
MANAGING DIRECTOR

# CORPORATE

# Governance

## REPORT ON CORPORATE GOVERNANCE

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

It has been a core belief with Steel Strips Wheels Ltd. (SSWL) to consider itself custodian and trustee of customers, business associates and stake holders. SSWL has been practicing the principles of good Corporate Governance, disclosure and transparency in all its activities and process right from the beginning and believes that to attain success and retain it over time, enterprise must be properly governed and managed and it must maintain ethical corporate standards. Towards this objective SSWL has always focused on good Corporate Governance, which is a key driver of sustainable corporate growth and long term value creation. SSWL has sought and will continue to seek corporate excellence and profits through ethical means.

### BOARD OF DIRECTORS

#### Composition and category of Directors:

- The Board of Directors comprises of 10 Directors with a Non-Executive Chairman. Of the ten Directors, 8 (i.e. 80%) are Non-Executive Directors, including 5 (i.e. 50%) Independent Directors. None of the Non-Executive / Independent Directors has any material pecuniary relationship or transaction with the Company.
- Six Board Meetings were held during the year on 19.04.2008, 03.06.2008, 09.07.2008, 16.10.2008, 06.01.2009 and 31.01.2009. Gap between two meetings did not exceed four months.
- The names and categories of the directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year and the number of Directorships and Committee chairmanships / memberships held by them in other companies are given below:

Name of Director and Designation	Category	No. of Board meetings held during the year 2008-09		Whether attended last AGM	No. of Directorship in other Public companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri. R.K. Garg (Chairman)	Promoter - Non-Executive Director	6	3	No	3	2	-	-
*Sh. A.V. Unnikrishnan (Dy. M.D.)	Executive Director	6	2	No	-	-	-	-
**Prof. (Dr.) B.B. Tandon	Independent Non-Executive Director	6	1	No	-	3	-	3
Shri Dheeraj Garg (M.D.)	Promoter - Executive Director	6	6	No	-	1	-	-
Shri M.M. Chopra	Independent Non-Executive Director	6	2	No	-	3	1	1
Shri S.K. Bansal	Independent Non-Executive Director	6	2	No	-	1	1	-
Shri S.S. Grewal	Independent Non-Executive Director	6	2	Yes	-	2	-	-
Shri S.S. Jha	Independent Non-Executive Director	6	1	No	-	-	-	-
***Ms. Ute Mayr	Non-Executive Director	6	2	No	-	-	-	-
Shri H.K. Singhal	Non-Executive Director	6	5	Yes	-	6	-	7
****Ms. Priya Garg	Promoter - Non-Executive Director	6	-	No	--	-	-	-

\*Sh. A. V. Unnikrishnan appointed as Additional Director & Whole Time Director w.e.f 01.01.2009.

\*\*Prof. (Dr.) B. B. Tandon appointed as Additional Director w.e.f 22.12.2008.

\*\*\*Ms. Ute Mayr Appointed as Director w.e.f. 09.07.2008 & as Whole Time Director w.e.f.10.08.2008 subject to the approval of Central Govt.

\*\*\*\* Ms. Priya Garg resigned w.e.f 16.10.2008.



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.

- (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. S.S. Jha, Sh. S.S. Grewal and Sh.S.K. Bansal 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. S.S.Jha**

Sh. S. S. Jha, 66 years of age, is an M.Sc. Physics from Patna University and served as Lecturer in Physics in constituent colleges of Magadh and Patna university. Thereafter he passed the examination conducted by UPSC and joined Indian Customs and Excise Service w.e.f. 09.11.1967 and served in various capacities and retired as Chief Commissioner of Central Excise Customs. Presently he is engaged in Social work relating to rural development.

Sh. S.S.Jha is an independent director in the company and holds Directorship only in Steel Strips Wheels Limited and also acting as member in Allotment Committee, Audit Committee and Sub Committee of the Company.

Sh. S. S. Jha does not hold any equity share of the company.

#### **Sh. S.S. Grewal**

Sh. S.S. Grewal, 75 years of age, is a B.A. He has over 50 years of Practical Experience occupying senior managerial Position in India and Abroad. He has worked with Burmah-Shell Refineries Limited/ Shell International Petroleum Company in India and Abroad. He has also served as an advisor to British Columbia Trade Development Corpn. He was coordinator in India of Del Monte Foods- USA. Currently he is also on the Board of Directors of companies stated hereinafter and is a Management Advisor to Companies having manufacturing operations in UP, HP and Punjab.

Sh. S.S. Grewal is an independent director in the company and holds Directorship in the following Companies:

S.No.	Name of Company	Nature of interest
1.	Steel Strips Wheels Ltd.	Director
2.	PML Industries Ltd.	Director
3.	Imkemex India Ltd.	Director

He is holding Chairmanship/memberships in the following committees of Steel Strips Wheels Limited (he is not acting in any committee of any other company) :

Name of Company	Name of Committee	Designation (Member or Chairman)
Steel Strips Wheels Ltd.	Audit Committee	Chairman
	Shareholders Grievance Committee	Chairman
	Remuneration Cum Compensation Committee	Chairman
	Sub-Committee	Member
	Allotment Committee	Chairman

Sh. S.S.Grewal does not hold any equity share of the company.

#### **Sh. S. K. Bansal**

Sh. S. K. Bansal, 63 years of age, is a B.Sc., F.C.A, CFE, A.I.I.A and A.H.I.A. He is a Practising Chartered Accountant since 1974 and possess more than 34 years of experience in the areas Income Tax, Company Law Audit and Accounts etc. Over the years he occupied several advisory positions. He is a member of Association of Certified Fraud Examiners, U.S.A. and an associate member of Institute of Internal Auditors Inc. Florida, U.S.A. He is also a member of Association of Health Care Internal Auditors inc. USA and a member of International Fiscal Association (Netherlands). He has been empanelled as Non-officio Nominee Director by IDBI Bank Limited (IDBI) and IFCI Limited (IFCI). He has also been a member of Indian Council of Arbitration.

Sh. S.K.Bansal is an Independent Director in the company and holds Directorship in the following Companies:

S.No	Name of Company	Nature of interest
1.	Steel Strips Wheels Ltd.	Director
2.	Vardhman Acrylics Ltd.	Director
3.	M/s. Marudhar Hotels (P) Ltd.	Director
4.	Shree Bhawani Power Projects (P) Ltd.	Director

## STEEL STRIPS WHEELS LIMITED

Sh S.K. Bansal is also Member/ Chairman of the following Committees of Board of the SSWL and other companies:

Name of Company	Name of Committee	Designation (Member or Chairman)
Steel Strips Wheels Ltd.	Audit Committee	Member
	Shareholders Grievance Committee	Member
	Share Transfer Committee	Member
	Remuneration Committee	Member
Vardhman Spinning & General Mills Ltd.	Shareholders Grievance Committee	Chairman

Sh. S.K. Bansal does not hold any equity share 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 four Meetings of the Committee were held.
- (ii) The Composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category	No. of meetings attended during the year 2008-09
Shri S.S. Grewal Chairman	Independent Non-Executive Director	3
Shri S.K. Bansal	Independent No-Executive Director	4
Shri S. S. Jha	Independent Non-Executive Director	3
Shri H.K. Singhal	Non-Executive Director	3

### 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 2008-09
Shri Dheeraj Garg Chairman	Managing Director	1
Shri S.S. Grewal	Independent Non-Executive Director	2
Shri S.S. Jha	Independent Non-Executive Director	2
Shri H.K. Singhal	Non-Executive Director	1

### REMUNERATION CUM COMPENSATION COMMITTEE

- (i) The terms of reference of Remuneration Committee include 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 .
- (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.

## DETAILS OF REMUNERATION FOR THE YEAR ENDED MARCH 31, 2009

Name of Directors	Basic Salary	HRA	Special Allowance	Contribution to Provident Fund	Commission	Total	Date of Appointment	Tenure
Sh. Dheeraj Garg (MD)	17,14,710	10,28,828	Nil	2,05,765	37,30,428	66,79,731	1.6.2005	Upto 31.5.2010
Sh. A.V. Unnikrishnan	2,25,000	78,750	24,000	27,000	Nil	3,54,750	1.1.2009	Upto 31.12.2013

The Board of Directors in their meeting held on 9.07.2008 and subsequently share holders of the Company in their Annual General Meeting held on 29.09.2008 had approved 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 subject to the approval of Central Govt. 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, she 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.

In the event of losses or inadequate profits in any financial year during the term of her office as Whole time director, the aforesaid salary and all other benefits, remuneration and other perquisites mentioned at (A) and (B) above, shall be paid to her 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.

She is a resident of Italy, a foreign national. Therefore in compliance to the provisions of schedule XIII and other applicable provisions of the

Companies Act, 1956, the Company has applied to the Central Govt. for seeking its approval for her appointment as Whole Time Director and to pay remuneration as mentioned above. The said application is pending before the appropriate authorities. Accordingly, the Company has not paid any remuneration to Ms. Ute Mayr till date.

### NON-EXECUTIVE DIRECTORS (as on 31-03-2009):

Name of Director	Sitting Fee (in Rs.)
1. Sh. R.K. Garg	30,000
2. Prof. (Dr.) B. B. Tandon	10,000
3. Rear Adml. M.M. Chopra AVSM (Retd.)	20,000
4. Sh. S.K. Bansal	40,000
5. Sh. S.S. Grewal	45,000
6. Sh. S.S. Jha	35,000
7. Sh. H.K. Singhal	70,000

### DETAIL OF SHARES OF THE COMPANY HELD BY DIRECTORS AS ON 31st MARCH, 2009.

Name	No. of Shares
Sh. R. K. Garg	584651
*Sh. Dheeraj Garg	735711
Sh. M. M. Chopra	11284
Sh. H. K. Singhal	50010

\*Sh. Dheeraj Garg, in addition to the above stated shareholding in the company, is also holding 3,47,663 convertible warrants, with an option to get the same converted 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. The date of allotment of said convertible warrants is 24.01.2008.

### SHARE TRANSFER COMMITTEE

The Share Transfer Committee approves and expedites the process of share transfers reviewed by the Company. The Committee met 19 times during the year. No transfer of shares and no request for demat of shares is pending. All the shares received for transfer have been transferred within the time period prescribed.

The committee consists of the following members:

Name	Category	No. of meetings attended during the year 2008-09
Shri S.K.Bansal, Chairman	Independent	19
	Non-Executive Director	
Shri H.K. Singhal	Non-Executive Director	19
Shri Shaman Jindal	Company Secretary	19

## 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 and 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
-	17	17	-

- (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 Annual General Meetings (AGM) :

Details of Meeting	Date of Meeting	Time of Meeting	Venue of Meeting
20th AGM (2005-06)	30.09.2006	11.00 A.M.	Regd. Office of the Company at Vill. Somalheri/Lehli, P.O. Dappar, Teh. Rajpura, Distt. Patiala (Punjab)
21st AGM (2006-07)	27.09.2007	11.00 A.M.	Same as above.
22nd AGM (2007-08)	29.09.2008	11.30 A.M.	Regd. Office of the Company at Vill. Somalheri/Lehli, P.O. Dappar, The.Derabassi, Distt. Mohali (Punjab)

## SPECIAL RESOLUTION IN THE PREVIOUS 3 AGMs

- (a) At the AGM held on 30th day of September, 2006:
- (i) To issue and allot 8,32,845 Optionally Convertible Preference Shares @ Rs. 145/- each to New Vernon Pvt. Equity Limited.

- (ii) To raise funds not exceeding Rs. 75 crores by issuing any/or various securities from time to time.

- (b) At the AGM held on 29th day of September, 2008:

- (i) To appoint Ms. Ute Mayr as whole Time Director for three years w.e.f 10.08.2008

## 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, on any matter related to capital markets, during the last three years. Company has not made any non-compliance.
- (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 throughout the year.

## CEO/CFO CERTIFICATION

A certificate from Managing Director and General Manager (F & A/c) on the financial statements of the company was placed before the Board.

## CONSTITUANTS OF RELATED PARTIES

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

## GROUP COMPANIES :

Indian Acrylics Ltd, Steel Strips Wheels Ltd, SAB Industries Ltd, Steel Strips Ltd, Steel Strips Infrastructure Ltd, Steel Strips Industries Ltd, Indlon Chemicals Ltd, Sab Developers P Ltd., Malwa Chemtex Udyog Ltd, SAB Udyog Ltd, Steel Strips Mercantile P Ltd, Indian Acrylics Investments Ltd, Munak International Pvt. Ltd, Steel Strips Financiers Pvt. Ltd, S.S. Credits Pvt. Ltd, Malwa

Holdings Pvt. Ltd, S.J. Mercantile Pvt. Ltd, Munak Investments Pvt. Ltd, Steel Strips Holdings Pvt. Ltd, Munak Financiers Pvt. Ltd, Chandigarh Developers P Ltd. and DHG Marketing P Ltd.

**INDIVIDUALS :**

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

**HUF :**

R. K.Garg & Sons (HUF)

**MEANS OF COMMUNICATION**

The quarterly and annual results are generally published in "Economic Times" 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.

**GENERAL SHAREHOLDER INFORMATION**

(i) Annual General Meeting shall be held on or before 30th September 2009.

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

(ii) Financial Year : 1st April to 31st March

(iii) Year Ending : March 31,2009

(iv) Financial Calendar:(tentative)

Results for quarter ending June 2009  
- Last week of July 2009  
Results for quarter ending Sept. 2009  
- Last week of Oct. 2009  
Results for quarter ending Dec.2009  
- Last week of Jan. 2010  
Results for quarter ending Mar. 2010  
- Last week of June 2010

(v) Book Closure date : Tentatively Last week of September, 2009

(vi) Dividend Payment date : NIL

(vii) Listing on stock Exchange : The Bombay Stock Exchange and the National Stock Exchange

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

(viii) Stock code :

Bombay stock Exchange (BSE) - 513262

National Stock Exchange - SSWL

ISIN No. of the Company 's

shares in Demat form

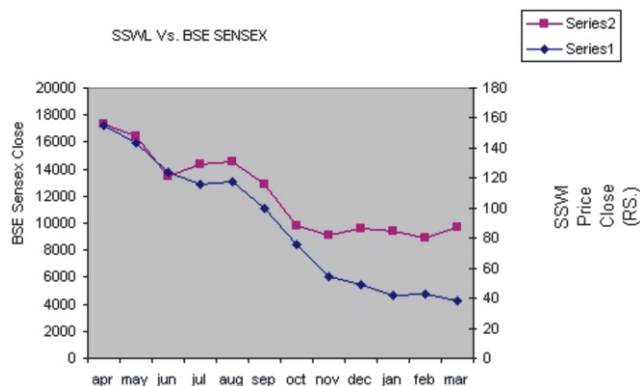
(with NSDL and CDSL) - INE802C01017

(ix) Stock Market Price data

Market Price Data: Monthly High and Low Quotations on Bombay Stock Exchanges (BSE) and National Stock Exchange Limited (NSE) during each month in last financial year were as under:

Month	Bombay Stock Exchange		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2008	179.00	150.00	183.30	148.20
May 2008	159.85	135.25	173.00	130.00
June 2008	152.00	114.00	146.00	110.00
July 2008	140.00	106.00	146.50	102.00
Aug 2008	132.00	109.00	137.90	112.00
Sept 2008	125.00	100.00	133.50	87.50
Oct 2008	114.60	56.55	118.40	50.10
Nov 2008	87.00	50.50	98.40	50.00
Dec 2008	62.00	43.05	59.00	45.10
Jan 2009	55.75	41.25	54.90	36.65
Feb 2009	47.40	32.25	45.00	35.05
Mar 2009	45.00	37.00	43.95	35.05

x) Performance of Share price of the company in comparison to the BSE Sensex :





xi) Registrar and Transfer Agents  
Link Intime India Pvt. Ltd.  
A-40, 2nd floor, Naraina Industrial Area,  
Phase- II, Near Batra Banquet Hall,  
New Delhi-110 028  
Phone : 011-41410592,93,94  
Fax : 011-4141091  
Email : delhi@linkintimespectrum.com

(xii) Place for Acceptance of documents :  
Documents are accepted at :  
Link Intime India Pvt. Ltd.  
A-40, 2nd floor, Naraina Industrial Area,  
Phase- II, Near Batra Banquet Hall,  
New Delhi-110 028

**(xiii) Share Transfer System**

62.05% 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 regards transfer of shares held in physical form, the transfer document can be lodged with the Registrar and Transfer Agents i.e. Link Intime India Pvt. Ltd.

Transfer of shares in physical form is normally processed within 12 to 15 days from the date of receipt if the documents are complete in all respect.

**(xiv) Distribution of Shareholding.**

(a) Class-wise Distribution of Equity Shares as on 31st March, 2009

Shares/Debentures Holding of Nominal Value	Number of shares	%age of Total
Upto 5000	1085222	8.30
5001 - 10000	144477	1.10
10001 - 20000	102329	0.78
20001 - 30000	56096	0.43
30001 - 40000	33302	0.26
40001 - 50000	32273	0.25
50001 - 100000	127445	0.98
100001 and above	11485026	87.90
<b>Total</b>	<b>13066170</b>	<b>100.00</b>

(b) Shareholding Pattern as on 31st March, 2009

S.No.	Particulars	No. of Shares	(%)
1.	Promoter and Promoter Group	6782068	51.91
2.	Mutual Funds/UTI/Financial Institutions, Banks & Foreign Institutional Investors	1063031	8.14
3.	Bodies Corporate	3493577	26.74
4.	Individuals	1684593	12.90
5.	Any other :		
	Non Residents	9872	0.07
	Clearing Members	1197	0.00
	HUF	30832	0.24
	Trust	1000	0.00
<b>Total</b>		<b>13066170</b>	<b>100.00</b>

**DEMATERIALIZATION AND PHYSICAL TRANSFER OF SHARES:**

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

As on 31-03-2009 there were 8838 shareholders of the Company. Out of these 4183 shareholders were holding 8107364 (62.05%) equity shares in the dematerialized form and rest of them i.e 4655 shareholders were holding 4958806 (37.95%) equity shares in physical form.

**OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

On 24.01.2008, the Company had issued 3,47,663 convertible warrants 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 had issued 20,00,00,000 Optionally Convertible Bonds (OCBs) of Rs. 1/- each to Tata Capital Limited on preferential allotment basis. 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 28<sup>th</sup> June, 2008. Out of the said 20,00,00,000 Optionally convertible Bonds, 10,00,00,000 Bonds have already been converted into 507614 equity shares of Rs. 10/- each at a price of Rs. 197/- per share on 17.12.2008.

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

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

The Company has been paying Dividend regularly for last eleven years, starting from the year 1996-97. Some amount of the dividend remain lying unclaimed in the "Unpaid Dividend Accounts" being maintained by the Company with Punjab National Bank, Merchant Banking

Division, Sector 17, Chandigarh, HDFC Bank limited, Sector 8, Chandigarh and Axis Bank Ltd., Sector 35 Chandigarh.

In compliance with the provisions of Section 205A of the Companies Act, 1956, the unpaid dividend for the year 2000-2001 has already been transferred to the "Investor Education and Protection Fund". Further, the unpaid dividend for the year 2001-2002 shall be transferred to the Investor Education and Protection Fund in the month of November 2009.

#### PLANT LOCATION

- (a) Village Somalheri/ Lehli, P.O. Dappar, Tehsil Dera Bassi, District Mohali (Pb.)
- (b) Plot no. A-10, SIPCOT Industrial Growth Centre, Vallam Village, Sriperumbudur, Tamil Nadu

#### ADDRESS FOR CORRESPONDENCE :

##### To the Registrar & Share

##### Transfer Agents

Link Intime India Pvt. Ltd.  
A-40, 2nd floor,  
Naraina Industrial Area,  
Phase- II,  
Near Batra Banquet Hall,  
New Delhi 110 028  
Phone : 011-41410592,93,94  
Fax : 011-4141091  
E-mail : delhi@linkintimespectrum.com  
Contact Persons : Mr. V. M. Joshi or Mr. Swapan Nasker

##### To the company

Steel Strips Wheels Limited  
SCO 49-50, Sector 26,  
Madhya Marg,  
Chandigarh-160 019  
Phone : 0172-2793112  
E-mail : hksinghal@glide.net.in  
Contact Person : Sh. H.K. Singhal

On behalf of Board of Directors

Place: Chandigarh  
Date: 29th May, 2009

R.K.GARG  
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 2009 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 thereof, 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 : 29th May, 2009

S.C. DEWAN  
PARTNER

# MANAGEMENT

## Discussion & Analysis

### Industry Structure and Business Overview:

The Indian Automotive Industry has emerged as a 'Sunrise Sector' in our economy within eighteen years of its liberalization. India is emerging as one of the world's fastest growing passenger car markets and second largest two wheeler manufacturer. It is home for the largest motor cycle manufacturer and fifth largest commercial vehicle manufacturer. The industry has produced 18.39 lakhs passenger vehicles, 4.17 lakhs commercial vehicles and 84.19 lakhs two wheelers and 5 lakhs three wheelers during 2008-09. During the year, the Passenger vehicles and Two wheelers segment witnessed a growth of 3.44% and 4.88% respectively whereas Light commercial vehicle (LCV) and Medium & High commercial vehicle (M&HCV) segment witnessed a negative growth of 11.60% and 34.72% respectively over 2007-08. However, the industry has grown at CAGR of 3% over 2007-08. Negative growth in LCV and M&HCV segments has been mainly caused by the worldwide economic slowdown in Automobile industry.

Currently the Auto component Industry manufactures a wide range of products in India for both domestic consumption and exports. The total size of the component industry is close to USD 14 billion out of which USD 9.4 billion is the domestic OEM market, USD 2.6 billion is the domestic aftermarket and USD 2.0 billion are direct exports of components.

Today, the Indian auto component sector has over 500 organised players and about 5000 unorganised sector players. Demand from OEMs account for approx. 67% of sales, replacement market accounts for 19%, while exports account for over 14%. This is exclusive of tyres, batteries and imported components.

The growth in tractor industry is linked with the growth in agricultural output and exports to neighboring countries.

Auto component industry growth is directly linked to the growth of automobile industry since more than 67% sales is to the OEMs. However, in recent years, component exports are becoming an important growth driver and it is expected to assume greater importance in future.

Vehicle exports in 2008-09 have been of 15.31 lakhs units and registering a growth of 24% (12.38 lakhs) over 2007-08. Passenger car and Two wheeler segments registered an export of 3.36 lakhs units (growth of 53.73%) and 10.04 lakhs units (growth of 22.50%) over 2007-08 whereas LCV and M&HCV segments exports were 0.26 lakhs units and 0.17 lakhs units which shows negative growth of 30.06% and 23.66% respectively.

During the year under review, the Company recorded overall growth of 22% in sales in terms of value. In terms of quantity, Passenger cars & two wheelers (cumulative) and Tractor segments registered a growth of 5% and 155% respectively. In exports Passenger car segment registered growth of 115%. In domestic markets Passenger car and Tractor segment registered growth of 3% and 147% respectively over 2007-08.

During the year, the Company commenced commercial production at its new unit at Oragadam (Distt. Sriperumbudur). This unit manufactures wheel rims for Passenger cars segment.

### 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 and to cater to export markets. The initial installed capacity of the plant is proposed to be 1.0 Million wheel rims per annum

- **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 manufacturers like PSA Peugeot Citroen, Renault S.A.S and Kromag from Europe and Kubota from Asia and is in active discussions with other car manufacturers in Asia and South America for their various projects. Some of these car manufacturers are also planning to put up their plants in India.

### **Research & Development**

Our strategy is to develop the products 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 centre 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 its 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 (Further upgraded to ISO-14001: 2004) for Environmental Management Systems

OHSAS 18001:2007 Recommended for Certification in May'09

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.

### **Future Outlook:**

2008-09 has witnessed significant deterioration in worldwide economic environment particularly in Automobile sector. Situation has started improving in India starting from 1st quarter of 2009-10. During 2009-10 Passenger car segment is likely to grow by 8% and Tractor segment is likely to grow by 25%. Truck segment is expected to improve its position by approx. 25% over last quarter of 2008-09.

The future challenge for Indian automobile industry would be to develop a supply base with emphasis on lower costs and economies of scale, develop technical and human capabilities, overcome infrastructural bottlenecks, stimulate domestic demand and exploit export and international business opportunities. The key to success is to achieve the critical mass that would make India competitive and probable candidate for sustained investments.

The company hopes to cope with these challenges with its continued focus on cost control, process efficiencies and product innovations. With the State of the Art Research and Development facilities, the Company will be able to develop new product lines

In the year 2009-10 the Company envisages substantial increase in export volume with addition of new customer base and increased demand projections from existing customers. On domestic front also the Company expects substantial growth in Passenger cars and Tractor segments considering the order book position.

Place : CHANDIGARH

Date : 29th May, 2009

R.K. GARG

CHAIRMAN

# AUDITORS'

# Report

## S.C. DEWAN & CO.

### CHARTERED ACCOUNTANTS

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

Tel. : 2556190, 2556890

To

The Shareholders,  
Steel Strips Wheels Limited.

We have audited the attached Balance Sheet of STEEL STRIPS WHEELS LIMITED as at 31.03.2009 also the Profit and Loss Account and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

(iii) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.

(iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report, comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

(v) On the basis of written representation received from Directors, as on 31.03.2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2009 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 31.03.2009, and,
- (b) In the case of Profit and Loss Account, of the Profit for the year ended on that date.
- (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For S.C. Dewan & Company  
Chartered Accountants

Place : Chandigarh  
Date : 29th May, 2009

S.C. DEWAN  
PARTNER

# ANNEXURE

# To Auditors' Report

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

### **CHARTERED ACCOUNTANTS**

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

Tel. : 2556190, 2556890

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

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
2. Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts.
3. The company has not granted or taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the 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 (I) 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.

## STEEL STRIPS WHEELS LIMITED

11. The company has not defaulted in repayment of dues to a financial institution or banks. The company has not issued any debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund company.
14. The company is not running any Nidhi/ Mutual Benefit Fund/ Society.
15. The company is not a Financing Company.
16. The company has not given any guarantee for loans taken by others from bank or financial institutions.
17. The term loans were applied for the purpose for which the loans were obtained, as per the information available from the records of the company.
18. The funds raised by the company on short terms basis have not been used for long-term investment.
19. The company has not issued any Debentures to the public.
20. No fraud on or by the company has been noticed or reported during the year.
21. The company is not sick company under the Provision of the Sick Industrial Companies (Special Provisions) Act, 1985.

For S.C. Dewan & Company  
Chartered Accountants

Place : Chandigarh  
Date : 29th May, 2009

S.C. DEWAN  
PARTNER

# BALANCE SHEET

## As at 31st March, 2009

PARTICULARS	Schedule No.	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	13,65,71,971	13,14,95,831
Reserves & Surplus	2	1,56,71,28,305	1,39,15,19,718
		<u>1,70,37,00,276</u>	<u>1,52,30,15,549</u>
<b>LOAN FUNDS - Secured Loan</b>			
- Unsecured Loan	3	2,34,84,79,941	1,69,17,54,840
Deferred Tax Liability	4	-	15,50,00,000
		15,39,42,137	12,21,42,137
<b>TOTAL</b>		<b>4,20,61,22,354</b>	<b>3,49,19,12,526</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	4,37,15,65,787	3,01,48,68,703
Less : Depreciation		95,40,95,946	76,00,62,869
Net Block		<u>3,41,74,69,841</u>	<u>2,25,48,05,834</u>
Add: Capital work in progress	6	18,19,31,527	87,54,61,538
		<u>3,59,94,01,368</u>	<u>3,13,02,67,372</u>
<b>INVESTMENTS</b>			
	7	20,00,000	20,00,000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	8	52,76,04,462	40,48,73,450
Sundry Debtors	9	43,65,22,909	40,03,04,940
Cash & Bank Balances	10	6,94,10,360	7,62,23,054
Other Current Assets	11	1,57,10,713	2,06,50,437
Loans & Advances	12	13,44,49,240	22,43,19,686
		<u>1,18,36,97,684</u>	<u>1,12,63,71,567</u>
Less : CURRENT LIABILITIES & PROVISIONS	13		
Current Liabilities		57,52,07,928	72,79,90,703
Provisions		44,60,770	4,01,19,710
		<u>60,40,28,986</u>	<u>35,82,61,154</u>
<b>NET CURRENT ASSETS</b>			
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)			
Capital Issue Expenses		6,92,000	13,84,000
<b>TOTAL</b>		<b>4,20,61,22,354</b>	<b>3,49,19,12,526</b>
NOTES ON ACCOUNTS	25		

### AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S.C. Dewan & Co.  
Chartered Accountants

Place : CHANDIGARH  
Dated : 29th May, 2009

S.C. Dewan  
Partner

Dheeraj Garg  
Managing Director

A.V. Unnikrishnan  
Dy. Managing Director

Shaman Jindal  
Company Secretary

H.K. Singhal  
B.B. Tandon  
Rear Adml. M.M. Chopra,  
AVSM (Retd.)  
S.K. Bansal  
S.S. Grewal  
Ute Mayr  
Directors

# PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2009

PARTICULARS	Schedule No.	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>INCOME</b>			
Sales	14	3,17,31,44,029	2,60,78,62,714
Other Income	15	1,11,64,557	1,11,92,025
Increase / (decrease) in stocks	16	2,21,04,294	71,40,312
<b>Total Income (a)</b>		<b>3,20,64,12,880</b>	<b>2,62,61,95,052</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	17	2,12,24,69,925	1,62,06,73,305
Manufacturing Expenses	18	22,56,01,759	17,13,60,969
Personnel expenses	19	12,90,03,339	10,24,61,533
Administrative and other expenses	20	8,74,30,335	7,27,47,890
Financial Expenses	21	16,01,19,639	11,88,08,103
Selling & Distribution Expenses	22	17,03,90,580	15,36,84,940
Research & Development Expenses	23	96,99,917	83,35,386
		<u>2,90,47,15,494</u>	<u>2,24,80,72,126</u>
Depreciation		17,13,14,321	14,39,52,728
Capital Issues Expenses Written off		6,92,000	6,92,000
<b>Total Expenditure (b)</b>		<b>3,07,67,21,815</b>	<b>2,39,27,16,854</b>
<b>Profit for the Year (a - b = c)</b>		<b>12,96,91,065</b>	<b>23,34,78,198</b>
Less : Prior Period Adjustment		20,41,738	-
<b>Profit before Tax for the year</b>		<b>12,76,49,327</b>	<b>23,34,78,198</b>
<b>Less Provision for taxation</b>			
Income Tax		1,44,00,000	2,63,02,805
Fringe Benefit Tax		14,50,000	13,26,341
<b>Profit after tax but before deferred tax</b>		<b>11,17,99,327</b>	<b>20,58,49,052</b>
Less : Deferred Tax Liability		3,18,00,000	3,82,97,735
Profit after Tax for the year		7,99,99,327	16,75,51,317
Less : Earlier year Taxes		26,25,751	28,09,151
Add : Provisions written back		5,66,193	-
Profit available for appropriation		<u>7,79,39,769</u>	<u>16,47,42,165</u>
<b>APPROPRIATION ACCOUNT</b>			
<b>Profit available for appropriation</b>		<b>7,79,39,769</b>	<b>16,47,42,165</b>
Less :			
Proposed dividend		-	2,00,93,690
Tax on distributed profit		-	34,14,922
<b>Surplus carried to Balance Sheet</b>		<b>7,79,39,769</b>	<b>14,12,33,553</b>
Opening balance of surplus in Profit and Loss A/c		14,12,33,553	-
<b>Closing Balance of Profit and Loss A/c carried to Balance Sheet</b>		<b>21,91,73,322</b>	<b>14,12,33,553</b>
<b>Earning per Share (EPS)</b>			
Basic		6.13	14.25
Diluted		5.69	13.71
<b>Notes on Accounts</b>	25		

## AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S.C. Dewan & Co.  
Chartered Accountants

Place : CHANDIGARH  
Dated : 29th May, 2009

S.C. Dewan  
Partner

Dheeraj Garg  
**Managing Director**

A.V. Unnikrishnan  
**Dy. Managing Director**

Shaman Jindal  
**Company Secretary**

H.K. Singhal  
B.B. Tandon  
Rear Adml. M.M. Chopra,  
AVSM (Retd.)  
S.K. Bansal  
S.S. Grewal  
Ute Mayr  
**Directors**

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH, 2009

(Amount in Rs.)

		CURRENT YEAR 2008-2009		PREVIOUS YEAR 2007-2008
<b>A. Cash Flow from Operating Activities :</b>				
Net Profit before tax and extraordinary items		12,76,49,327		23,34,78,198
<b>Adjustment for :-</b>				
— Depreciation	17,13,14,321		14,39,52,728	
— Miscellaneous expenses written off	6,92,000		6,92,000	
— Bad debts written off	(1,40,199)		—	
— (Profit) / Loss on sale of assets	(46,169)		—	
— Interest received	(43,53,253)		(32,89,877)	
— Interest paid	14,35,36,411	31,10,03,111	11,02,24,385	25,15,79,236
Operating Profit before Working Capital Changes		43,86,52,438		48,50,57,434
<b>Adjustment for :-</b>				
— (Increase)/decrease in inventory	(12,27,31,012)		(7,28,37,675)	
— (Increase)/decrease in trade and other receivables	5,92,98,593		(32,29,75,359)	
— Increase/(decrease) in trade payables	(15,27,82,775)	(21,62,15,194)	68,43,71,891	28,85,58,857
<b>Cash inflow from operating activities</b>		22,24,37,244		77,36,16,291
Taxes paid		(3,40,41,001)		(2,43,17,608)
<b>Net cash from / (used) in operating activities</b>		18,83,96,243		74,92,98,683
<b>B. Cash Flow from Investing Activities</b>				
— Purchase of Fixed Assets	(64,07,08,148)		(1,03,03,92,414)	
— Sale of fixed Assets	3,06,000		—	
— Subsidy received from government	27,45,000		—	
— Interest received	43,53,253		32,89,877	
<b>Net Cash used in Investing Activities (B)</b>		(63,33,03,895)		(1,02,71,02,537)
<b>C. Cash Flow from / (used) in Financial Activities</b>				
— Proceeds from issue of equity shares incl. premium	9,99,99,958		21,94,05,791	
— Proceeds from long term borrowings	61,25,91,245		33,76,41,006	
— Repayment of long term borrowings	(18,39,03,424)		(31,68,28,565)	
— Changes in working capital loans/short term borrowing	7,30,37,280		18,40,93,742	
— Dividend paid	(2,00,93,690)		(1,80,84,320)	
— Interest Paid	(14,35,36,411)		(11,02,24,385)	
<b>Net Cash from / (used) in financing activities</b>		43,80,94,958		29,60,03,269
<b>Net increase / (decrease) in cash and cash equivalents</b>		(68,12,694)		1,81,99,415
Cash and Cash equivalents at April 1, 2008		7,62,23,054		5,80,23,639
<b>Cash and Cash equivalents at March 31, 2009</b>		6,94,10,360		7,62,23,054

Dheeraj Garg  
Managing Director

A.V. Unnikrishnan  
Dy. Managing Director

Shaman Jindal  
Company Secretary

H.K. Singhal  
B.B. Tandon  
Rear Adml. M.M. Chopra,  
AVSM (Retd.)  
S.K. Bansal  
S.S. Grewal  
Ute Mayr  
Directors

Place : CHANDIGARH  
Dated : 29th May, 2009

### 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, 2007 and found the same in agreement therewith.

For S.C. Dewan & Co.  
Chartered Accountants

Place : CHANDIGARH  
Dated : 29th May, 2009

S.C. Dewan  
Partner

**SCHEDULE - 1**

**SHARE CAPITAL**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>Authorised Capital</b>		
1,90,00,000 Equity Shares of Rs. 10/- each	19,00,00,000	19,00,00,000
12,00,000 Optionally Convertible Preference Shares of Rs. 145/- each, cumulative or non-cumulative	17,40,00,000	17,40,00,000
<b>TOTAL</b>	<b>36,40,00,000</b>	<b>36,40,00,000</b>
<b>Issued, Subscribed and Paid Up</b>		
1,30,66,170 Equity Shares of Rs. 10/- each fully paid up (Previous year 1,25,58,556 Equity Share of Rs. 10 each)	13,06,61,700	12,55,85,560
Application Money for Convertible Warrants (Share Warrant 3,47,663 @ Rs. 170/-, amount received 10%)	59,10,271	59,10,271
<b>TOTAL</b>	<b>13,65,71,971</b>	<b>13,14,95,831</b>

**SCHEDULE - 2**

**RESERVES & SURPLUS**

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Assistance under Patser Scheme		50,00,000		50,00,000
Capital Revaluation Reserve		52,80,63,893		52,80,63,893
D.G Set Subsidy		50,000		50,000
<b>General Reserve</b>				
As Per Last Balance Sheet	47,90,22,812			
Add: Trfd from State Capital Subsidy	15,00,000	48,05,22,812		47,90,22,812
Share Premium account		33,15,73,278		23,66,49,460
State Capital subsidy	42,45,000			
Less :- Trf. to General Reserve	15,00,000	27,45,000		15,00,000
Surplus in profit and loss account		21,91,73,322		14,12,33,553
<b>TOTAL</b>		<b>1,56,71,28,305</b>		<b>1,39,15,19,718</b>



## SCHEDULE - 3

### SECURED LOANS

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>Loans and Advances from Bank</b>		
<b>A) TERM LOANS</b>		
Axis Bank Limited	21,07,02,499	16,36,21,468
HDFC Bank Limited	5,00,00,000	-
Indian Overseas Bank	4,29,15,837	6,01,25,179
Punjab National Bank	7,63,51,879	10,45,76,632
Punjab National Bank (Foreign Currency Loan)	12,59,62,658	12,91,83,157
State Bank of Bikaner and Jaipur	15,00,00,000	-
State Bank of Indore	12,61,59,373	15,96,38,239
United Bank of India	8,51,75,245	-
	86,72,67,491	61,71,44,675
<b>B) WORKING CAPITAL LIMITS :</b>		
Axis Bank Limited	26,02,91,133	11,20,64,291
HDFC Bank Limited	17,68,32,174	10,41,72,432
Indian Overseas Bank	3,01,61,997	2,95,63,097
State Bank of Bikaner and Jaipur	6,56,54,692	5,96,00,848
State Bank of Indore	5,55,47,281	5,50,49,328
	58,84,87,277	36,04,49,997
<b>C) OTHER LOANS AND ADVANCES</b>		
Optionally Convertible Bonds		
Tata Capital Limited	10,00,00,000	-
<b>Term Loans from financial institutions</b>		
IFCI Limited	2,99,92,932	6,41,72,763
<b>Term Loans from Others</b>		
DEG, Germany (Foreign currency loan)	61,27,72,241	63,00,67,405
Tata Capital Limited	14,00,00,000	-
Technology Development Board	99,60,000	1,99,20,000
	76,27,32,241	64,99,87,405
<b>TOTAL</b>	<b>2,34,84,79,941</b>	<b>1,69,17,54,840</b>

#### NOTES :

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

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

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

## SCHEDULE - 4

### UNSECURED LOANS

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Centurion Bank of Punjab	—	11,50,00,000
Tata Capital Ltd.	—	4,00,00,000
<b>TOTAL</b>	<b>—</b>	<b>15,50,00,000</b>

(Rs. in Lacs)

**SCHEDULE - 5 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.08 (Rs.)	As at Sale/ Adjustments (Rs.)	Revaluation (Rs.)	Additions (Rs.)	As at 31.03.09 (Rs.)	As at 01.04.08 (Rs.)	For the year (Rs.)	As at 31-03-09 (Rs.)	As at 01-04-08 (Rs.)
Land Freehold	53,13,00,000	-	-	13,64,66,916	66,77,66,916	-	-	66,77,66,916	53,13,00,000
Buildings	29,47,67,661	-	-	35,83,27,573	65,30,95,234	4,86,89,792	1,42,03,417	6,28,93,209	59,02,02,025
Plant, Machineries and equipments	1,72,01,70,986	-	-	76,13,44,638	2,48,15,15,624	52,29,89,643	13,23,03,829	65,52,93,472	1,82,62,22,152
Plant, Machinery and equipments - R&D	2,43,49,011	-	-	1,27,20,875	3,70,69,886	76,45,536	32,20,914	1,08,66,450	2,62,03,436
Furniture, Fixture and Office equipments	1,79,70,368	-	-	62,38,849	2,42,09,217	57,41,800	13,21,436	70,63,236	1,71,45,981
Data processing equipments	2,60,26,482	-	-	70,75,078	3,31,01,560	1,78,33,946	32,08,916	2,10,42,862	1,20,58,698
Data processing equipments - R&D	12,97,680	-	-	5,91,600	18,89,280	12,32,796	52,022	12,84,818	6,04,462
Vehicles	2,76,65,355	(13,60,460)	-	95,43,594	3,58,48,489	1,55,93,993	28,33,120	1,73,26,484	1,85,22,005
Die Toolings	37,13,21,160	-	-	6,57,48,421	43,70,69,581	14,03,35,363	3,79,90,052	17,83,25,415	25,87,44,166
Less - Transferred to trial run/pre- operative expenses	3,01,48,68,703	(13,60,460)	-	1,35,80,57,544	4,37,15,65,787	76,00,62,869	19,51,33,706	95,40,95,946	3,41,74,69,841
<b>TOTAL</b>	<b>3,01,48,68,703</b>	<b>(13,60,460)</b>	-	<b>1,35,80,57,544</b>	<b>4,37,15,65,787</b>	<b>76,00,62,869</b>	<b>17,13,14,321</b>	<b>95,40,95,946</b>	<b>3,41,74,69,841</b>
Previous Year	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

## SCHEDULE - 6 CAPITAL WORK IN PROGRESS

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Buildings under construction incl. land	6,47,80,258	31,81,21,071
Plant and machineries under installation incl. advances	8,74,59,111	44,21,50,098
Other assets	13,31,448	-
Preoperative expenses pending capitalisation (Schedule 24)	2,83,60,710	11,51,90,369
<b>TOTAL</b>	<b>18,19,31,527</b>	<b>87,54,61,538</b>

## SCHEDULE - 7 INVESTMENTS

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>UNQUOTED AND VALUED AT COST</b>		
2,00,000 Equity Shares of Rs. 10/- each of Nimbua Greenfield (Punjab) Limited	20,00,000	20,00,000
<b>TOTAL</b>	<b>20,00,000</b>	<b>20,00,000</b>

## SCHEDULE - 8 INVENTORIES

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
As taken, valued and certified by management (Cost or market price, whichever is lessor)		
Raw Materials (including with job workers)	29,72,09,059	18,86,74,173
Finished Goods	2,54,18,093	2,18,71,245
Scrap (at estimated market price)	10,33,345	14,88,905
Work in process	5,54,53,319	3,38,04,752
Stock in transit	2,01,93,917	4,48,85,427
Stores and spares	12,82,96,729	11,41,48,948
<b>TOTAL</b>	<b>52,76,04,462</b>	<b>40,48,73,450</b>

## SCHEDULE - 9 SUNDRY DEBTORS

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(Unsecured, considered good unless otherwise stated)				
Outstanding for a period exceeding six months				
- Considered good	22,06,832		22,30,972	
- Considered doubtful	35,68,347		41,14,888	
	57,75,179		63,45,860	
Less : Provision for doubtful debts	35,68,347	22,06,832	41,14,888	22,30,972
Others		43,43,16,077		39,80,73,968
<b>TOTAL</b>		<b>43,65,22,909</b>		<b>40,03,04,940</b>

**SCHEDULE - 10**

**CASH AND BANK BALANCES**

PARTICULARS		AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Cash in Hand		5,22,028	8,67,723
Cheques in Hand		1,68,83,313	58,57,094
With Scheduled Banks			
— in Current Accounts	1,89,75,661		77,83,575
— in Dividend A/c	36,17,480		37,98,216
— in Deposit Accounts	2,94,11,878	5,20,05,019	5,79,16,446
<b>TOTAL</b>		<b>6,94,10,360</b>	<b>7,62,23,054</b>

**SCHEDULE - 11**

**OTHER CURRENT ASSETS**

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Prepaid Expenses	16,88,638	84,44,226
Security Deposits	1,40,22,075	1,22,06,211
<b>TOTAL</b>	<b>1,57,10,713</b>	<b>2,06,50,437</b>

**SCHEDULE - 12**

**LOANS AND ADVANCES**

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(Unsecured, considered good unless otherwise stated)				
Advances recoverable in cash or kind or for value to be received				
- Considered good	5,04,55,663		17,10,31,123	
- Considered doubtful	35,00,000		35,00,000	
	5,39,55,663		1,74,531,123	
Less : Provision for doubtful debts	35,00,000	5,04,55,663	35,00,000	17,10,31,123
Balance with excise authorities		8,39,93,577		5,32,88,563
<b>TOTAL</b>		<b>13,44,49,240</b>		<b>22,43,19,686</b>

## SCHEDULE - 13 CURRENT LIABILITIES & PROVISIONS

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>CURRENT LIABILITIES</b>				
Trade Creditors (incl. creditors for capital goods)				
- Due to Small Scale Industries	91,71,619		75,49,182	
- Others	50,04,85,492	50,96,57,111	64,46,84,252	65,22,33,434
Interest accrued but not due		74,34,404		91,76,386
Taxes and duties payable		58,79,742		87,30,333
Due to directors		50,44,523		61,32,095
Unclaimed dividends		36,17,480		37,98,216
Excise duty on finished goods		18,51,406		27,56,366
Other payables		4,17,23,262		4,51,63,873
		57,52,07,928		72,79,90,703
<b>Provisions</b>				
Fringe Benefit Tax (net of payments)		3,00,000		2,26,341
Income Tax (net of payments)		41,60,770		1,63,84,756
Proposed dividend		-		2,00,93,690
Dividend distribution Tax		-		34,14,923
<b>TOTAL</b>		<b>57,96,68,698</b>		<b>76,81,10,413</b>

## SCHEDULE - 14 SALES

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Domestic sales</b>				
- Manufactured products	3,05,18,99,907		2,67,13,09,865	
- Scrap	29,96,19,195		24,22,53,278	
- Trading sales	36,30,182		85,87,546	
	3,35,51,49,284		2,92,21,50,689	
Less: Excise duty paid	40,44,21,461		41,24,60,368	
	2,95,07,27,823	2,95,69,16,446	2,50,96,90,321	2,51,59,87,718
- Other sales	61,88,623		62,97,397	
<b>Export sales</b>				
- Manufactured products		21,62,27,583		9,18,74,996
<b>TOTAL</b>		<b>3,17,31,44,029</b>		<b>2,60,78,62,714</b>

## SCHEDULE - 15 OTHER INCOME

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Exchange fluctuation (net)	37,65,342	46,08,522
Profit on sale of assets (net)	46,169	-
Miscellaneous income	1,53,451	10,29,557
Interest received from banks/customers	43,53,253	32,89,877
Insurance claims received	28,46,342	22,64,069
<b>TOTAL</b>	<b>1,11,64,557</b>	<b>1,11,92,025</b>

## STEEL STRIPS WHEELS LIMITED

### SCHEDULE - 16 INCREASE/DECREASE IN INVENTORIES

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(A) Opening				
— Finished Goods	2,18,71,245		1,46,23,676	
— Scrap	14,88,905		1,47,136	
— Stocks-in-Process	3,38,04,752	5,71,64,902	3,52,53,778	5,00,24,590
Receipts from trial run (Schedule 24)				
— Finished Goods	18,38,541		-	
— Scrap	5,48,514		-	
— Stocks-in-Process	2,48,506	26,35,561	-	-
(B) Closing Stocks		5,98,00,463		5,00,24,590
- Finished goods	2,54,18,093		2,18,71,245	
- Scrap	10,33,345		14,88,905	
- Stock in process	5,54,53,319	8,19,04,757	3,38,04,752	5,71,64,902
<b>INCREASE IN STOCK (B - A)</b>		<b>2,21,04,294</b>		<b>71,40,312</b>

### SCHEDULE - 17 RAW MATERIAL CONSUMED

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Opening Stock				
— Steel	17,82,75,659		13,64,43,853	
— Paints and Chemicals	85,11,009	18,67,86,668	90,37,902	14,54,81,755
Purchases / transfer from trial run				
— Steel	2,15,88,34,280		1,59,34,18,685	
— Paints and Chemicals	7,40,58,035	2,23,28,92,315	6,85,59,533	1,66,19,78,218
		2,41,96,78,983		1,80,74,59,973
Closing Stock				
— Steel	29,02,56,247		17,82,75,659	
— Paints and Chemicals	69,52,811	29,72,09,058	85,11,009	18,67,86,668
<b>TOTAL</b>		<b>2,12,24,69,925</b>		<b>1,62,06,73,305</b>

### SCHEDULE - 18 MANUFACTURING EXPENSES

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Other manufacturing expenses	62,51,103	81,20,968
Power and fuel	7,51,85,544	7,52,74,468
Repairs and maintenance - Machineries	4,63,76,457	3,76,61,645
Stores and spares consumed	9,29,35,561	4,68,02,581
Technical know how fees	48,53,094	35,01,307
<b>TOTAL</b>	<b>22,56,01,759</b>	<b>17,13,60,969</b>

## SCHEDULE - 19 PERSONNEL EXPENSES

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Bonus and ex-gratia	20,12,406	9,95,404
Contribution to Provident fund and ESI and other funds	51,11,705	49,23,298
Gratuity	16,24,967	32,25,523
Other personnel expenses	1,31,65,475	1,02,77,959
Recruitment expenses	1,83,298	2,96,883
Salaries, wages, allowances and overtime	10,69,05,488	8,27,42,466
<b>TOTAL</b>	<b>12,90,03,339</b>	<b>10,24,61,533</b>

## SCHEDULE - 20 ADMINISTRATIVE AND OTHER EXPENSES

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Advertisement	3,17,931	7,20,241
Auditors remuneration	6,00,000	4,00,000
Bad debts written off	1,40,199	40,42,855
Board Meeting expenses	1,15,151	75,422
Directors traveling and conveyance	27,70,736	18,32,307
Electricity and water charges	5,99,176	1,66,759
Fee and taxes	14,92,910	8,52,955
Festival celebration expenses	16,81,492	23,18,719
General Meeting expenses	1,01,260	1,20,889
Guest House expenses	6,87,742	8,03,015
Hiring charges and rent	1,04,92,147	64,86,445
Horticulture expenses	14,39,085	17,68,522
Insurance expenses	55,83,193	82,88,651
Legal and professional charges	32,41,543	24,94,251
Listing fees	80,124	1,33,000
Managerial remuneration	66,79,731	1,23,06,221
Membership and subscription	4,20,356	1,60,150
Newspapers, books and periodicals	46,179	43,401
Office maintenance	31,62,159	21,49,193
Other expenses	2,37,178	6,70,585
Printing and stationery	20,34,863	24,77,408
Provisions for doubtful debts	3,11,814	-
Repairs and maintenance - Buildings	4,45,363	20,30,335
Repairs and maintenance - Electrical	10,73,845	8,74,578
Repairs and maintenance - Others	61,644	62,746
Retainership Fees	26,71,912	19,14,548
Royalty	13,00,000	13,00,000
Security expenses	30,02,214	21,47,668
Seminar and conference	69,816	58,585
Service tax paid	16,600	-
Sitting fees	2,70,000	3,40,000
Telephone and communication expenses	25,63,238	27,05,783
Traveling and conveyance	52,55,963	46,37,413
Traveling and conveyance - Foreign	26,88,310	4,49,762
Vehicles running, repairs and maintenance	2,57,14,732	78,55,983
Wealth tax paid	61,729	59,502
<b>TOTAL</b>	<b>8,74,30,335</b>	<b>7,27,47,890</b>

## STEEL STRIPS WHEELS LIMITED

### SCHEDULE - 21 FINANCIAL EXPENSES

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Bank Charges and others	1,65,83,228	85,83,718
Interest paid		
- on term loans	7,92,44,836	7,25,51,829
- on working capital	6,38,27,437	3,71,23,529
- to others	4,64,138	5,49,027
<b>TOTAL</b>	<b>16,01,19,639</b>	<b>11,88,08,103</b>

### SCHEDULE - 22 SELLING AND DISTRIBUTION EXPENSES

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Business promotion	2,73,047	4,14,613
Forwarding expenses	9,71,38,662	9,50,59,238
Other selling and distribution expenses	33,19,492	7,12,724
Packing materials	4,47,80,106	3,93,85,812
Rebates and discounts	2,48,79,273	1,81,12,553
<b>TOTAL</b>	<b>17,03,90,580</b>	<b>15,36,84,940</b>

### SCHEDULE - 23 RESEARCH AND DEVELOPMENT EXPENSES

PARTICULARS	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
Research and development expenses	3,45,657	2,59,190
Salaries, wages and other allowance	77,59,376	73,85,836
Travelling and conveyance	15,94,884	6,90,360
<b>TOTAL</b>	<b>96,99,917</b>	<b>83,35,386</b>

### SCHEDULE - 24 TRIAL RUN / PRE-OPERATIVE EXPENSES

PARTICULARS	AS AT 31.03.2009		AS AT 31.03.2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Opening Balance		11,51,90,369		3,73,01,476
Add - Addition during the year				
Raw material consumed	8,97,21,675		-	
Manufacturing expenses	2,79,32,228		-	
Personnel expenses	3,20,21,506		2,55,72,598	
Administrative and other expenses	4,19,09,949		3,00,84,080	
Financial expenses	8,82,69,605		2,22,32,215	
Selling expenses	39,08,917		-	
Research and development expenses	-		-	
Depreciation	2,38,19,386	30,75,83,266	-	7,78,88,893
Sub-Total		42,27,73,635		11,51,90,369
Less - Withdrawal during the year				
Capitalised	27,28,04,879		-	
Closing stock	26,35,561		-	
Other Income	15,571		-	
Sales	11,89,56,914	39,44,12,925	-	-
<b>Carried to Schedule 6</b>		<b>2,83,60,710</b>		<b>11,51,90,369</b>



## SCHEDULE 25 NOTES ON ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### i) Accounting Convention

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

#### ii) Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of duties, taxes and other incidental expenses net of modvat.

Die Tooling includes 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

Depreciation on Plant & Machinery and R&D equipments at Dappar plant has been provided on Triple Shift basis as the same has been used on triple shift basis. Depreciation on Paint Plant at Dappar has been provided on Double Shift basis. Depreciation on Truck Line at Dappar has been provide on single shift basis and on other assets it has been provided as per the rates specified at Straight Line Method in schedule XIV of the companies Act, 1956. Depreciation on Chennai plant is provided on single shift basis.

#### 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 realizable value.

#### v) Transactions in Foreign Currency

i) Foreign currency transactions are recorded at the exchange rate prevailing as at the date of transactions except export sales which are recorded at a rate notified by the customs for invoice purposes. Such rate is notified in the last week of the month and is adopted for recording export sales of the next month. The exchange fluctuation arising as a result of negotiation of export bill is accounted for as difference in exchange rates.

ii) Monetary items denominated in a foreign currency are reported at the closing rate as at the date of balance sheet. The reinstatement difference is charged to profit and loss account.

iii) Non-monetary items (fixed assets and loans) denominated in a foreign currency are reinstated as at the date of balance sheet. The difference on re-instatement is carried to relevant non-monetary items.

#### vi) Employee Benefits

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

i) Contributions to provident fund are made in accordance with the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to revenue every year.

ii) The gratuity liability in respect of employees of the Company is covered through a policy taken by a trust from Life Insurance Corporation of India. The contribution towards premium of the policy to the trust is charged to revenue every year.

iii) Provision for leave encashment is made based on actuarial valuation. The leave encashment liability is covered through a policy taken from Life Insurance Corporation of India. The contribution towards premium of the policy is charged to revenue every year.

#### vii) Borrowing costs

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

#### 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 except Technical know-how fees and commission on export sales.

#### 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.

#### xi) Investments

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

#### xii) Impairment of Assets

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

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

(Rupees in Lacs)

	As at 31.03.2009	As at 31.03.2008
a) Letters of Credit outstanding for import of Raw Material, Spares and Plant & Machinery.	2145.00	816.65
b) Estimated amount of contracts remaining be executed on capital account and not provided for (net of advances)	4334.51	5557.94

3. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

4. Debit and Credit Balances in the accounts of a few suppliers and others are subject to confirmation and reconciliation.

5. The Company had been granted exemption from Sales Tax

# STEEL STRIPS WHEELS LIMITED

under the Punjab Industrial Policies, 1989 and 1996 for its Dappar unit. The said exemption is available upto March, 2012. In respect of Chennai unit all sales tax liabilities are being paid as per applicable rules and provisions. Any liability on account of Sales Tax, if arises, shall be accounted for at the time of assessment.

6. Payments to auditors included under the head Auditor Remuneration :

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fee	4,00,000	2,50,000
Tax Audit Fee	1,00,000	70,000
Certificate Charges	1,00,000	40,000
Out of Pocket Exp.	-	40,000
	<b>6,00,000</b>	<b>4,00,000</b>

Service Tax has not been included above being modvatable.

7. Sundry Creditors include a sum of Rs. 91.72 Lakhs (Previous year 75.49 lakhs) due to Micro and Small Scale Undertakings. This information is required to be disclosed under the Micro, Small and Medium Enterprises development Act 2006, as determined to the extent the parties have been identified on the basis of information with the company.
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.318.00 lakhs (Previous Year Rs. 382.97 lakhs) has been considered as deferred tax liability in respect of timing difference for the year under consideration and the same has been charged to profit & loss account.
10. During the year Chennai plant of the Company commenced commercial production on 26th March, 2009. All trial run expense (net of income) for Rs. 797.96 lakhs and pre-operative expenses for Rs. 1,341.01 lakhs have been allocated to fixed assets on the basis of its basic cost.

11. Prior period adjustment comprises of the followings :

Particulars	Amount (Rs. in Lakhs)
Telephone, Vehicle Repairs & Electricity Bills	0.60
Sales Credit Notes	8.68
Freight, Stores & Other Expenses	11.14
<b>Total</b>	<b>20.42</b>

12. Earlier year taxes comprises of the followings :

Particulars	Amount (Rs. in Lakhs)
Income Tax for AY 2006-07	1.02
Fringe Benefit Tax for AY 2005-06	0.24
Income Tax for AY 2005-06	25.00
<b>Total</b>	<b>26.26</b>

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

## 14. Earning per Share (EPS)

Particulars	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
Profit after tax as per profit and loss account	779.40	1647.42
Profit available for shareholders	779.40	1647.42
Adjusted profit available for shareholders	786.65	1647.42
Weighted average of equity shares	12706610	11564366
Weighted average of diluted equity shares	13470416	11666811
Earning per share (Rs.) (b/d)	6.13	14.25
Diluted Earning per share (Rs) (c/e)	5.69	13.71

## 15. 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 of personnel (KMP)	Relatives of KMP	Enterprises over which KMP are able to exercise significant influence	Rs. (in lacs)	
				Total for the Current Year 2008-09	Previous Year 2007-08
Purchase of fixed assets	—	—	—	—	—
Sale of Goods (Scrap)	—	—	—	—	—
Purchase of goods	—	—	11.78	11.78	3.69
Civil Work (Construction/Repair)	—	—	1.30	1.30	698.67
Civil Work (Consultancy)	—	—	—	—	21.35
Maintenance Charges	—	—	1.18	1.18	0.22
Lease Line Charges	—	—	17.93	17.93	17.10
Rent paid	—	—	23.92	23.92	24.68
Salary paid to Deputation Staff	—	—	3.35	3.35	22.11
Travelling Expenses	—	4.27	—	4.27	—
Hire Charges	—	—	15.00	15.00	15.00
<b>Finance</b>					
Managing Director's Remuneration	66.80	—	—	66.80	123.06
Dividend Paid	—	—	—	108.00	108.01
Amounts written off or written back in the period in respect of debts due from or to related parties	—	—	—	Nil	Nil

Note :

- a) Key Management : **Sh. R.K. Garg** Chairman and Director  
personnel **Sh. Dheeraj Garg** Managing 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): Mrs. Ute Mayr is related to Sh. Dheeraj Garg and Sh. R. K. Garg

## 16. Managing Directors' Remuneration

	(Rs. in Lakhs)	
	Current Year Ended 31.03.2009	Previous Year Ended 31.03.2008
Salary & Allowances	27.44	28.80
Contribution to Provident Fund	2.05	2.16
Commission on Profit	37.31	92.10
	<b>66.80</b>	<b>123.06</b>

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

(Rs. in Lakhs)		
	Current Year	Previous Year
Profit as per Profit & Loss A/c	779.39	1,642.47
Add : Depreciation as per P&L A/c	1,713.14	1,439.53
Managing Director's Remuneration	66.80	123.06
Sitting Fee	2.70	3.40
Tax for the year	144.00	263.02
Deferred Tax Liability	318.00	382.98
Fringe benefit Tax	14.50	13.26
<b>Total</b>	<b>3,038.53</b>	<b>3,872.68</b>
Less: Depreciation as per Companies Act	1,713.14	1,439.53
Profit on Sale of Assets	0.46	-
Prior period adjustment	(11.02)	(28.09)
Available Profit	1,335.95	2,461.24
Commission/Remuneration	66.80	123.06
Less: Salary already paid (including value of perquisite as per Income Tax Rules)	29.49	30.96
<b>Net Commission payable</b>	<b>37.31</b>	<b>92.10</b>

18. 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.
19. 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.
20. Detail of Provisions as per requirements of AS-29 (Provisions, Contingent Liabilities and Contingent Assets).

	Gratuity	Leave Encashment	Doubtful Debts	Others	Dividend & Dividend Tax	Income Tax & Fringe Benefit Tax
Balance as at April 1, 2008	78.25	5.81	76.15	190.67	235.09	166.11
Additional provision made during the year	16.25	33.17	3.12	137.85	-	49.61
Amount used during the period	10.60	4.00	2.92	176.60	235.09	166.11
Unused amounts reversed during the period	-	-	5.66	-	-	-
Balance as at March 31, 2009	83.80	34.98	70.69	151.92	-	49.61

21. Schedule 1 to 25 form an integral part of the Balance Sheet, Profit & Loss Account and Cash Flow Statement.

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

For S.C. Dewan & Co.  
Chartered Accountants

Place : CHANDIGARH  
Dated : 29th May, 2009

S.C. Dewan  
Partner

Dheeraj Garg  
**Managing Director**

A.V. Unnikrishnan  
**Dy. Managing Director**

Shaman Jindal  
**Company Secretary**

H.K. Singhal  
B.B. Tandon  
Rear Adml. M.M. Chopra,  
AVSM (Retd.)  
S.K. Bansal  
S.S. Grewal  
Ute Mayr  
**Directors**

# STEEL STRIPS WHEELS LIMITED

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

PARTICULARS			2008-2009		2007-2008
<b>A. QUANTITATIVE DATA</b>			<b>QTY (Nos)</b>		<b>QTY (Nos)</b>
1 Licenced Capacity (per annum) (Automotive Wheels)			Delicensed		Delicensed
2 Installed Capacity at the year end* (As certified by the management) during the year Chennai Plant commissioned with capacity of 2,50,000 units			1,00,00,000*		75,00,000
3 Production** (excluding trial run production at Chennai unit of 2,65,843 nos.)			53,64,112**		54,16,314
4 Raw-Material Consumed		<b>Qty. (MT)</b>	<b>Value (Rs. in lacs)</b>	<b>Qty. (MT)</b>	<b>Value (Rs. in lacs)</b>
HR Strips		51,915	2,04,68,53,692	50,672	1,55,15,86,879
Other material (Paints, Chemical, Packing)			7,56,16,233		6,90,86,426
			2,12,24,69,925		1,62,06,73,305
5 Opening 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
6 Closing Stock					
Wheels	Nos.	71,643	2,54,18,093	50,859	2,18,71,245
Scrap	MTs.	54	10,33,345	55	14,88,905
W.I.P.		5,54,53,319		3,38,04,752	
7 Turnover (Net)					
Wheels	Nos.	53,48,437***	2,89,96,39,320	53,97,206	2,38,56,93,785
Scrap	MTs.		26,42,19,344		20,85,58,771
Trading Sales			30,96,742		73,12,761
Other Sales			61,88,623		62,97,397
			3,17,31,44,029		2,60,78,62,714
***5109 wheels sold were transferred from trial run of Chennai Unit					
<b>B. EXPENDITURE ON EMPLOYEES</b>					
a) Drawing remuneration of not less than Rs. 2400000/- per annum and employed throughout the year					
-Nos. of Employees			1		1
-Salary	(Rs.)		27,43,538		28,80,000
-Contr.to Provident & Other Funds(Rs.)	(Rs.)		2,05,765		2,16,000
-Commission on profits			37,30,428		92,10,221
b) Employees drawing remuneration of not less than Rs. 200000/- per month and employed for a part of the year			NONE		NONE
<b>C. CIF VALUE OF IMPORTS (DIRECT)</b>			<b>(Rs.)</b>		<b>(Rs.)</b>
Raw Material			12,53,70,333		5,16,09,446
Components & Spare Parts			1,72,31,755		3,36,10,487
Capital Goods			6,30,47,799		9,71,69,396
			20,56,49,888		18,23,89,329
<b>D. CONSUMPTION OF RAW MATERIAL AND SPARES &amp; COMPONENTS</b>					
		<b>Value (Rs.)</b>	<b>%age</b>	<b>Value (Rs.)</b>	<b>%age</b>
<b>RAW MATERIALS</b>					
a) Indigenous		2,04,89,18,430	96.54%	1,57,08,78,697	96.93%
b) Imported		7,35,51,495	3.47%	4,97,94,608	3.07%
		2,12,24,69,925	100.00%	1,62,06,73,305	100.00%
<b>SPARES &amp; COMPONENTS</b>					
a) Indigenous		8,25,28,439	59.24%	4,90,38,900	58.06%
b) Imported		5,67,83,579	40.76%	3,54,25,325	41.94%
		13,93,12,018	100.00%	8,44,64,225	100.00%
<b>E. EXPENDITURE IN FOREIGN CURRENCY</b>			<b>(Rs.)</b>		<b>(Rs.)</b>
a) Raw Material			12,53,70,333		5,16,09,446
b) Machinery stores			1,72,31,755		3,36,10,487
c) Capital goods			6,30,47,799		9,71,69,396
d) Technical Know-how fee			18,32,967		79,47,325
e) Foreign Travel -Directors			12,73,590		5,09,133
-Staff			30,44,094		4,52,661
f) Other Expenditure			9,83,50,828		4,87,48,090
<b>F. F.O.B. VALUE OF EXPORTS</b>			20,32,87,873		8,80,32,184
<b>G. EARNINGS IN FOREIGN EXCHANGE</b>			21,99,92,925		9,64,83,518

### AUDITORS' REPORT

Certified in terms of our separate report of even date annexed

For S.C. Dewan & Co.  
Chartered Accountants

Place : CHANDIGARH  
Dated : 29th May, 2009

S.C. Dewan  
Partner

Dheeraj Garg  
**Managing Director**

A.V. Unnikrishnan  
**Dy. Managing Director**

Shaman Jindal  
**Company Secretary**

H.K. Singhal  
B.B. Tandon  
Rear Adml. M.M. Chopra,  
AVSM (Retd.)  
S.K. Bansal  
S.S. Grewal  
Ute Mayr  
**Directors**



# STEEL STRIPS WHEELS LIMITED

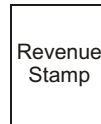
Regd. Office & Works : Village Somalheri/Lehli, P.O. Dappar,  
Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab

(In case the Member is unable to be present in person at the meeting this form may be used)

## PROXY FORM

I/We .....  
of.....being a member/members of  
Steel Strips Wheels Limited hereby appoint Mr./Mrs./Miss.....  
of.....as my/our proxy to attend and to vote for me/us  
and on my/our behalf at the **TWENTY THIRD ANNUAL GENERAL MEETING** of the Company to be held on Wednesday  
the 30th day of September, 2009 at 11.00 A.M. at Company's Registered Office at Village Somalheri/Lehli, P.O. Dappar,  
Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) and at any adjournment thereof.

Signed this .....day of.....2009.



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

### NOTE :

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

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# STEEL STRIPS WHEELS LIMITED

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

## ATTENDANCE SLIP

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

---

Name of the Member  
(IN BLOCK LETTERS)

Registered Folio No .....

Client ID.....

---

Name of the Proxy (IN BLOCK LETTERS)

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

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I hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING held on Wednesday the 30th day of September, 2009 at 11.00 A.M. at Company's Registered Office at Regd. Office & Works Village Somalheri/Lehli, P.O. Dappar, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab.

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

**BOOK POST**  
(Printed Material)

If undelivered, please return to :

**STEEL STRIPS WHEELS LIMITED**  
S.C.O. 49-50, Sector 26, Madhya Marg,  
CHANDIGARH-160 019

*Sapnika - 2661579*



**STEEL STRIPS WHEELS LIMITED**

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

**NOTICE**

NOTICE is hereby given that the **23rd Annual General Meeting** of the Shareholders of the Company shall be held as scheduled below :

**Day & Date : Wednesday, 30th November, 2009**

**Time : 11.00 A.M.**

**Venue : Company's Regd. Office at  
Village Somalheri/ Lehli, P.O. Dappar,  
Tehsil Dera Bassi,  
Distt. S.A.S Nagar, Mohali (Punjab)**

to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit & Loss Account and Cash Flow statement for the year ended March 31, 2009, the Balance Sheet as on that date and the Reports of Directors and Auditors thereon.
2. To elect a Director in place of Sh. S. S. Jha who retires by rotation, and being eligible, offers himself for re-appointment.
3. To elect a Director in place of Sh. S. S. Grewal who retires by rotation, and being eligible, offers himself for re-appointment.
4. To elect a Director in place of Sh. S. K. Bansal who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the date of conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on the terms and conditions to be decided by the Board of Directors. The retiring Auditors M/s S. C. Dewan & Co., Chartered Accountants, being eligible, offer themselves for reappointment.

**SPECIAL BUSINESS**

6. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an Ordinary RESOLUTION :  
"RESOLVED THAT Prof. (Dr.) B.B. Tandon who was appointed as additional director w.e.f. 22.12.2008 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.

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

"RESOLVED THAT Sh. A. V. Unnikrishnan who was appointed as additional director w.e.f. 01.01.2009 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 a 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 any other statutory/appropriate authority, if required, consent of the Company be and is hereby accorded to the appointment of Shri A. V. Unnikrishnan as Deputy Managing Director of the Company for a period of 5 years w.e.f 01.01.2009 on the following terms and conditions:

**A Basic Salary:**

Rs. 75,000/- Per month with such increments as may be decided by the Remuneration Committee from time to time subject however to a ceiling of Rs.1,50,000/- Per month.

**B House Rent Allowance:**

35% of basic salary

**C Special Allowance:**

Rs. 8000/- per month

**D Other Perquisites:**

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

- (a) One Company maintained Car with driver for



use exclusively for Company's business.

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

RESOLVED FURTHER THAT the remuneration to be paid to Sh. A. V. Unnikrishnan be increased or augmented and / or enhanced or varied from time to time, as deemed fit, in accordance with the provisions of Companies Act, 1956, Schedule XIII to the 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 Sh. A. V. Unnikrishnan as Deputy Managing Director, the aforesaid salary and all other benefits, remuneration and other perquisites mentioned at A to D 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 way of any notification/ order issued by the Central Govt. or any Statutory Authorities in respect of appointment and remuneration payable to Wholetime 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 Deputy Managing Director, the terms and conditions of the said appointment and remuneration including salary and perquisite may be varied by the Board of Director of the Company in such a manner as considered appropriate,

subject to such terms and conditions or variation of such appointment and / or remuneration being in conformity with the approval of appropriate authorities, wherever required, and/or being within the guidelines/orders/modifications/amendments/ relaxations issued/imposed for the managerial remuneration 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, Sh. H.K.Singhal, Director of the company and/or Sh. Shaman Jindal, Company Secretary of the company, be and are hereby authorized to execute all such documents and to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper”.

By order of the Board of Directors

Place : Chandigarh  
Date :

H.K.Singhal  
Director

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company. The proxy executed and properly stamped should reach the Company's Registered Office or Head Office at least 48 hours before the time of the meeting. The Blank Proxy Form is enclosed herewith.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from ..... to ..... (both days inclusive).
3. The Company is maintaining the “INVESTORS SERVICE CELL” at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
4. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.

## STEEL STRIPS WHEELS LIMITED

5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, Unclaimed/Unpaid dividend for the year ended 31.03.2001 was transferred to "INVESTORS EDUCATION AND PROTECTION FUND" in the year 2008. This year the Unpaid/Unclaimed Dividend for the year ended 31.03.2002 shall be transferred to the "INVESTORS EDUCATION AND PROTECTION FUND" in November, 2009. 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.
6. M/s Link Intime India Pvt. Limited, at A-40, 2nd Floor, Naraina Industrial Area, Phase-I1, 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.

By order of the Board of Directors

Place : Chandigarh  
Dated :

H.K.Singhal  
Director

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

#### ITEM NO. 6

Prof. (Dr.) B.B.Tandon, was appointed as additional director of the Company on 22.12.2008 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, Prof. (Dr.) B.B. Tandon holds the office upto the date of this Annual General Meeting of the company. The Company received a notice in writing from a shareholder alongwith requisite payment of Rs. 500/-, proposing his candidature for the office of the Director of the company.

He is an M.Sc. from London School of Economics, Phd. From Queens Canada and a Textiles Technologist. He has been Dean and Chairman, University Business School, Panjab University, Chandigarh. He is presently the Senior Advisor in ICFAI Business School, Chandigarh. Because of his rich and varied experience, Directors consider that his association at the Board level would be of immense value to the Company, hence they recommend his appointment as a Director on the Board of the Company.

Prof. (Dr.) B.B. Tandon, is acting as Director in Indian Acrylics Ltd., Steel Strips Ltd. and Steel Strips Infrastructure Ltd.

None of the Directors other than Prof. (Dr.) B.B. Tandon, is concerned or interested in the resolution.

#### ITEM No. 7 & 8

Sh. A.V. Unnikrishnan, was appointed as additional director of the Company on 01.01.2009 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, Sh. A.V. Unnikrishnan holds the office upto the date of this Annual General Meeting of the company. The Company received a notice in writing from a shareholder alongwith requisite payment of Rs. 500/-, proposing his candidature for the office of the Director of the company.

Sh. A.V. Unnikrishnan is an B.A. He is associated with the Group since 1980. He had submitted his resignation to the company and ceased to act w.e.f. 31.12.2008. Before resigning, he was acting as Deputy Managing Director (not as a Board member), in the Company.

Keeping in view his vast experience, the Board of Directors of your Company consider that his association at the Board level would be of immense value to the Company. Accordingly the Board of Directors were pleased to appoint Sh. A.V. Unnikrishnan as Deputy Managing Director of the company for a period of 5 year w.e.f 1st January, 2009, as a member of the Board.

The Directors recommend the passing of the resolution contained in item No. 7 as ordinary resolution and item no. 8 as special resolution of the accompanying Notice.

As required under section 302 of the Companies Act, 1956, an abstract of the terms of appointment and payment of remuneration to Sh. A.V. Unnikrishnan as Deputy Managing Director of the company and the memorandum of interest of the Directors in the said appointment had already been circulated to all the members within prescribed time.

He is not a Director in any other Company. None of the Directors other than Sh. A.V. Unnikrishnan, himself is concerned or interested in the resolution.

By order of the Board of Directors

Place : Chandigarh  
Dated :

H.K.Singhal  
Director