



STEEL STRIPS GROUP

Steel Strips Wheels Limited

*Wheeling Towards Excellence*

# ANNUAL REPORT

exploring  
possibilities

ISO 9002, QS 9000 & TS-16949 Certified Company

2013-14



# CORPORATE

# Information

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## REGD. OFFICE

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

## WORKS

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

## HEAD OFFICE

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

## REGISTRAR & TRANSFER AGENTS

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

## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

Sh. Shaman Jindal

## BANKERS / INSTITUTIONS

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

## AUDITORS

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

# STEEL STRIPS WHEELS LIMITED

## STEEL STRIPS WHEELS LIMITED

CIN: L27107PB1985PLC006159  
Regd Off: Village Somalheri/ Lehli, P.O. Dappar, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) (Pb.)  
Tel : + 91-172-2793112. Fax: + 91-172-2794834  
Email: ssl\_ssg@glide.net.in. Web Site: www.sswlindia.com

### NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Shareholders of the Company shall be held as scheduled below:

Day & Date : Tuesday, 30<sup>th</sup> day of September 2014  
Time : 11.00 A. M.  
Venue : Company's Regd. Office at  
Village Somalheri/ Lehli, P.O. Dappar,  
Tehsil Derabassi, Distt. S.A.S Nagar, (Mohali) Punjab

to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Sh. Manohar Lal Jain (DIN: 00034591), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and in this regard to consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s S. C. Dewan & Co., Chartered Accountants (Firm's Registration No. 000934N), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out of pocket expenses, travelling expenses, etc; as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### SPECIAL BUSINESS

5. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:  
"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**ACT**") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Madan Mohan Chopra (DIN:00036367)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 upto 30.09.2016, not liable to retire by rotation."
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** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**ACT**") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Sukhbir Singh Grewal (DIN:00031001)**, a Non-Executive Director

of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 upto 30.09.2016, not liable to retire by rotation."

7. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**ACT**") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Sudhanshu Shekhar Jha (DIN:01489603)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 upto 30.09.2016, not liable to retire by rotation."

8. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**ACT**") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Surinder Kumar Bansal (DIN:00165583)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 upto 30.09.2016, not liable to retire by rotation."

9. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**ACT**") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Ajit Singh Chatha (DIN:02289613)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 upto 30.09.2016, not liable to retire by rotation."

10. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**ACT**") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Vijay Narayan Bedekar (DIN:02508347)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 upto 30.09.2016, not liable to retire by rotation."

## STEEL STRIPS WHEELS LIMITED

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11. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (“ACT”) and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration, decided by the Board of Directors, based on the recommendation of Audit committee, of Rs.1,00,000/- (Rs. One lac only) plus Service Tax and out of pocket expenses to M/s Aggarwal Vimal & Associates, (Firm Registration Number: 000350), Cost Accountants, appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

12. To Consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the Ordinary Resolution passed by the Members of the Company at the 24<sup>th</sup> Annual General Meeting of the Company held on September 30, 2010 and Pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, if any and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof) to borrow any sum or sums of money, from time to time, for the purpose of the business of the Company, from any Indian or Foreign Bank (s), Financial Institution (s) and/or any other Indian or foreign lending institutions or Persons, firms, bodies corporate, or any other person on such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Banker in the ordinary course of Business), exceed the aggregate of the “Paid up” Share Capital of the Company and its free reserves provided that the total amount upto which the money can be borrowed by the Board of Directors, shall not exceed the sum of Rs.1000 Crore (Rupees One Thousand Crore only) at any time.

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** in supersession of the Ordinary Resolution passed by the Members of the Company at the 24<sup>th</sup> Annual General Meeting of the Company held on September 30, 2010 and Pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create mortgage/hypothecation/ pledge and /or charge in addition to the existing mortgages/ hypothecations/pledges and/or charges/ created/to be created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine in the interest of the company, on all or any of the movable and /or immovable properties, current and / or Fixed Assets of the Company, both present and future and/or any other assets or properties, either tangible or intangible of the company and/or the whole of the undertaking(s) or any part of the undertaking(s) of the Company, in favour of lender (s), Agent (s) and Trustee (s) for securing the borrowings of the company availed/to be availed by the Company by way of loans, working capital facilities, debentures or any other securities or debt instrument, in foreign currency or in Indian Currency, from any Indian or Foreign Bank (s), Financial Institution (s) and/or any other Indian or foreign lending institutions or Persons, firms, bodies corporate or any other lender, from time to time, upto the limits approved or as may be approved by the shareholders under Section 180 (1) (c) of the Act, along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and any other money payable by the Company including any increase as result of devaluation / revaluation / fluctuation in the rate of exchange.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to

finalise, settle and execute such documents/deeds writings/papers/agreements as may be required and do all such acts, deeds matters and things, as it may, in its absolute discretion deem necessary, proper or requisite."

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-  
"**RESOLVED THAT**, pursuant to the provision of Section 14 and other applicable provisions, if any of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force, and subject to approvals, permissions and sanctions from the appropriate authority, if any, the Articles of Association of the company be and are hereby altered in the manner set out herein below:

The Existing Article No. 173 be deleted and be replaced with the following article:

"173 . subject to the provisions of the Companies Act, 2013, a Managing Director (s) or Whole Time Director (s) shall be liable to retirement by rotation (save as otherwise provided in a contract in terms of provisions of the Companies Act, 2013 or Rules made thereunder or in a resolution passed by Board or Shareholders of the Company). He shall, however, be subject to the same provisions as to resignation and removal as are applicable to the other Directors. He shall ipso facto immediately, cease to be a Managing or Whole Time Director if he ceases to hold the office of Director for any reason whatsoever save that if he shall vacate office whether by, retirement by rotation or otherwise under the provisions of the Companies Act 2013 at any Annual General Meeting and shall be reappointed as a Director at the same meeting, he shall not, by reason only of such vacation, cease to be a Managing or Whole Time Director."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential and necessary steps to implement the forgoing resolution and to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate in the best interest of the Company, to settle any question, query, doubt or difficulty that may arise in this regard, and to execute/publish all such notices, applications, deeds, agreements, documents, papers, undertakings/bonds and writings as may be necessary and required for giving effect to this resolution"

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-  
"**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the period of office of Sh. Dheeraj Garg (DIN 00034926), the Managing Director of the company, who is non retiring Director in terms of the erstwhile provisions of the Companies Act, 1956, shall henceforth be liable to determination by retirement of Directors by rotation."
16. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-  
"**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the period of office of Sh. Andra Veetil Unnikrishnan (DIN 02498195), the Deputy Managing Director of the company, who is non retiring Director in terms of the erstwhile provisions of the Companies Act, 1956, shall henceforth be liable to determination by retirement of Directors by rotation.

Place: Chandigarh  
Date: 14.08.2014

BY Order of the Board of Directors  
Shaman Jindal  
**Dy.GM- cum-Company Secretary**

**NOTES:**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and rules made thereunder, relating to the Special business to be transacted at the Meeting is annexed hereto. The relevant details of Directors seeking appointment/re-appointment at this Annual General Meeting of the company are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE,**

## STEEL STRIPS WHEELS LIMITED

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**SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company

3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **20.09.2014 to 30.09.2014** (both days inclusive) for the purpose of determining the names of members entitled to dividend, if declared at this meeting.
7. The dividend, as recommended by the Board of Directors, if declared at this Annual General Meeting will be paid within a period of 30 days from the date of declaration, to those members whose name appear on the register of members / depository records as at the closing hours of business on 19.09.2014.
8. Reserve Bank of India has introduced Electronic Clearing Service (NECS) for facilitating crediting of dividend directly to the shareholder's bank account. This facility eliminates loss of dividend warrants sent by post due to pilferage in transit, delay in receipt of dividend warrants and ensures quick credit of the dividend. Members holding shares in electronic form may note, the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the members holding shares in electronics form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to Company/ Registrar and Transfer Agents of the Company.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their De-mat accounts. Members holding shares in physical form are requested to advise any change in their address along with Pin code number immediately to the Company/ Registrar and Transfer Agents of the Company.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
11. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report for 2013-14 are being sent by the permitted mode.
12. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with Registrar and Share Transfer Agents of the Company/ Depository Participant (s) , for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.**

13. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.sswlindia.com](http://www.sswlindia.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
14. The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
15. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.
16. Pursuant to the provisions of Section 205A of the Companies Act, 1956, Unclaimed/Unpaid dividend for the Financial year ended 2005-06 was transferred, on due date, to "INVESTORS EDUCATION AND PROTECTION FUND" established by the Central Government.

This year the Unpaid/Unclaimed Dividend for the financial year 2006-07 shall be transferred to the "INVESTORS EDUCATION AND PROTECTION FUND" in October, 2014. 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.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules 2012, the company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 30<sup>th</sup> September, 2013 (date of Last Annual General Meeting) on the website of the Company ([www.sswlindia.com](http://www.sswlindia.com)) as also on the website of the Ministry of Corporate Affairs.

17. M/s LinkIntime India Pvt. Limited, at 44 Community Center, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi 110028 are acting as the common agency to carry out the Dematerialization and physical transfer of shares. The shareholders are requested to send the shares for transfer at the above-mentioned address of the Registrar.
18. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository (Services) India Limited (CDSL).

**Steps for e-voting**

- (i) **The voting period begins on September 24, 2014 at 9.00 a.m. and will end on September 26, 2014 at 6.00 p.m.**  
During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as **on 22<sup>nd</sup> August, 2014 (cut off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The members are requested to note that once vote on a resolution is cast electronically, he shall not be allowed to change it subsequently.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on shareholders
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.



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(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digit enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yy format</p>
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p># Please enters the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off <b>date</b> (i.e 22nd August, 2014) in the Dividend Bank details field.</p>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) **Click on the Company i.e Steel Strips Wheels Limited"/ "Electronic Voting Sequence Number"**

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non-Individual Shareholders and Custodians:**  
Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves as Corporate.  
A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.  
After receiving the login details they have to create a compliance user using admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.  
The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.  
A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.  
The members are requested to keep their password confidential and can also use the same for all subsequent voting on CDSL platform.  
In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e- voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.
- (xix) The Board of Directors has appointed Mr. S.K.Sikka, Practicing Company Secretary to scrutinize the e-voting process in a fair and transparent manner.
- (xx) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxi) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sswlindia.com](http://www.sswlindia.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange and National Stock Exchange.
19. Relevant documents referred to in the notice and the explanatory Statement are open for inspection by members at the registered office of the company on all working days during Normal business hours (09:30 am to 5.30 pm) upto and including the date of meeting.

Place : Chandigarh  
Date : 14.08.2014

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

#### ITEM NO. 5 to 10

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Sh. Madan Mohan Chopra, Sh. Sukhbir Singh Grewal, Sh. Sudhanshu Shekhar Jha, Sh. Surinder Kumar Bansal, Sh. Ajit Singh Chatha and Sh. Vijay Narayan Bedekar as Independent Directors at various times. The period of office of these Directors was liable to determination by retirement of Director by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

As per the provisions of Section 149(4) of the Companies Act, 2013, (the ACT) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years

## STEEL STRIPS WHEELS LIMITED

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on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

To meet the recent modifications brought in by the Act and Listing Agreement, it is proposed to appoint Sh. Madan Mohan Chopra, Sh. Sukhbir Singh Grewal, Sh. Sudhanshu Shekhar Jha, Sh. Surinder Kumar Bansal, Sh. Ajit Singh Chatha and Sh. Vijay Narayan Bedekar as Independent Directors of the Company with effect from 30.09.2014 upto 30.09.2016.

The notices in writing proposing their appointment alongwith the deposit of requisite amount under Section 160 of the Act, have been received from the members of the Company. Their period of office shall not be liable to determination by retirement of directors by rotation and they shall not be counted in the total strength of the Board for determination by retirement of directors by rotation.

The Board of Directors have recommended the appointment of these Directors as Independent Directors with effect from 30.09.2014 upto 30.09.2016.

All these Directors, have given a declaration to the Board that they meet the criteria of independence as provided under section 149 (6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and Rules framed thereunder for appointment as independent Director and they are independent of the Management. These Directors are not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered office of the Company during normal business hours on any working days.

A brief profile of the Independent Directors to be appointed is given below:-

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

**Sh. Sukhbir Singh Grewal**, is a B.A. He has over 56 years of practical Experience occupying senior managerial Position in India and Abroad. He had worked with Burmah-Shell Refineries Limited/ Shell International Petroleum Company in India and Abroad. He had also served as an advisor to British Columbia Trade Development Corpn. He was coordinator in India of Del Monte Foods- USA. Currently he is acting as a Management Advisor to certain Companies having manufacturing operations in UP, HP and Punjab.

**Sh. Sudhanshu Shekhar Jha**, is an M.Sc. Physics from Patna University. He served as a Lecturer in Physics in constituent colleges of Magadh and Patna university. Thereafter he passed the examination conducted by UPSC and joined Indian Customs and Excise Service w.e.f. 9.11.1967. He served in various Capacities and retired as Chief Commissioner of Central Excise Customs. Presently he is engaged in Social work relating to rural development.

**Sh. Surinder Kumar Bansal** is a practicing Chartered Accountant and possesses more than 40 years of experience in the areas of Corporate Finance, audit etc. Over the years, he occupied several advisory positions. He is a member of Association of Certified Fraud Examiner, U.S.A. and an associate member of Institute of Internal Auditor Inc, Florida, U.S.A. He has been empanelled as Non-official Nominee Director for appointment on the Board of various companies by IDBI Bank Ltd. and IFCI Limited. He has also been a member of Indian Council of arbitration.

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

**Sh. Vijay Narayan Bedekar**, is a B.E PGDBM. He was associated with Tata Motors Ltd. for a period of 37 years. He started his career as Graduate Engineer and rose to the position of Sr. General Manager (Materials). He worked in senior positions in various disciplines of Manufacturing, Planning, Industrial Engineering, Systems and mainly over 30 years in the field of Materials Management. He had also represented Tata Motors Ltd. in various forums and committees of Govt. of India.

Other details of the Independent Directors whose appointment is proposed at Item Nos. 5 to 10 of the accompanying Notice, have been given in the annexure attached.

Sh. Madan Mohan Chopra, Sh. Sukhbir Singh Grewal, Sh. Sudhanshu Shekhar Jha, Sh. Surinder Kumar Bansal, Sh. Ajit Singh Chatha and Sh. Vijay Narayan Bedekar, are concerned or interested in the Resolutions mentioned at Item No. 5 to 10 of the accompanying Notice respectively relating to their own appointment. No other director, Key Managerial Personnel of the



Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 5 to 10 of the accompanying Notice.

The Board recommends the resolutions mentioned at Item No. 5 to 10 of the accompanying Notice, in relation to the appointment of these Directors as independent Directors for the approval of Shareholders of the company as ordinary Resolutions.

#### **Item No. 11**

The Board of Directors of the company at their meeting held on 30<sup>th</sup> May, 2014 has, on recommendation by the Audit Committee, appointed M/s Aggarwal Vimal & Associates, (Firm Registration Number:000350), Cost Accountants, as the Cost Auditors for the financial year 2014-15 at a remuneration of of Rs.1,00,000/- (Rs. One lac only) plus Service Tax and out of pocket expenses.

As per Section 148 of the Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 11 of the accompanying Notice.

The Board recommends the Resolution mentioned at Item No. 11 of the accompanying Notice for approval by the shareholders of the company as an ordinary resolution.

#### **Item No. 12 & 13**

The members of the company in their Annual General Meeting held on 30<sup>th</sup> September, 2010, had authorised the Board of Directors:-

- To borrow monies upto Rs. 1000.00 crore under Section 293 (1) (d) of the companies Act, 1956, as well as
- To secure the same by creating suitable mortgage/charge on all or any of the movable and/or immovable properties, both present and future and/or whole or any part of the undertaking of the company in favour of lender (s) under Section 293 (1) (a) of the Companies Act, 1956

However as per the corresponding provisions of Section 180 (1) (c) and 180 (1) (a) of the companies Act, 2013 which were notified on 12<sup>th</sup> September, 2013 and based on the clarification thereof issued by GOI, MCA vide General Circular No. 04/2014 dated 25<sup>th</sup> March, 2014, the Resolution passed u/s 293 of the Companies Act, 1956 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowing (subject to the limits prescribed) and/or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the new Act, for a period of 1 year from the date of notification of Section 180.

Further the provisions of the Companies Act, 1956 Act required consent of the Shareholders as an ordinary resolution for both borrowing and creation of security; however, the provisions of the Companies Act, 2013 stipulate consent of members by way of a **Special Resolution**.

The Board of Directors of your company has approved these items in the Board Meeting dated 14.08.2014 and recommends the resolutions mentioned at Item No. 12 to 13 of the accompanying Notice, for the approval of Shareholders of the company as **Special Resolutions**.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 12 & 13 of the accompanying Notice.

#### **Item No. 14**

Article No. 173 : Pursuant to Section 149(13) of Companies Act 2013, the independent directors are not liable to retire by rotation. Further Section 152 (6) stipulates that 2/3rd of the total number of directors of the public company should be liable to retire by rotation and out of such directors, 1/3rd should retire by rotation at every Annual General Meeting of the company.

To meet the requirement of the Companies Act, 2013, Company has to modify the relevant articles of its Articles of Association, which restrict the retirement of Managing Director (MD)/ Whole Time Directors (WTD) by rotation. Accordingly Article 173 is proposed to be amended to provide that MD/ WTD will also be liable to retire by rotation (save as otherwise provided in a contract in terms of provisions of the Companies Act, 2013 or Rules made hereunder or in a resolution passed by Board or Shareholders of the Company).

The Board of Directors of your company recommends the resolutions mentioned at Item No. 14 of the accompanying Notice, for

## STEEL STRIPS WHEELS LIMITED

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the approval of Shareholders of the company as a **Special Resolution**.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 14 of the accompanying Notice.

### **Item No. 15**

Shri Dheeraj Garg, Managing Director of the Company was re-appointed, by the shareholders in their Extra Ordinary General Meeting held on 24.03.2010 for a term of 5 years with effect from 01.06.2010.

The period of office of Shri Dheeraj Garg being the Managing Director is not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

Now, as per the provisions of Section 152 of the Companies Act, 2013, the independent director shall not be subject to retire by rotation and out of non independent directors not less than 2/3<sup>rd</sup> of such directors, whose period of office shall be liable to determination by retirement of directors by rotation. In the light of above-referred provisions of the Companies Act, 2013 it is desirable that the period of office of Managing/Wholetime Directors is also made liable to determination by retirement of directors by rotation. Therefore, keeping in the view the current composition of the Board, it is proposed that Sh. Dheeraj Garg shall be a Director, whose period of office shall be liable to determination by retirement of directors by rotation.

Sh. Dheeraj Garg, aged 42 years (date of Birth: 16.05.1972), is B.S.(Fin), USA. He is associated with the company for more than two decades. He was first appointed as the executive Director on 26.06.1993 and then elevated as the Managing Director of the company. He belongs to Promoter category. His leadership and the valuable guidance, has contributed immensely to the growth of the company, which is evident from the financial results of the company. He holds 4640228 equity shares in the company representing 30.51% of total paid up capital of the company. He is also acting as additional managing Director in Indian Acrylics Limited. He does not hold committee membership in any other company.

The Board of Directors of your company recommends the resolutions mentioned at Item No. 15 of the accompanying Notice, for the approval of Shareholders of the company as a Special Resolution.

Except Sh. Dheeraj Garg and Sh. R.K.Garg, being his relative, no other Director and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 15 of the accompanying Notice.

### **Item No. 16**

Shri Andra Veetil Unnikrishnan, Deputy Managing Director of the Company was re-appointed by the shareholders in the Annual General Meeting held on 30<sup>th</sup> September, 2013 for a term of 5 years with effect from 1st January, 2014.

The period of office of Sh. Andra Veetil Unnikrishnan, being the Deputy Managing Director is not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of the Companies Act, 1956.

Now, as per the provisions of Section 152 of the Companies Act, 2013, the independent director shall not be subject to retire by rotation and out of non independent directors not less than 2/3<sup>rd</sup> of such directors, whose period of office shall be liable to determination by retirement of directors by rotation. In the light of above-referred provisions of the Companies Act, 2013 it is desirable that the period of office of Managing/Wholetime Directors is also made liable to determination by retirement of directors by rotation. Therefore, keeping in the view of current composition of the Board, it is proposed that Sh. Andra Veetil Unnikrishnan shall be a Director, whose period of office shall be liable to determination by retirement of directors by rotation.

Sh. Andra Veetil Unnikrishnan, aged 59 years (Date of Birth: 05.06.1955) is B.A. by qualification. He is associated with the group since 1980 and has held various portfolios since then. He was appointed as Deputy Managing Director w.e.f 01.01.2009. He played a major role in the growth of the company's business. He does not hold any shares of the company. However Shareholders of the company in their Annual General Meeting held on 30.09.2013 approved to grant 51000 options exercisable into equal Number of equity shares. The exercise price is Rs. 10/- and date of grant is 01.01.2014.

He does not hold directorship and committee membership in any other company.

The Board of Directors of your company recommends the resolutions mentioned at Item No. 16 of the accompanying Notice, for the approval of Shareholders of the company as a Special Resolution.

Except Sh. Andra Veetil Unnikrishnan, no other Director and Key Managerial Personnel of the Company and their relatives, is concerned or interested in the Resolution.

Place: Chandigarh  
Date : 14.08.2014

BY Order of the Board of Directors  
Shaman Jindal  
(Dy. GM-cum- Company Secretary)

**ANNEXURE TO THE NOTICE 14-08-2014  
DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

Name of Director	Sh. Madan Mohan Chopra	Sh. Sukhbir Singh Grewal	Sh. Sudhanshu Shekhar Jha	Sh. Surinder Kumar Bansal	Sh. Ajit Singh Chatha	Sh. Vijay Narayan Bedekar	Sh. Manohar Lal Jain
Date of Birth	March 28, 1933	June 28, 1933	February 03, 1943	April 15, 1946	January 14, 1936	March 12, 1948	June 07, 1955
Date of Appointment on the Board	November 28, 1994	March 30, 1993	August 22, 2005	August 22, 2005	July 01, 2013	January 07, 2013	August 01, 2013
Qualifications	B.A. (Hons), LL.B, MBA	B. A	M.Sc (Physics) M.Phil (Social-Science) M.D.P. (Pub. Admn.)	B.Sc. Chartered Accountant, CFE.	B.E (Hons)	B.E PGDBM	FCS, FCA.
Expertise	He has held various prestigious positions in Indian Navy. After retiring from Navy, he has functioned in advisory capacities to many big corporates and was also the Executive Director of M/s Bombay dyeing & Mfg. Co. Limited. He has been guiding the Company to streamline procedures, ensure better coordination and faster decision making. He is the president of the Governing Board of Delhi Public School Society and Chairman of National Bravery Award Commission.	He has over 55 years of practical Experience occupying senior managerial Position in India and Abroad. He had worked with Burmah-Shell Refineries Limited/ Shell International Petroleum Company in India and Ab road. He had also served as an advisor to British Columbia Trade Development Corpn. He was coordinator in India of Del Monte Foods-USA. Currently he is acting as Management Advisor to certain Companies having manufacturing operations in UP, HP and Punjab.	Sh. S. S. Jha, 71 years of age, is an M.Sc. Physics from Patna University. He served as a Lecturer in Physics in constituent colleges of Magadh and Patna university. Thereafter he passed the examination conducted by UPSC and joined Indian Customs and Excise Service w.e.f. 9.11.1967 He served in various Capacities and retired as Chief Commissioner of Central Excise Customs. Presently he is engaged in Social work relating to rural development.	He possesses more than 40 years of experience in the areas of Corporate Finance, audit etc. Over the years he occupied several advisory positions. He is a member of Association of Certified Fraud Examiner, U.S.A. and an associate member of Institute of Internal Auditor Inc, Florida, U.S.A. He has been empanelled as Non official Nominee Director for appointment on the Board of various companies by IDBI Bank Ltd. and IFCI Limited. He has also been a member of Indian Council of arbitration.	He has joined the I.A.S. cadre of Punjab in 1963 and served it with distinction till 1995. He held wide range of assignments from the secretariat such as Deputy Commissioner of Patiala, Sangrur, Ludhiana, Managing Director, PSIDC Ltd., Joint Secretary, Ministry of Commerce, Govt. of India and Principal Secretary, Department of Industries, Cooperation, Housing, Irrigation and Power, Home and Justice and finally as Chief Secretary to the Govt. of Punjab.	He is associated with Tata Motors Ltd. for a period of 37 years. He started his career as Graduate Engineer and rose to the position of Sr. General Manager (Materials). Currently he works as an independent Management Consultant, assisting clients in areas of strategic planning & supply chain management and is also director in Ghatge Patil Industries Limited. He is also member of Management committee of said company.	He is associated with the Group for a period of 34 years. Presently he is working as General Manager (Taxation) in Indian Acrylics Limited (a group company) He has vast experiences in Taxation and Legal.
Directorships held in other public companies (excluding Private Ltd./ foreign companies)	Indian Acrylics Ltd. Steel Strips Ltd.	Imkemex India Ltd.	NIL	Vardhman Acrylics Ltd.	Indian Acrylics Ltd. Nahar Industrial Enterprises Ltd. Cotton County Retail Ltd. Monte Carlo Fashion Ltd. WWICS Ltd. J.Kumar Infra Projects Ltd.	Ghatge Patil Industries Ltd.	Malwa Chemtex Udyog Ltd. Indlon Chemicals Ltd.
Memberships/ chairmanships of committees of other companies includes only Audit Committee and shareholders/ Investor Grievance Committee)	<b>Audit Committee</b> Indian Acrylics Steel Strips Ltd.	NIL	NIL	NIL	<b>Audit Committee</b> Cotton county Retail Ltd.	NIL	NIL
Number of shares held in the Company	11284 Shares	NIL	NIL	NIL	41552 Shares	NIL	16100 Shares
Relationship between Director Interse	NIL	NIL	NIL	NIL	NIL	NIL	NIL

# DIRECTORS'

# Report

To The Members,

Your Directors are pleased to present the 28th Annual Report together with the audited accounts of the Company for the year ended on March 31, 2014.

## FINANCIAL HIGHLIGHTS

(Rs. in Million)

S. No.	PARTICULARS	2013-14	2012-13
A.	Gross Sales	11,716.25	10,772.60
B.	Other Income	192.02	108.67
C.	<b>Gross Income (A+B)</b>	11,908.27	10,881.27
D.	Total Expenditures (excl Interest, depreciation and amortization)	10,721.67	9,823.05
E.	<b>Earnings before Interest and Depreciation (C-D)</b>	1,186.60	1,058.22
F.	Interest & Financial Cost	407.91	296.98
G.	<b>Earnings before Depreciation and amortization (E-F)</b>	778.69	761.24
H.	Depreciation and other w/ off	525.76	496.21
I.	<b>Earnings after Depreciation (G-H)</b>	252.93	265.03
J.	Add : Prior Period Adjustment (net)	(1.31)	0.64
K.	<b>Profit Before Tax (I-J)</b>	251.62	265.67
L.	Income tax (net of MAT credit entitlement)	11.08	2.51
M.	Deferred Tax Liability / (Assets)	(2.76)	12.68
N.	<b>Profit Available for Appropriation (K-L-M)</b>	243.30	250.48

## FINANCIAL PERFORMANCE

The gross Income of your company increased from Rs. 10,881.27 million in FY 2012-13 to Rs. 11,908.27 million in FY 2013-14. In terms of Number of wheels, the company achieved sale of 11.03 million wheel rims as against sale of 10.14 million wheel rims during the previous year, showing an increase in sales of 8.78% to previous year sales.

The Earnings before interest and depreciation (EBITDA) increased to Rs. 1186.60 million in 2013-14 from Rs. 1,058.22 million in 2012-2013. However the Profit before tax during the year under review has decreased to Rs. 251.62 million from Rs. 265.67 million in 2012-13. The fall in profit is primarily due to increase in Depreciation and amortization & increase in financial cost due to a high interest rate regime in majority of FY 2013-2014. The Profit after tax thereby decreased to Rs.243.30 million from Rs. 250.48 million.

The depreciation and other amortization increased to Rs. 525.76 million from Rs. 496.21 million.

## TRANSFER TO RESERVES

Your Company proposes to transfer a sum of Rs. 250.47 millions to General Reserve.

## MANUFACTURING CAPACITIES

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



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

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **CORPORATE GOVERNANCE**

The Company is firmly committed to the principles of Good Corporate Governance and believes that statutory compliance and transparency are necessary to enhance the shareholder value.

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

#### **DIRECTORS**

During the year under review, Sh. Ajit Singh Chatha and Sh. Manohar Lal Jain, were appointed as additional director of the company w.e.f 01.07.2013 and 01.08.2013 respectively and the shareholders in their Annual General Meeting held on 30.09.2013 had confirmed their appointment as Directors of the company.

Sh. Humesh Kumar Singhal resigned as a Director of the company. Your Directors place on record their sincere appreciation for the valuable guidance and support provided by him during his tenure as a Director, for the success of the company.

Mrs. Ute Mayr ceased to be a Director of the company w.e.f 06.02.2014 due to her untimely and sad demise. Your Directors place on record deep appreciation for the valuable contribution rendered by her during her tenure as whole time director, for the success of the company.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Sh. Madan Mohan Chopra, Sh. Sukhbir Singh Grewal, Sh. Sudhanshu Shekhar Jha, Sh. Surinder Kumar Bansal, Sh. Ajit Singh Chatha and Sh. Vijay Narayan Bedekar as Independent Directors at various times. The period of office of these Directors was liable to determination by retirement of Director by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

As per the provisions of Section 149(4) of the Companies Act, 2013, (the Act) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

To comply with the recent modifications brought in by the Act and Listing Agreement, your Directors are seeking appointment of these Directors as Independent Directors of the Company with effect from 30.09.2014 upto 30.09.2016, not liable to retire by rotation.

In the opinion of the Board, these Directors fulfill the conditions specified under the Companies Act, 2013 and rules made thereunder for their appointment as independent Director and are independent of the Management.

Sh. M.L.Jain, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. The Board recommends the reappointment of Sh. M.L.Jain as Director liable to retire by rotation.

In terms of Section 152 of the Act, your Board recommends for shareholders' approval, the period of office of Shri Dheeraj Garg, Managing Director and Sh. Andra Veetil Unnikrishnan, Deputy Managing Director, to be liable to determination by rotation.

#### **DIVIDEND**

Your Directors are pleased to recommend a dividend of 15% (Rs. 1.50/- per share) for the year ended 31<sup>st</sup> March, 2014. The total cash outflow on account of the proposed dividend (incl. dividend tax) will be of Rs. 26.51 million (Previous year: 26.51 million), which represents 10.90% of the Profit after tax earned during the year.



# STEEL STRIPS WHEELS LIMITED

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## **EMPLOYEE STOCK OPTION SCHEME**

During the year, your Company had introduced an employee stock option plan framed in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, titled "Steel Strips Wheels Limited, Deputy Managing Director, Employees Stock Option Scheme, 2013" (hereinafter referred to as "DMD ESOS 2013"), which was approved by the board of Directors and subsequently by shareholders of the company in their annual General meeting held on 30.09.2013.

In terms of the said scheme, the company had granted 51000 stock options, exercisable into equivalent no. of equity shares of Rs. 10/- each to Sh. A.V. Unnikrishnan, Deputy Managing Director of the company.

Disclosures as required under clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, (the 'SEBI Guidelines') together with a Certificate obtained from the Statutory Auditors, confirming compliance, is provided as Annexure A to this report.

## **INTERNAL CONTROL SYSTEMS**

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

## **LISTING OF EQUITY SHARES**

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

## **FIXED DEPOSITS**

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

## **AUDITORS**

M/s S.C. Dewan & Co., Chartered Accountants were appointed as Statutory Auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s S.C. Dewan & Co as Statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every Annual General meeting).

The company has received necessary certificate from the Auditors under Section 141 of the Companies Act, 2013 to the effect that they satisfy the conditions under the Companies Act, 2013 and the rules made thereunder for the above appointment.

## **COST AUDITORS**

The Report of "Aggarwal Vimal & Associates" Cost Accountants (Firm Registration No. 000350), on the cost audit carried out for the financial year 2012-13 was filed with the Central Government on 27.09.2013 (within due date of 180 days from the closure of the financial year)

The Report of the cost auditors for the Financial Year 2013-14 is under finalization and will be filed with the Central Government within the prescribed time.

Further, based on the recommendation of audit committee, the Board of Directors of your company in their meeting held on 30.05.2014, has re-appointed "Aggarwal Vimal & Associates", Cost Accountants, as cost auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs.1,00,000/- (Rs. One lac only) plus Service Tax and out of pocket expenses subject to ratification of the said remuneration by the shareholders at the ensuing annual general meeting. The cost audit report would be filed with the Central Government within prescribed timelines, if applicable.



## **INSURANCE**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

The annual accounts have been prepared on a going concern basis.

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

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

## **PARTICULARS OF EMPLOYEES**

The particulars of the employees as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, as amended, are appended as Annexure-C

## **CORPORATE SOCIAL RESPONSIBILITY**

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

With this view, your company supports "The Vatsal Chaya Trust" focused on enabling, educating and empowering urban deprived children and women. With the contribution of your company, over 650 children comprising child beggars, child laborers, child vendors, rag pickers and girls facing gender bias are provided free transport, clothing, study related material, skill training, music, art, craft training and personality development. The Vatsal Chaya Trust successfully provides flexible options for these children to access school and help them bridge the many gaps they have in learning, hygiene, health, nutrition as well as social and emotional skills.

As provided under Section 135 of the Companies Act, 2013, the Board of Directors have constituted Corporate Social Responsibility Committee of the Board. Consisting three members with one Independent Director. The Committee will evolve the CSR policy of the company and the same will be placed before the Board for approval in due course.

## **ACKNOWLEDGMENTS**

Your Directors wish to place on record their appreciation for the continued co-operation the Company received from various departments of the Central and State Government, Bankers, Financial Institutions, Dealers and Suppliers. The Board also wishes to place on record its gratitude to the valued Customers, Members and Investing public for their continued support and confidence reposed in the Company. It also acknowledges and appreciates the commitment, dedication and contribution of the Employees towards growth of the company in all fields.

For and on behalf of Board of Directors

Place : Chandigarh  
Dated : 30th May, 2014

R.K. GARG  
CHAIRMAN

# ANNEXURE-A

## To the Directors' Report

Disclosure pursuant to Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

S. N.	Particulars	Details
a.	Options granted during the year (No.)	51,000
b.	The pricing formula	The exercise price is Rs. 10/- per option.
c.	Options vested	NIL
d.	Options exercised	NIL
e.	Total number of shares arising as a result of exercise of options	NIL
f.	Options lapsed	NIL
g.	Variation of terms of options	Nil
h.	Money realized by exercise of options	NIL
i.	Total number of Options in force - Vested - Unvested	- 51,000
j.	Employee wise details of Options Granted to:	
	(a) Senior Management Personnel Mr. A.V. Unnikrishanan, Deputy Managing Director	51,000
	(b) Any other employee who receives a grant in any one year of Option amounting to 5% or more of option granted during that year	Nil
	(c) Identified employees who were granted options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
k.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 15.98

l.	<p>Where the Company has calculated the Employee Compensation cost using the intrinsic value of Stock Options:</p> <p>-The difference between the employee compensation cost so computed and the employee compensation cost that shall be recognized if it had used the fair value of options and the impact of this difference on profits on EPS of the Company.</p>	<p>The Company has calculated the Employee Compensation Cost using the intrinsic value method of accounting to account for options issued under the ESOS</p> <p>The Employee compensation cost calculated as per the intrinsic value method for the financial year 2013-14 is Rs. 14.03 Lacs if the employee compensation cost was calculated as per the fair value method, total cost to be recognised in the financial statement for the year 2013-14, would be Rs. 13.92 Lacs. Had the company adopted the fair value method, net profit after tax would have been increase by Rs. 0.11 Lacs for the financial year 2013-14. However Basic EPS and diluted EPS remain almost same i.e. Rs. 16 per share and Rs. 15.98 per share respectively.</p>
m.	<p>Weighted average exercise prices of options:</p> <p>i. Exercise price equal market price of the stock</p> <p>ii Exercise price exceed market price of the stock.</p> <p>ii Exercise price Less than the market price of the stock</p>	<p>N.A.</p> <p>N.A.</p> <p>Rs. 10.00</p>
	<p>Weighted average fair value of Options:</p> <p>i. Exercise price equal market price of the stock</p> <p>ii Exercise price exceed market price of the stock.</p> <p>ii Exercise price Less than the market price of the stock</p>	<p>N.A.</p> <p>N.A.</p> <p>Rs. 109.20</p>
n.	<p>A Description of the method used during the year to estimate the fair value of options.</p> <p>Significant assumptions used during the year to estimate the fair value of options, including the following weighted average information:</p>	<p>Black -Scholes Method</p>
	<p>weighted average Risk Free Interest rate (%)</p>	<p>8.50%</p>
	<p>weighted average Expected life</p>	<p>4 years</p>
	<p>weighted average Expected volatility (%)</p>	<p>29.53%</p>
	<p>weighted average Expected Dividends</p>	<p>0.78%</p>
<p>The price of the underlying share in market at the time of option grant (BSE)</p>	<p>Rs. 120.00</p>	
<p><b>AUDITOR CERTIFICATE ON EMPLOYEE STOCK OPTION SCHEME</b></p> <p>We have examined the books of Account and other relevant records and based on the information and explanations given to us, certify that in our opinion, the company has implemented the Employees Stock Option Scheme in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions of the company in Annual General meeting of shareholders held on 30<sup>th</sup> September, 2013.</p> <p>Place : Chandigarh Dated : 30th May, 2014</p> <p style="text-align: right;">For S.C.Dewan &amp; Co. Chartered Accountants ICAI Firm Registration No. 000934N</p> <p style="text-align: right;">per S.C.Dewan Partner</p>		

## ANNEXURE-B

# To the Directors' Report

**INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31.03.2014**

### (A) CONSERVATION OF ENERGY

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

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

		Year Ended 31.03.2014				Year Ended 31.03.2013
		Dappar Unit	Oragadam Unit	Jamshedpur Unit	TOTAL	
I. Power and Fuel consumption						
<b>1. Electricity</b>						
a) Purchased Units	In lakhs	230.86	98.91	106.80	436.57	365.60
Total amount	Rs. in lakhs	1675.89	673.78	434.00	2783.67	2229.08
Rate/ Unit	Rs.	7.26	6.81	4.06	6.38	6.10
b) Own generation Units	In lakhs	10.38	16.24	0.26	26.88	52.59
Total amount	Rs. in lakhs	156.32	303.11	4.22	463.65	683.24
Rate/ Unit	Rs.	15.06	18.66	16.50	17.25	12.99
<b>2. Fuel</b>						
Quantity	Lac ltrs	2.98	4.65	0.08	7.71	15.04
Total amount	Rs. in lakhs	156.32	303.11	4.22	463.65	683.24
Rate/ Unit	Rs.	52.41	65.22	55.79	60.17	45.42
<b>3. Consumption per unit of production</b>						
Production (Wheel Rims)	Lac nos.	76.65	27.74	5.98	110.37	100.54
Electricity units/ wheel	Nos.	3.15	4.15	17.90	4.20	4.16
Cost per unit of production	Rs./ no.	23.90	35.22	73.26	29.42	28.97

### (B) TECHNOLOGY ABSORPTION

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

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

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

a) Specific area in which R&D carried out by Company	<ul style="list-style-type: none"> <li>- Design and development of new wheel rims,</li> <li>- Design and development of new dies and tools.</li> </ul>		
b) Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> <li>- Better yield,</li> <li>- Better performance of products</li> <li>- Reduced cost of products</li> <li>- Reduction in process wastages</li> <li>- Better productivity</li> <li>- Value addition to customers by way of reduced weight of the wheel rims, leading to better fuel efficiency.</li> </ul>		
c) Future plan of action	Development of new products which will be import substitutes		
d) Expenditure on R&D (Rs. in lakhs)		<b>Year Ended 31.03.2014</b>	<b>Year ended 31.03.2013</b>
	Capital	490.18	461 .31
	Recurring	284.24	175.86
	Total	774.42	637.17

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

## 2. Technology absorption, adaptation and innovation

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

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:	Your Company is focusing to add new customers in Europe besides increased sales to existing customers.		
b) Total foreign exchange used and earned during the year under review and previous year was as under (Rs. in lakhs)		<b>Year ended 31.03.2014</b>	<b>Year ended 31.03.2013</b>
	Used	10405.59	15389.63
	Earned	15534.80	13638.43

For and on behalf of Board of Directors

Place : Chandigarh  
Dated : 30th May, 2014

R.K. GARG  
CHAIRMAN

## ANNEXURE-C

# 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, 2014

### A. EMPLOYED FOR FULL YEAR

Sr. No.	Name of Employee	Designation	Experience (Yrs.)	Date of Commencement of Employment	Qualification	Remuneration (Rs.)	Age (Yrs.)	Last Employment before Joining
1.	Sh. Dheeraj Garg	Managing Director	20	26.06.1993	B.S. (FIN) USA	Rs. 154.49 Lacs	42	N.A.

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

For and on behalf of Board of Directors

Place : Chandigarh  
Dated : 30th May, 2014

R.K. GARG  
CHAIRMAN

### DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT.

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

I confirm that the Company has in respect of the year ended 31<sup>st</sup> March, 2014, 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 : 30<sup>th</sup> May, 2014

DHEERAJ GARG  
MANAGING DIRECTOR

# CORPORATE

## Governance

### REPORT ON CORPORATE GOVERNANCE

#### Brief statement on Company's philosophy on code of Governance:

The philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations, guidelines and to promote ethical conduct throughout the organization with primary objective of enhancing shareholders value while being a responsible corporate citizen. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good Corporate.

The Company is in compliance with the requirements stipulated under Clause 49 of the listing agreements entered into with the Stock Exchanges with regard to corporate governance.

#### BOARD OF DIRECTORS

##### Composition of the Board:

- As on March 31, 2014, the Company has eleven Directors including a Non- Executive Chairman. Of the eleven Directors, 9 (i.e 81.81%) are Non Executive Directors and Six (54.55%) are Independent Directors. The Composition of the Board is in conformity with Clause 49 of the listing agreements entered into with the Stock Exchanges. None of the Non- Executive /Independent Directors have any material pecuniary relationship or transaction with the Company.
- Five Board Meetings were held during the year and gap between two meetings did not exceed four months. The said five Board Meetings were held on 29.05.2013, 07.08.2013, 27.08.2013, 06.11.2013, and 14.02.2014. The necessary quorum was present for all the meetings. The Information as required under annexure 1A to Clause 49 of the listing agreements is being made available to the Board.
- None of the Directors on the Board, is member of more than ten committees or Chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public Companies as on March 31, 2014, have been made by the Directors.
- 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 Public Companies as on March 31, 2014 are given herein below. Other Directorships do not include directorships of Private Limited Companies, foreign companies, and companies under Section 25 of the Companies Act, 1956. Chairmanships/ Memberships of Board Committees include only Audit and Shareholders/ Investors Grievance Committees.

Name of Director and Designation	DIN No.	Category	No. of Board meetings held during the year 2013-14		Whether attended last AGM	No. of Directorships in other Public companies		No. of Committee positions held in other public companies	
			Held	Attended		Chairman	Member	Chairman	Member
Sh. R.K.Garg, (Chairman)	00034827	Promoter - Non-Executive Director	5	3	No	3	2	-	-
Sh. Dheeraj Garg (M.D)	00034926	Promoter - Executive Director	5	2	No	-	1	-	-
*Ms. Ute Mayr (Whole Time Director)	01299017	Promoter - Executive Director	5	1	No	-	-	-	-
Sh. A. V. Unnikrishnan (Dy M. D)	02498195	Executive Director	5	5	No	-	-	-	-
**Sh. Manohar Lal Jain	00034591	Non-Executive Director	5	3	Yes	-	3	-	-
Sh. Vijay Naryan Bedekar	02508347	Independent Non-Executive Director	5	1	No	-	1	-	-
Sh. M.M.Chopra	00036367	Independent Non-Executive Director	5	5	No	-	2	-	1
Sh. Rajeev Singhal	02719570	Nominee of KICL ***** Non-Executive Director	5	2	No	-	4	1	-
Sh. S.K. Bansal	00165583	Independent Non-Executive Director	5	2	Yes	-	-	-	-
Sh. S.S. Grewal	00031001	Independent Non-Executive Director	5	4	Yes	-	-	-	-
Sh. S.S. Jha	01489603	Independent Non-Executive Director	5	3	No	-	6	-	-
***Sh. Ajit Singh Chatha	02289613	Independent Non-Executive Director	5	2	No	-	-	-	1

\* Ms. Ute Mayr ceased to be a director w.e.f.06.02.2014 due to her untimely and sad demise.

\*\* Sh. Manohar Lal Jain appointed as director w.e.f.01.08.2013.

\*\*\* Sh. Ajit Singh Chatha appointed as director w.e.f. 01.07.2013

\*\*\*\* Sh. H.K. Singhal resigned as director w.e.f.01.08.2013. He has not attended any board meeting held during the year under review before his resignation.

\*\*\*\*\* Kalimat Investment Company Limited

The Board periodically reviews compliance reports of all laws applicable to the company. Steps are taken to rectify instances of non-compliance, if any.



# STEEL STRIPS WHEELS LIMITED

## AUDIT COMMITTEE

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

Name	Category	No. of Meetings Attending during the year 2013-14
Shri S.K. Bansal, Chairman	Independent Non-Executive Director	2
Shri S.S. Grewal	Independent Non-Executive Director	4
Shri S.S. Jha	Independent Non-Executive Director	3
* Shri Manohar Lal Jain	Non-Executive Director	2
** Shri H.K. Singhal	Non-Executive Director	1

\* Sh. Manohar Lal Jain appointed as a member of the said Committee w.e.f. 07.08.2013

\*\* Sh. H.K. Singhal ceased as a member of the said Committee w.e.f. 01.08.2013

The company Secretary acts as the Secretary of Audit committee.

The previous Annual General Meeting of the company was held on 30<sup>th</sup> September, 2013 and was attended by Sh. S.K.Bansal, Chairman of the Audit Committee.

## SUB-COMMITTEE

The Sub- Committee of Board of Directors has been constituted to review Un-Audited Financial Results.

The Composition of the Sub-Committee are given below:

Name	Category
Shri Dheeraj Garg, Chairman	Managing Director
Shri S.S. Grewal	Independent Non-Executive Director
Shri S.S. Jha	Independent Non-Executive Director
* Shri Manohar Lal Jain	Non-Executive Director
** Shri H.K. Singhal	Non-Executive Director

\* Sh. Manohar Lal Jain appointed as a member of the said Committee w.e.f. 07.08.2013

\*\* Sh. H.K. Singhal ceased as a member of the said Committee w.e.f. 01.08.2013

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

## REMUNERATION CUM COMPENSATION COMMITTEE

The terms of reference of Remuneration Committee includes the determination of remuneration packages of the Managing/Executive Directors including remuneration policy, pension rights and any compensation payment or stock options and to approve the payment of managerial remuneration upto the limits specified therein. During the year one meeting of remuneration committee was held and was attended by all the members. Following are the members of the Remuneration Committee.

- Sh. S.S. Grewal - Chairman Independent Director
- Sh. S.K. Bansal - Independent Non Executive Director
- \* Sh. Manohar Lal Jain - Non Executive Director
- \*\* Sh. H.K. Singhal - Non Executive Director.

\* Sh. Manohar Lal Jain appointed as a member of the said Committee w.e.f. 07.08.2013

\*\* Sh. H.K. Singhal ceased as a member of the said Committee w.e.f. 01.08.2013

## 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, 2014

Name of Directors	Basic Salary	HRA	Special Allowance	Contribution to Provident Fund	Commission in (lacs)	Total	Rs. in Lac		
							Date of original Appointment	Date of present Re-appointment	Tenure
Sh. Dheeraj Garg (MD)	18.00	10.80	NIL	2.16	123.53	154.49	29/04/1993	01/06/2010 (for five year \$)	Up to 31/05/2015
Mrs. Ute Mayr	18.39	11.03	1.22	2.21	NIL	32.85	10/08/2008	10/08/2011 for three years	Ceased on 06/02/2014
Sh. A. V. Umrikishan	17.80	6.23	1.15	2.14	NIL	27.32	01/01/2009	01/04/2014 (for five year \$)	Up to 31/12/2018

## Employee Stock Option :

Details of options granted under steel Strips Wheels Ltd., Deputy Managing Director, Employee Stock Option Scheme, 2013, are given in Annexure 'A' to the Director Report.

## NON-EXECUTIVE DIRECTORS (as on 31-03-2014):

NAME OF DIRECTOR	SITTING FEE (in Rs.)
1. Sh. R.K. Garg	30,000
2. Sh. Vijay Narayan Bedekar	10,000
3. Rear Adml. M.M. Chopra AVSM (Retd.)	50,000
4. Sh. S.K. Bansal	30,000
5. Sh. S.S. Grewal	60,000
6. Sh. S.S. Jha	45,000
7. Sh. Manohar Lal Jain	40,000
8. Sh. Rajeev Singhal	20,000
9. Sh. Ajit Singh Chatha	20,000
10. Sh. H.K. Singhal	5,000



## DETAIL OF SHARES OF THE COMPANY HELD BY DIRECTORS AS ON 31st March, 2014.

Name	No. of Shares
Sh. R. K. Garg	292571
Sh. Dheeraj Garg	4640228
Sh. M. M. Chopra	11284
Sh. Manohar Lal Jain	16100
Sh Ajit Singh Chatha	41552

None of the Non-Executive Directors held any convertible instruments of the company

### EMPLOYEE COMPENSATION COMMITTEE

During the year, the company has constituted Employee Compensation Committee to formulate detailed terms and conditions of the ESOP Plan which, interalia, includes:

- the quantum of option to be granted under ESOP Scheme(s) to employee.
- the conditions under which option vested in employee may lapse in case of termination of employment for misconduct;
- the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of divisions and others.
- the grant, vest and exercise of option in case of employees who are on long leave; and
- the procedure for cashless exercise of options.
- Any other matter, which may be relevant for administration of ESOS Schemes from time to time. During the year, one meeting was held and is attended by all the members of the committee. Composition of the committee is as follows:-

Name	Category
1. S.S. Grewal, Chairman	Independent Non Executive Director
2. Sh. S.K.Bansal	Independent Non Executive Director
3. Sh. S.S.Jha	Independent Non Executive Director
4. Sh. Manohar Lal Jain	Non Executive Director

### SHARE TRANSFER COMMITTEE

The Share Transfer Committee approves and expedites the process of share transfers reviewed by the Company. The Committee met 14 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 2013-14
Shri S.K.Bansal, Chairman	Independent Non-Executive Director	14
*Shri Manohar Lal Jain	Non-Executive Director	10
**Shri H.K. Singhal	Non-Executive Director	4
Shri Shaman Jindal	Company Secretary	14

\* Sh. Manohar Lal Jain appointed as a member of the said Committee w.e.f. 07.08.2013

\*\*Sh. H.K. Singhal ceased as a member of the said Committee w.e.f. 01.08.2013.

### INVESTORS GRIEVANCE COMMITTEE

- 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:-

- Sh. S.S. Grewal - Chairman
  - Sh. S.K.Bansal - Independent Director.
  - Sh. Manohar Lal Jain - 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.

- Detail of complaints received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	4	4	-

- Name, Designation, Address & E-mail of Compliance Officer:

Sh. Manohar Lal Jain, Director,  
Shaman Jindal Company Secretary  
Steel Strips Wheels Limited  
Corporate Office: S C O 49-50, Sector - 26,  
Madhya Marg, Chandigarh.  
Telephone No. 0172- 2793112, 2792385  
E-mail mljain@sswIndia.com, shamanjindal@sswIndia.com

### GENERAL BODY MEETINGS

Date and venue of last few General Meetings:

Details of Meeting	Date of Meeting	Time of Meeting	Venue of Meeting
25th Annual General Meeting (2010-11)	30.09.2011	11.00 A.M	Regd Office of the company at Village Somalheri/ Lehi, P.O.Dappar Tehsil, Dera Bassi, Distt. Mohali, (Pb).
26th Annual General Meeting (2011-12)	29.09.2012	11.00 A.M	--Do--
27th Annual General Meeting (2012-13)	30.09.2013	11.00 A.M	--Do--

No Extra ordinary General Meeting of the Shareholders was held during the year.

# STEEL STRIPS WHEELS LIMITED

## SPECIAL RESOLUTION IN THE PREVIOUS 3 ANNUAL GENERAL MEETINGS

At the AGM held on 30th day of September, 2013, two special resolutions were passed as:

- Re-Appointment of Sh. A.V.Unnikrishnan as Deputy Managing Director for a period of 5 years w.e.f 01.01.2014
- To create, grant, issue and allot at any time to the benefit of Mr. A. V. Unnikrishnan, Deputy Managing Director of the Company, upto 51,000 options exercisable into equivalent number of equity shares of the face value of Rs. 10/- each (hereinafter referred to as the "Options") under a scheme titled "Steel Strips Wheels Limited Deputy Managing Director, Employees Stock Option Scheme, 2013, (hereinafter referred to as the "DMD ESOS 2013".)

No Special resolution was passed in the Annual General Meetings held on 29.09.2012 and 30.09.2011

## POSTAL BALLOT

No Postal Ballot was conducted during the year.

## DISCLOSURES

- There were no materially significant related party transactions of the company which had potential conflict with the interests of the company at large.
- No penalties, strictures were imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets, during the last three years.
- The company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviors. No personnel have been denied access to the audit committee.
- The company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1 D to Clause 49 of the Listing Agreements with the Stock Exchanges.
  - The Company has set up a Remuneration Committee details of which have been given earlier in this Report
  - The Company has adopted a Whistle Blower policy and has established the necessary mechanism for employees to report concerns to the Audit Committee as stated above.

## INSIDER TRADING

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

## CEO/CFO Certification

The Managing Director, Deputy Managing Director and Chief Financial officer of the Company have certified to the Board that all the requirements of Clause 49 (V) of the Listing Agreement, inter alia, dealing with the review of financial statements and cash flow statement for the year ended 31.03.2014, transactions entered into by the Company during the said year, their responsibility for establishing and maintaining internal control systems for financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosures to the Auditors and the Audit Committee have been duly complied with.

## CONSTITUANTS OF RELATED PARTIES.

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

### GROUP COMPANIES:

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

## INDIVIDUALS:

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

## HUF:

R. K. Garg & Sons (HUF)

## MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are generally published in "Financial Express" and "Desh Sewak" and have also been submitted to the Stock Exchange on which the Company's equity shares are listed as per the requirements of the Listing Agreements to enable them to put them on their own web sites. These were also put up on the Company's website [www.sswlindia.com](http://www.sswlindia.com). All the official news released and submitted by the company to the Stock Exchanges are also displayed on the web site of the Company.

## GENERAL SHARE HOLDER INFORMATION :

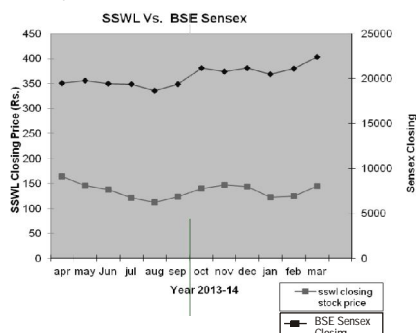
(i)	Annual General Meeting Date Time Venue	30th September 2014 11.00 AM VII, Somalheri/Lehli, P.O. Dappar, Tehsil Dera Bassi, District Mohali (Pb.)
(ii)	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
(iii)	Year Ending	31 <sup>st</sup> March, 2014
(iv)	Financial Calendar (tentative) Results for quarter ending June 2014 Results for quarter ending Sept. 2014 Results for quarter ending Dec. 2014 Results for quarter ending March 2015	2nd week of August, 2014 2nd week of November, 2014 2nd week of February, 2015 Last week of May, 2015
(v)	Book Closure date	20-09-2014 to 30-09-2014 (both days inclusive)
(vi)	Dividend Payment date	October 2014.
(vii)	Listing on stock Exchange	BSE Ltd. (BSE) & National Stock Exchange of India Ltd. (NSE)
(viii)	Listing fee	The company has paid listing fees to both the above stated Stock Exchanges and there is no outstanding payment as on date.
(ix)	Stock code; BSE NSE	513262 SSWL
(x)	ISIN No. of the Company's shares in Demat form	INE802C01017 (with NSDL and CDSL).

## Bombay Stock Exchange

## National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2013	174.65	153.35	174.75	151.25
May 2013	180.10	145.00	180.45	144
June 2013	156.00	133.05	155.90	130.65
July 2013	157.95	117.65	157.95	116.70
Aug 2013	130.05	111.50	132	11.05
Sept 2013	143.10	113.90	142.70	112.80
Oct 2013	152.50	123.00	145.95	125.30
Nov 2013	157.70	130.00	154.60	135.05
Dec 2013	149.95	135.00	149.85	131.65
Jan 2014	153.90	120.85	153.80	120.05
Feb 2014	136.40	112.00	136	111.60
Mar 2014	146.25	124.00	146	123

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



(xi) Registrar and Transfer Agents

Name and address:

Link Intime India Pvt. Ltd.

44, Community Center, 2nd Floor,

Naraina Industrial Area,

Phase-I, Near PVR Naraina,

New Delhi 110028

Phone Number: 011-41410592,93,94

Fax Number : 011-41410591

Email : delhi@linkintime.co.in

(xii) Place for Acceptance of documents:

Documents will be accepted at:

Link Intime India Pvt. Ltd.

44, Community Center, 2nd Floor,

Naraina Industrial Area,

Phase-I, Near PVR Naraina,

New Delhi 110028

(xiii) Share Transfer System

93.93% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regard transfer of shares held in physical form, the transfer document can be lodged with the Registrar and Transfer Agents i.e. Link Intime India Pvt. Ltd.

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

(xiv) Distribution of Shareholding.

(a) Class-wise Distribution of Equity Shares as on 31st March, 2014

Shares/Debentures Holding of Nominal Value	Number of share	% age of Total
Upto 5000	1271341	8.35
5001 10000	226273	1.49
10001 20000	205411	1.35
20001 30000	113676	0.75
30001 40000	38706	0.26
40001 50000	37614	0.25
50001 100000	174866	1.15
100001 and above	13140283	86.40
<b>Total</b>	<b>15208170</b>	<b>100.00</b>

(b) Shareholding Pattern as on 31st March, 2014

S.No	PARTICULARS	NO. OF SHARES	(%)
1.	Promoter and Promoter Group	8608963	56.61
2.	Mutual Funds/UTI/Financial Institutions, Banks & Foreign Institutional Investors	95086	0.63
3.	Foreign Bodies Corporate	1227000	8.07
4.	Other Body Corporate	3140981	20.65
5.	Individuals	2019684	13.28
	Any other :		
	Non Residents	38879	0.25
	Clearing Members	32368	0.21
	HUF	35909	0.24
	Trust	9300	0.06
	<b>Total</b>	<b>15208170</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., 44, Community Center 2nd floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi 110028. The company had also appointed M/s Link Intime India Pvt. Limited as common Agency to look after dematerialization of shares as well as for physical transfer of shares.

As on 31-03-2014 there were 11787 shareholders of the Company. Out of these 7877 shareholders were holding 14284752 (93.93%) equity shares in the dematerialized form and rest of them i.e. 3910 shareholders were holding 923418 (6.07%) equity shares in physical form.

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

During the year, the company has granted 51,000 options to Shri Andra Veetal Unnikrishnan Deputy Manager Director, exercisable into equal no. of equity share of Rs. 10/- each. After the conversion of these option, equity share capital will increase by 51000 shares. There is no outstanding GDR/ADR or any other Convertible instrument.

**CORPORATE IDENTIFICATION NO.:**

L27107PB1985PLC006159

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

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

In compliance with the provisions of Section 205A of the Companies Act, 1956, the unpaid dividend for the year 2005-2006 has already been transferred to the "Investor Education and Protection Fund. Further, the unpaid dividend for the year 2006-2007 shall be transferred to the Investor Education and Protection Fund in the month of October 2014.

## STEEL STRIPS WHEELS LIMITED

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

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

Link Intime India Pvt. Ltd.  
44, Community Center, 2nd Floor,  
Naraina Industrial Area,  
Phase- I, Near PVR Naraina,  
New Delhi 110 028  
Phone Number : 011-41410592,93,94  
Fax Number : 011-41410591  
Email: delhi@linkintime.co.in  
Contact Persons: Sh. V. M. Joshi or Sh. Swapan Nasker

**To the company**

Steel Strips Wheels Limited  
S.C.O. 49-50, Sector 26  
Madhya Marg,  
Chandigarh -160019  
Phone No. 0172- 2793112  
Email ID: mljain@sswllindia.com  
shamanjindal@sswllindia.com  
Contact Person: Sh. M.L Jain  
Sh. Shaman Jindal

Place : Chandigarh  
Date : 30th May, 2014

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

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

We have examined the compliance of conditions of Corporate Governance by Steel Strips Wheels Limited for the year ended on 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement with the Stock Exchanges.

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

Place: Chandigarh  
Dated : 30th May, 2014

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

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

# MANAGEMENT

## Discussion & Analysis

Indian economy is on the verge of cutting a corner with 3 consecutive years of slowdown in growth and major excesses getting out of system due to real demand supply adjustment over last four years. We expect that the Year 14-15 will bring a lot of reasons to cheer and will yield a turnaround in consumer demand which was extremely tepid in last 3-4 years. There has been a constant improvement in global economic environment which will give further boost to Indian economic model. India was undergoing a sea change over last 5 years and now things have stabilized and some green shoots are emerging across the country. There is lag effect to all such signs and an extremely stable and strong political mandate in the country will ensure that reform process will pick up momentum and growth will steadily improve from the base being set over last 2 years. We think that this year the growth momentum will pick up a little bit and we can grow between 5-5.5% for FY 14-15.

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

1. The Indian economy is getting stabilized with macro factors starting to improve. The interest rate pressure created by RBI last year has shown its impact and demand slowdown has corrected the price increase momentum has receded and is showing signs of further sign of reduction. This shall give way to RBI for keeping a very stable interest rate regime and give broader corporate world an environment to make capital investment decision and restart the capex cycle to propel the growth.
2. The economy is now on the fulcrum of high growth, after grappling with the global economic crisis during the end of the past decade. Until date, the development of the economy has been skewed and it lacked inclusive growth. However, we believe that India's success story is set to enter a new era of inclusive growth. During the current decade, significant progress would be visible in terms of growth percolating to a larger section of the society, an aspiration that has remained unaccomplished. Even the government at the center and the state levels are expected to make more concentrated efforts to channelise resources for growth in an inclusive manner.
3. The strong political mandate given to NDA will reinforce a lot of impetus on lagging reforms. There is a lot of investment decision waiting to be implemented due to lack of clarity on the reform and policy stance on the government which will now start materializing. There is a lot of corporate decision making waiting to happen on capex cycle which was waiting for clarity on political stability. A lot of corporate spending will be seen post the budget and rejig in entire capex cycle.
4. We note private consumption forms 60% of real GDP and hence the most significant (and quick) growth pick-up would be through consumption. However, given the current fiscal situation, a short-term boost is unlikely to come from the consumption side. This predicates more sustained consumption pick-up will be driven by the investment-cycle pick-up, which will put the economy on a strong footing. This necessarily implies that recovery will be slow.
5. General Election 2014: Indian general election gave BJP led NDA a decisive mandate to serve the nation and kick start the drop dead investment cycle. The completion of the election will allow stalled policies relating to the corporate and infrastructure sectors to resume. The new government's strong mandate increases the possibility of a stable central government that will pursue a shared economic agenda to address India's macroeconomic challenges.

### Indian GDP Growth Analysis

The GDP growth of FY 13-14 passed by as a consolidation year and a lot of high beta event happened during the year to test domestic macro conditions. WPI came in control by a stringent steps taken by RBI over last 1 year. The Indian landscape of GDP was amongst the lowest in a decade due to a wide slowdown in investment cycle and a somber consumer sentiment. The services side of the GDP composition also slowed down due to global completion. We expect that with the new government in place with heavy majority reform process will re-ignite and we may see slow and steady thrust in economic activity. RBI's latest estimates are suggesting that we will see across the board pickup in economic activity.

The new government will focus on manufacturing corridor and will ensure that the movement pick up in capex cycle with better investment environment for corporate as well as investors. The job creation has picked up pace over last few months and will continue be robust going into new FY.

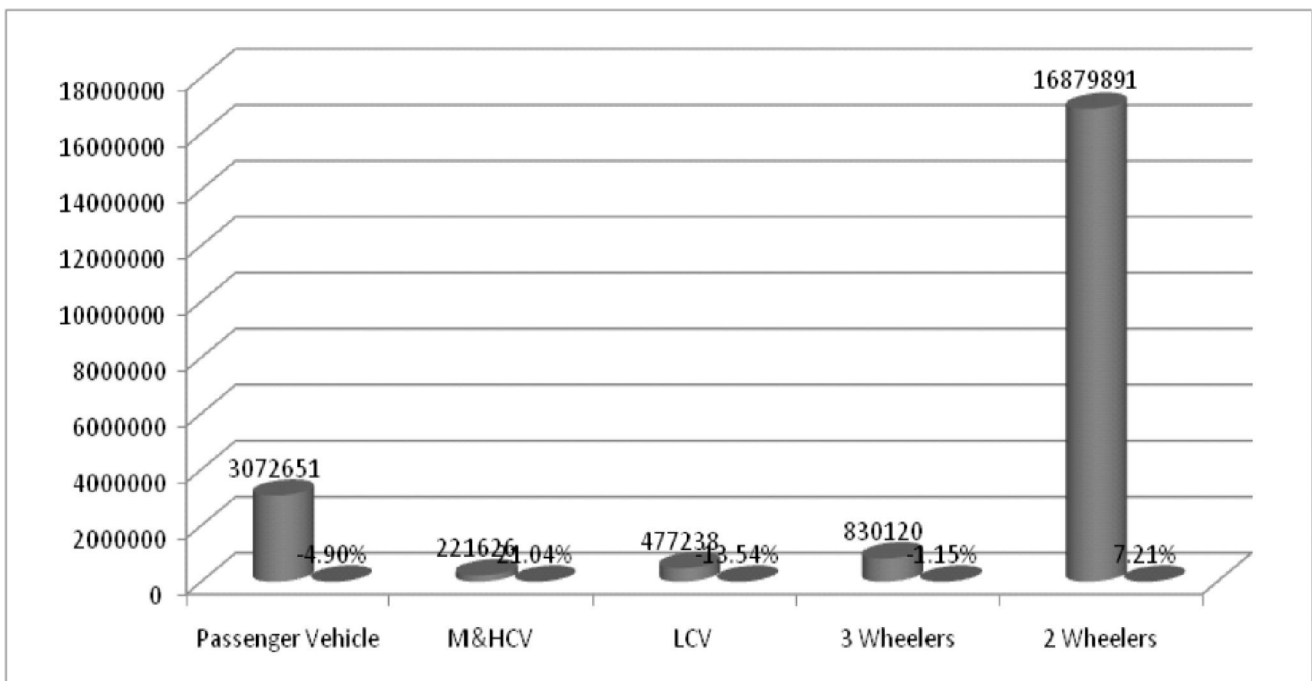
### GDP Growth Year-on-year rates of growth at constant (2004-05) prices

## STEEL STRIPS WHEELS LIMITED

One of the most important exogenous factors for growth this year will be the monsoons. With growth unlikely to be driven significantly by a pick-up in consumption growth and investment-cycle revival, it is crucial that the agriculture sector does not have much downside from a weak monsoon. However, if the monsoons were to disappoint, the negative consequences would probably be felt on growth and inflation.

### Industry & Segment Analysis

In view of the continued slowdown in the Indian Economy in FY 13-14, Indian Auto Industry witnessed an overall growth of meager 4% as compared to 2% in the last fiscal year. The broader segments of automotive markets saw contraction ranging from 5% to 25%. The only bright spot was the 2 wheeler segment which saw a growth of 7% to add some cheer for automotive industry. The economic tide is just turning for good and some recovery is seen over last few months where we have seen MoM improvement in production and new models are getting decent response due to improved consumer sentiment all across. THE CV segment is also slowly showing some signs of recovery although the improvement is still tepid and will take yet another 6-9 months once economic policy decision comes into play. We are expecting that industry will see positivity post the elections and we should get mild growth in the current FY.



In FY 2013-2014, the overall Passenger vehicle segment shrunk by 5%, which came on the back of sluggish economic environment and very poor consumer sentiment. The UV segment where growth was excellent last year also managed to close just at par and managed to show numbers after slew of launches in the segment. The CV segment which is reeling under pressure due to low complete ban on mining and extremely weak industrial cycle saw yet another year of de-growth. The segment witnessed a drop of 21% with last 3 months of the FY showing some signs of recovery. The LCV segment which growing steadily over last few years also bore the brunt of sluggish economic activity with a drop of 14% indicating even deeper impact in the small ticket size purchases.

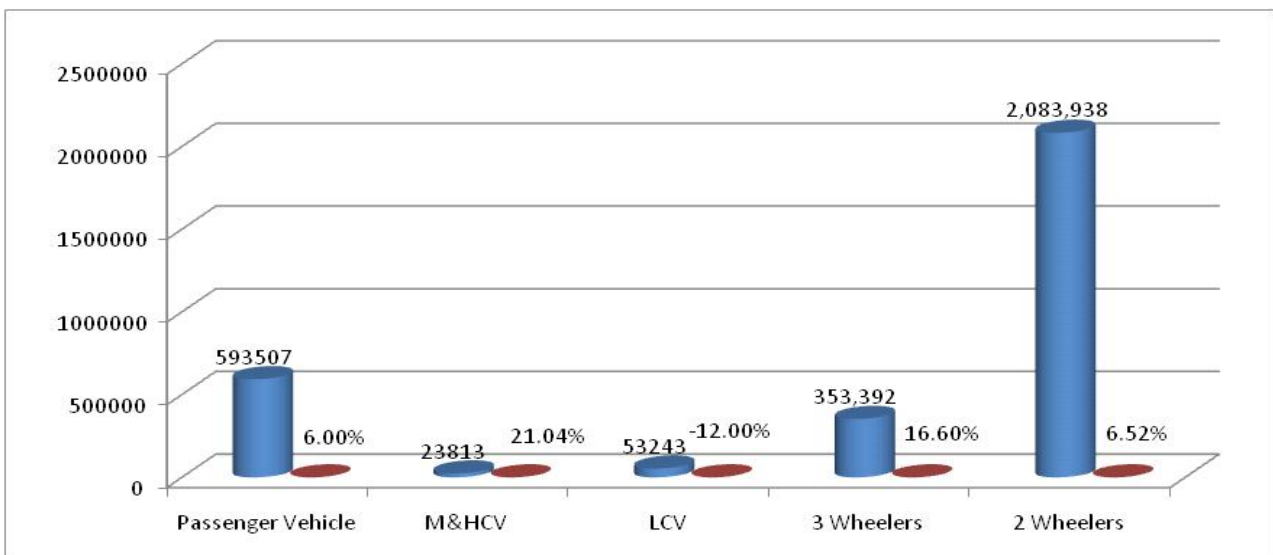
**Bounce Back Expected after Two Years of Decline; Pentup Demand & Cyclical Recovery to Fuel Growth:** Domestic auto industry sans two wheelers began declining since past two years due to multiple economic factors, which continued in Q4FY 14 as well. However, after completing second consecutive year of downfall, M&HCV & PV segments are set to enter into new upcycle in FY15E. We envisage new investment cycle to begin after General Elections, which coupled with pentup demand, would kick in volume for the sector over FY15-FY16. We believe that beginning of interest rate down cycle and less inflationary pressure would translate into double digit growth in auto volume over next two years.

**Regional Disparity of Vehicle Penetration to Drive Growth:** Lower vehicle density in Central & Eastern regions vis-à-vis Northern region would be one of the key factors for volume growth, going forward. We expect intra-regional penetration gap would shrink with higher growth in Eastern, Western & Central regions.

### Export Outlook

Total merchandise export of India grew 4% YoY to \$312bn as compared to \$300bn in FY 2012-2013. The growth came in due to sharp rupee depreciation and across the globe economic revival. US & EU are leading the global revival and are expected to move at a modest pace over next 12 months. The yearly export fell a little short of expectations but will see growth as global growth consolidates. The local currency has appreciated considerably over last 6 months on the back of steps being implemented by Government & RBI and will cushion the wider interest of exporters.

Auto exports sales grew by 7%, in-line with the global momentum for automobiles across the countries. The developed world is growing at 7-8% and the demand has been robust over last 6 months. The passenger vehicle export grew by 6% YoY and the similar momentum is expected to carry forward in this FY. The UV segment saw excellent growth of approx 300% with Indian products getting better acceptability worldwide and cost factor proving to be a great advantage with no compromise in the quality. CV segment did a lot better in export segment with M&HCV segment showing a growth of 22%. 3 wheelers maintained healthy export trend with 17% YoY growth. The global Automobile industry in poised to grow by 7-8% in FY 14-15 and will continue to provide support for domestic OEMs.



Your company achieved a growth in its export sales and achieved yet another milestone on the back of new business starts and better product offering for export customers. Total export sales grew to 197.96 crores in FY 2013-2014 as compared to 141.31 crores in FY 2012-2013. The Company is working aggressively to expand its reach in overseas markets with product extension and development. We have started tractor wheel & CV segment wheel exports in the current FY and are expecting to further make in-roads with existing customers. The focus on other global territories like Latin American markets for passenger car segment is in progress and is expected to yield results in the current FY.

### Automobile Industry & path Forward

The automobile industry has undergone a massive transformation over last 5 years and is now geared up to take up global leap in terms on competitiveness. The export market acceptance is increasing with every passing year and will further improve going into new FY. The automobile exports last one of India's major sectors; accounting for approximately 25% of the country's manufacturing GDP. The Indian auto industry, comprising passenger cars, two-wheelers, three-wheelers and commercial vehicles, is the sixth largest in the world with an annual production of approx 21 million vehicles, of which approx 3 million are exported. The industry has lot of potential as Indian auto penetration is among the lowest in the world and with steady increase in per capita income of Indian population the sector throws excellent growth opportunity for all the industry participants for at least next decade.

Increasing household income is the biggest factor for a move towards discretionary spend and india will see a massive change in that patten. The increase is household will be driven by DINK syndrome (double income no kids syndrome) and this pattern is here to stay as the current generation is moving towards aspiration based spend and that's the precise reason that we have seen a dip in savings rate in India over last few years and at the same time leisure spend has gone up by many folds.



## STEEL STRIPS WHEELS LIMITED

### Indian Pockets growing Deeper

Annual Income (INR)	Number of Households in 2010(million)	Expected Households in 2015 (million)
More than1000000	1.2	3.3
500000-1000000	2.4	5.5
200000-500000	10.9	55.1
90000-200000	91.3	106.0
Less than 90000	101.1	74.1
<b>TOTAL</b>	<b>206.9</b>	<b>244.0</b>

Source: MSIL

The industry wide growth over last 3-4 years of consolidation is given below and this will drive the next leg of growth in automobile sector with a lot of demand for first time car owners. The car penetration in a country like India is amongst the lowest and there is a very high chance of a catch up demand for automobile sector. Given the rural income growth seen over last 2-3 years, the auto sector is yet to exploit the rural income potential and there is huge potential to convert the income into spend

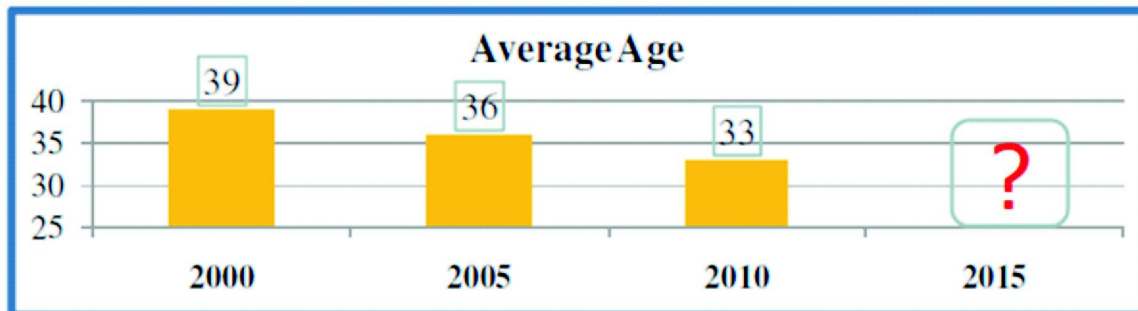
### Accelerated overall growth of other industrial segments

Sector	Growth
Telecom subscriber	81%
Housing loan disbursement by banks	49%
Airline traffic	44%
Retail lending by banks	42%
IT Industry	31%
Electronics	21%

Source : MSIL

The Indian demographic mix is the biggest strength for Automobile industry and the volume growth seen over so many years is a clear indicator that changing demographics is a reality for this dynamic change in demand. The Indian demand for automobile is going to increase many folds with first time buyer getting younger with every passing 5 years. The innovative financing scheme introduced by financial institutions will ensure this trend to continue and we will see a big change due to this factor.

Factor of Demographic



We have observed direct correlation between investment project announcement and M&HCV volume. It acts as a lead indicator for M&HCVs. During FY09, there was a jump of 34% in investment projects announcement, which resulted in sharper turnaround to positive sentiments, which led to 25% average growth in M&HCV volume over FY10-FY12. At present, projects under implementation are at four year low, which we expect to increase with allocation of new projects post General Elections, which would kick in M&HCV volume. Current level of fleet utilisation is 60-65%, and any economic activity would take at least one year for absorption of existing spare capacity. Therefore, we expect improvement in CV business to begin with H2FY15E, while healthy recovery would take place in FY16E.

### **Financial Analysis**

Gross revenues stood at Rs.1190.83 crs in FY 2013-14 as compared to 1088.1 Crs in FY 2012-13. The company withstood the headwinds in automotive segment in FY 2013-2014 and showed impressive revenue growth despite the odds of sectoral growth. SSWL is making further inroads towards product development and technology enhancement to ensure market share growth in FY 14-15. The Profit after Tax for FY 2013-2014 stood at 24.32crs as compared to 25.04Crs. The balance sheet deleveraging is still underway with the highest repayment scheduled to be done away with in FY 14-15 to give a lot of cushion in the next financial year. The company is making continuous efforts to prop up efficiencies and work harder on improving financial position by reducing net debt. Despite drop in the market volumes in FY 13-14 your company has maintained volume & value growth by increasing market share and the profitability impact will be seen post the consolidation year of 14-15.

Keeping in view the financial performance ,the Directors have recommended a final dividend of 15% i.e. Rs.1.50 per equity share subject to the approval of the shareholders at the ensuing Annual General Meeting resulting in a payout of Rs. 2.28 crores (excluding dividend tax).

### **Performance analysis**

FY 2013-14 was a year of consolidation for the automobile sector and across products the sentiment was poor and was seen improving over last quarter of FY. The grinding slowdown in CV market continued and pressured the OEMs with no respite coming from industrial cycle of the country. The capex cycle is extremely weak and may continue to improve slowly. The new government getting a record mandate will push a lot of pending reforms and capex cycle is expected to revive in next 3-6 months. The interest rates remained elevated through the year with credit demand still extremely weak; this is expected to continue for a while till policy action moves towards implementation.

Total wheel sales grew by 9%in FY 2013-2014 on the back of portfolio broadening exercise undertaken by company. The slowdown impact was partly ward of due to this exercise and market share growth is also underway. The automotive segment broadly was in negative trend line and despite that company has maintained the growth matrix and will ensure continuing the same going forward.

Our tractor segment wheel sales saw a growth of 25% as compared to a 1% decline in previous year. India saw year of record harvest and exports also picked up from India benefitting the company to grab this opportunity. The company also improved on market share with all the existing customers and putting all the efforts to constantly work on the same in FY 14-15. Across new development is now in mass supply and we have also received few new export orders. We continue to invest money and time in product development in this segment due to huge potential for this sector for domestic as well as exports.

Company achieved a 14% de-growth in LCV & M&HCV segment as against a drop of 16% in the segment. We have seen a slow but steady improvement in production in CV segment and the product development has ensured that we did better than the market. We will continue to outperform the market dynamics as majority of new development is now coming for ramp up in FY 14-15 and has already started to yield results. The JSR plant utilization has improved by more than 40% in last 4 months and we expect this to further improve with improvement in economic cycle of India. We expect that CV segment will show slow and steady improvement in FY 14-15.

### **Domestic Sales Forecast for FY 2014-2015 by SIAM**

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

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

### **Risk & Outlook**

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

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

### **Growth Strategy**

India: An Automobile Super Power in Making

## STEEL STRIPS WHEELS LIMITED

India has all the ingredient of becoming global automobile super power over coming years. India is 2<sup>nd</sup> largest 2 wheeler markets in the world and moving at a very rapid pace top catch up the gap towards the leader. India is 3<sup>rd</sup> largest market of small car segment and 5<sup>th</sup> largest for commercial vehicle in the world.

India is a great mix of across the board variant of automobile and has a healthy competiton mix to make room for all the players to cater the domestic as well as global demand. This is a precise reason for a continous investment from domestic & global Auto majors in the operations for quality enhancement and production capacity expansion.

India has 2 most important factors to support automobile sector and give opportunity to global players to keep increasing the investment in India. Indian Infrastructure & rapid urbanization is critical actor which can drive a healthy growth for across the segment players. The planned capex by some of the large auto major over next 3-4 years is clearly a hint of commitment to India growth story and will surely catch frenzy from other players apart from mentioned below. The below investment plan will also ensure that corresponding investment from across auto component players will also materialize and will yield a lot of capex cycle and will provide thrust to the sector.

### MAJOR INVESTMENT PLANS :

Auto major	Investment Amount
Tata Motors	8000 Crs
Maruti Suzuki	3800 Crs
Daimler India	3500 Crs
Toyota	3200 Crs
Honda Motorcycle	3000 Crs

### Sources : ACMA

Auto Industry is working extremely hard to catch upon the future trend to compete with global auto giants and brand Indian auto product on the global landscape.

Fuel Efficiency	Emission Reduction	Safety & Durability	Cost Effectiveness	Global standard of features
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All the above factors will need a lot of investment preparedness in India by Indian auto makers to compete with their global counterparts and demand for quality products grows leaps and bound.

### INTERNAL CONTROLS AND THEIR ADEQUACY

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

### SEGMENT REPORTING

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

### DISCLAIMER

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

Place: Chandigarh  
Dated : 30th May, 2014

R.K. GARG  
CHAIRMAN



# INDEPENDENT AUDITORS'

# Report

## S.C. DEWAN & CO.

### CHARTERED ACCOUNTANTS

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

Tel. : 2556190, 2556890

To the Members of

#### STEEL STRIPS WHEELS LIMITED

We have audited the accompanying financial statements of **STEEL STRIPS WHEELS LIMITED**, which comprise the Balance Sheet as at **March 31, 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

In our opinion and to the best of our information and according

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2014**;
  - b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  2. As required by section 227(3) of the Act, we report that:
    - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
    - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
    - e) on the basis of written representations received from the directors as on **March 31, 2014**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2014**, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Chartered Accountants

ICAI Firm Registration Number: 000934N

per **S.C. Dewan**

Partner

Place: Chandigarh  
Dated : 30th May, 2014

Membership Number: 015678

# ANNEXURE

## To Independent Auditors' Report

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of STEEL STRIPS WHEELS LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.**

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

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

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, Physical verification of inventory of fixed assets has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification dealt with in the books of accounts.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

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

- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. The Company has not granted or taken any loan, secured or unsecured loans to/ from Companies covered in the register maintained under section 301 of the Companies Act, 1956. The Provision of clause 4(iii) of Companies (Auditor's Report) order, 2003 are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit; we have not observed any continuing failure to correct major weaknesses in internal control system.

5. a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, directives issued by Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and rule framed there under are not applicable for the year under audit .

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost

Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. **In respect of statutory dues:**

- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.
  - b. The Company is regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
10. The Company has no accumulated losses at the end of financial year and it has not incurred cash losses in the current and immediately preceding financial year.
  11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
  12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities and other investments. The Company has maintained proper records of transactions and contracts in respect of shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
  15. According to the information and explanation give to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
  16. Base on the information and explanations given to us by the management, term loan were applied for the purpose for which the loans were obtained.
  17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
  18. The Company has not made any preferential allotment of equity shares to a company covered in the Register maintained under Section 301 of the Companies Act, 1956 during the financial year.
  19. The Company has not issued any Debentures to the public.
  20. The Company has not raised any monies by way of public issues during the year.
  21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year

**For S.C. Dewan & Co**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 000934N**

Place : Chandigarh  
Dated : 30th May, 2014

**per S.C.Dewan**  
Partner  
Membership Number: 015678

# STEEL STRIPS WHEELS LIMITED

## BALANCE SHEET

As at 31st March, 2014

in Lacs

PARTICULARS	NOTES	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds :</b>			
a) Share Capital	1	1,520.82	1,520.82
b) Reserves and Surplus	2	34,904.05	32,722.16
c) Money Received Against Share Warrant		-	-
<b>2) Share Application Money Pending Allotment</b>			
		-	-
<b>3) Non Current Liabilities</b>			
a) Long Term Borrowings	3	33,034.02	28,549.53
b) Deferred Tax Liability (Net)	4	2,409.21	2,436.82
c) Other Long Term Liability		-	-
d) Long Term Provisions	5	536.49	406.79
<b>4) Current Liabilities</b>			
a) Short Term Borrowings	6	32,747.53	32,645.53
b) Trade Payables	7	12,056.63	9,087.68
c) Other Current Liabilities	8	839.12	856.78
d) Short Term Provisions	9	341.92	326.54
<b>TOTAL</b>		<b>1,18,389.78</b>	<b>1,08,552.63</b>
<b>II. ASSETS</b>			
<b>1) Non Current Assets</b>			
a) Fixed Assets	10		
Tangible Assets		86,315.03	81,809.81
Intangible Assets		92.43	50.52
		86,407.46	81,860.33
Less : Depreciation		29,263.56	24,422.07
<b>Net Block</b>		<b>57,143.91</b>	<b>57,438.26</b>
Capital Work in Progress		11,745.09	9,459.86
Intangible Assets Under Development		297.34	198.72
		<b>69,186.33</b>	<b>67,096.84</b>
b) Non Current Investments	11	16.64	35.61
c) Deferred Tax Assets (Net)		-	-
d) Long Term Loans and Advances	12	1,275.79	962.71
e) Other Non Current Assets		-	-
<b>2) Current Assets</b>			
a) Current Investments		-	-
b) Inventories	13	13,635.99	12,634.10
c) Trade Receivables	14	21,511.34	14,957.99
d) Cash and Cash Equivalents	15	4,549.92	6,367.19
e) Short Term Loan & Advances	16	7,921.79	6,337.45
f) Other Current Assets	17	291.99	160.74
<b>TOTAL</b>		<b>1,18,389.78</b>	<b>1,08,552.63</b>
Significant Accounting Policies Notes to Financial Statement	1-28		

As per our report of even date.

**For S.C. Dewan & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 000934N  
per S.C. Dewan  
Partner

Place : Chandigarh  
Dated : 30th May, 2014

For and on behalf of Board

**Dheeraj Garg**  
Managing Director

Shaman Jindal  
Company Secretary

A.V. Unnikrishnan  
S.S. Jha  
M.M. Chopra  
S.K. Bansal  
S.S. Grewal  
Ajit Singh Chatha  
M.L. Jain  
Directors



# STATEMENT OF PROFIT & LOSS ACCOUNT

## For the year ended 31st March, 2014

in Lacs

PARTICULARS	NOTES	for the year ended 31st March, 2014	for the year ended 31st March, 2013
<b>INCOME</b>			
I. Revenue from Operations	18	1,06,383.16	96,993.25
<b>II Other Income</b>			
Income from services		-	-
Other Misc. Income	19	1,920.20	1,086.68
<b>III. TOTAL REVENUE (I + II)</b>		<b>1,08,303.37</b>	<b>98,079.93</b>
<b>IV. EXPENSES</b>			
Cost of Material Consumed	20	65,602.64	64,325.38
Purchase of Stock in Trade		-	-
Change in Inventories of finished good, work in progress & Stock in Trade	21	1,246.53	978.36
Employees Benefits Expenses	22	7,563.90	6,264.39
Financial Cost	23	4,079.09	2,969.79
Depreciation & Amortization	10	5,257.58	4,962.14
Other Expenses	24	22,024.29	15,929.65
<b>TOTAL EXPENSES</b>		<b>1,05,774.03</b>	<b>95,429.69</b>
<b>V. Profit before exceptional &amp; extra ordinary items &amp; Tax</b>		<b>2,529.33</b>	<b>2,650.23</b>
<b>VI Exceptional Items</b>			
Prior Period Income		-	6.42
Prior Period Expenses		13.15	-
<b>VII. Profit Before extra ordinary items &amp; Tax Extra ordinary items</b>		<b>2,516.19</b>	<b>2,656.66</b>
<b>Profit before tax</b>		<b>2,516.19</b>	<b>2,656.66</b>
<b>VIII. LESS : Tax Expenses</b>			
Current TAX (MAT)		503.43	531.54
Less : Mat Credit Entitlement		(416.17)	(531.54)
(Deferred Tax Assets) /Deferred tax Liabilites		(27.61)	126.83
Wealth Tax		-	-
<b>Total Taxes</b>		<b>59.65</b>	<b>126.83</b>
Add : Taxes - Previous Year		23.55	25.09
		<b>83.20</b>	<b>151.92</b>
<b>IX. Profit Carried to Balance Sheet</b>		<b>2,432.99</b>	<b>2,504.74</b>
<b>Earnings per Equity Share</b>			
Basic (Nominal value of Share Rs. 10 each)	25	16.00	16.55
Diluted (Nominal Value of Shares Rs. 10 each)		15.98	16.55
Significant Accounting Policies			
Notes to Financial Statement	1-28		

As per our report of even date.

**For S.C. Dewan & Co.**  
**Chartered Accountants**  
ICAI Firm Registration No. 000934N  
per S.C. Dewan  
Partner

Place : Chandigarh  
Dated : 30th May, 2014

For and on behalf of Board

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

Shaman Jindal  
**Company Secretary**

A.V. Unnikrishnan  
S.S. Jha  
M.M. Chopra  
S.K. Bansal  
S.S. Grewal  
Ajit Singh Chatha  
M.L. Jain

**Directors**



**STEEL STRIPS WHEELS LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31st March, 2014**

in Lacs

S. No	PARTICULARS	for the year ended March 31, 2014		for the year ended March 31, 2013	
<b>A.</b>	<b>Cash Inflow/ (Outflow) from Operating activities</b>				
	<b>Profit before tax</b>		<b>2,516.19</b>		2,656.66
	Depreciation	5,257.58		4,962.14	
	Miscellaneous expenses written off	-		-	
	Bad debts written off	4.18		25.44	
	(Profit)/ Loss on sale of assets	(409.60)		(19.82)	
	(Profit)/ Loss on sale of investments	(2.40)		-	
	Expense on Employee Stock Option Scheme	14.03		-	
	Interest received	(751.56)		(238.35)	
	Effect of Exchange Rate Change	406.14		87.54	
	Interest paid	2,960.15		2,413.79	
	<b>Operating profit before working capital changes</b>		<b>9,994.70</b>		9,887.39
	Adjustment for				
	- (Increase)/ decrease in inventory	(1,001.89)		856.88	
	- (Increase)/ decrease in trade and other receivables	(6,687.24)		(1,363.29)	
	- Increase/ (decrease) in trade payables	9,256.76		(1,566.89)	
	<b>Cash inflow from operating activities</b>		<b>11,562.32</b>		7,814.09
	Taxes paid		110.81		25.09
	<b>Net cash from / (used) in operating activities</b>		<b>11,451.51</b>		7,789.00
<b>B</b>	<b>Cash flows from/ (used) in Investing Activities</b>				
	Purchase of fixed assets	(6,162.51)		(10,332.35)	
	Exchange fluctuation in Fixed assets /CWIP	(2,144.74)		(759.10)	
	Sale of fixed assets	960.19		471.75	
	Sale of investments	19.36		-	
	Investment in mutual fund	(0.39)		(6.62)	
	Profit on sale of investments / Assets	412.00		19.82	
	Interest received	751.56		238.35	
	<b>Net cash from / (used) in investing activities</b>		<b>(6,164.53)</b>		(10,368.13)
<b>C</b>	<b>Cash flows from/ (used) in Financing Activities</b>				
	Proceeds from issue of equity shares Incl. premium	-		1,095.00	
	Proceeds from long term borrowings	4,500.00		11,552.84	
	Proceeds from long term provisions/short term provisions	145.07		46.24	
	Repayment of long term borrowings (net of fluctuation)	(4,871.99)		(4,944.76)	
	Proceeds from/ (repayment of) Unsecured loans	-		-	
	Changes in working capital loans/short term borrowings	(1,346.97)		4,093.33	
	Increase/Decrease in Long/short Term Loan & Advances	(1,897.42)		(2,404.84)	
	Dividend paid	(265.13)		(265.23)	
	Interest paid	(3,366.29)		(2,501.33)	
	<b>Net cash from / (used) in financing activities</b>		<b>(7,102.73)</b>		6,671.24
	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,815.74)</b>		4,092.11
	Cash and cash equivalents as at April 1, 2013		6,339.35		2,247.24
	<b>Cash and cash equivalents as at March 31, 2014</b>		<b>4,523.61</b>		6,339.35

**AUDITORS' CERTIFICATE**

We have verified the attached Cash Flow Statement of M/s Steel Strips Wheels Limited derived from audited financial statements and the books & records maintained by the Company for the year ended 31st March, 2014 and found the same in agreement therewith

As per our report of even date.

For and on behalf of Board

**For S.C. Dewan & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 000934N  
per S.C. Dewan  
Partner

**Dheeraj Garg**  
Managing Director

A.V. Unnikrishnan  
S.S. Jha  
M.M. Chopra  
S.K. Bansal  
S.S. Grewal  
Ajit Singh Chatha  
M.L. Jain  
**Directors**

Place : Chandigarh  
Dated : 30th May, 2014

Shaman Jindal  
Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES

### i) Accounting Convention

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and in accordance with the relevant provisions & presentational requirements of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

### ii) Revenue Recognition

- i) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are stated net of sales returns. Revenue is shown gross of excise duty and net of sales tax.
- ii) Insurance claim is recognized on acceptance of claim by Insurance Company.
- iii) Interest from bank is recognized on accrual basis.

### iii) Recognition of expenses

All Expenses are recognized on accrual basis.

### iv) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual result and estimates are recognized in the period in which the results are known/ materialized.

### v) Fixed Assets

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

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

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

### vi) Depreciation/ amortization

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

### vii) Inventories

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

### viii) Investments

Long-term investments including unquoted shares are carried at cost less provision, if any, for diminution in value which is other than temporary, however mutual funds investments are valued at its net realizable value . Current investments are carried at lower of cost and fair value.

### ix) Transactions in Foreign Currency

#### (i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### (ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-

## STEEL STRIPS WHEELS LIMITED

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monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### (iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange differences relating to acquisition of imported fixed assets are adjusted in the carrying cost of the respective Fixed Assets.

### (iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

Gain or loss on contracts relating to acquisition of imported Fixed Assets is adjusted to the carrying cost of Fixed Assets.

### X) Employee Benefits

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

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

### xi) 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.

### xii) Cenvat

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

### xiii) Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

### xiv) Accounting for taxes on income

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

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

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**xv) Leases**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

**xvi) Provisions, Contingent Liabilities & Contingent Assets**

Provisions involving substantial degree of estimate in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**xvii) Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for event of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**xviii) Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**xix) Employee Stock Compensation Cost**

Stock option granted to employee under the stock option scheme are accounted at intrinsic value as per the accounting treatment prescribed in the securities and exchange board of India ( Employee stock option scheme and employee stock purchase scheme) guidelines 1999 and guidance note on accounting for employee share - based payment, issued by the institute of Chartered Accountants of India. Accordingly the excess of market price, determined as per the guideline and guidance note, of underlying equity shares (market Value), over the exercise price of the option is recognised as deferred stock compensation expenses as is charged to the statement of profit and loss account on straight line basis over the vesting period of the option. The amortized portion of the cost is shown under share holder funds.

**AUDITORS' REPORT**

Certified in terms of our separate report of even date annexed

As per our report of even date.

**For S.C. Dewan & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 000934N  
per S.C. Dewan  
Partner

Place : Chandigarh  
Dated : 30th May, 2014

For and on behalf of Board

**Dheeraj Garg**  
Managing Director

Shaman Jindal  
Company Secretary

A.V. Unnikrishnan  
S.S. Jha  
M.M. Chopra  
S.K. Bansal  
S.S. Grewal  
Ajit Singh Chatha  
M.L. Jain  
Directors

# STEEL STRIPS WHEELS LIMITED

## Notes on Financial Statements for the year ended 31st March, 2014

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

### NOTE - 1

#### SHARE CAPITAL

in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Authorised Capital</b>		
1,90,00,000 Equity Shares of Rs.10/-each (1,90,00,000)	1,900.00	1,900.00
12,00,000 Preference shares of Rs. 145/- each * Optionally Convertible, cumulative or non-cumulative (12,00,000)	1,740.00	1,740.00
<b>Issued , Subscribed and Paid Up Capital</b>		
1,52,08,170 Equity Shares of Rs.10/-each (1,52,08,170)	1,520.82	1,520.82
<b>TOTAL</b>	<b>1,520.82</b>	<b>1,520.82</b>

1.1 The reconciliation of number of shares outstanding is set out below :

Particulars	AS AT March 31, 2014 No. of Shares	AS AT March 31, 2013 No. of Shares
Equity Shares at the beginning of the year	1,52,08,170.00	1,48,43,170.00
Add: Shares issued	-	3,65,000.00
Less : Shares Cancelled	-	-
Equity Shares at the end of the year	<b>1,52,08,170.00</b>	<b>1,52,08,170.00</b>

1.2 The Company has issued only one class of shares i.e. equity shares. All equity shares rank pari passu and carry equal rights with respect to voting and dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

1.3 The details of Shareholders holding more than 5% shares.

Name of the Share Holder	March 31, 2014		March 31, 2013	
	No. of Shares	% held	No. of Shares	% held
MR. DHEERAJ GARG	46,40,228	30.51	46,40,228	30.51
SAB INDUSTRIES LIMITED	13,14,187	8.64	12,93,686	8.51
SAB UDYOG LIMITED	11,42,582	7.51	11,42,582	7.51
KALIMATI INVESTMENTS COMPANY LTD.	12,55,856	8.26	12,55,856	8.26
SUMITOMO METAL INDUSTRIES LIMITED	8,50,000	5.59	8,50,000	5.59

#### 1.4 Share reserved for issue under Options outstanding as at the end of the year on unissued share capital.

As on 31 March, 2014, 51,000 ( previous year Nil), employee stock option were outstanding under the employee stock option scheme of the company. Each option would entitle the holder thereof to subscribe to one equity share of Rs. 10/- each of the company.

##### a). Steel Strips Wheels Limited Deputy Managing Director, Employee stock option Scheme 2013.

The company has established an employee stock option scheme (ESOS) in accordance with the securities and exchange board of India ( employee stock option scheme & Employee Stock Purchase Scheme) guidance 1999 which has been approved by the board of Directors and shareholders. All options under ESOP are exercisable for equity shares. The company has granted upto 51000 option to Shri A.V. Unnikrishnan ( Deputy Managing Director of the company). Each option is exercisable for one equity shares of Rs.10/- each fully paid up on a payment of exercise price. The exercise price is Rs. 10 per share. Date of grant is 01.01.2014 and vesting period is one year. Exercise period for the option is within 4 years from the date of grant of the options.

##### b). The number and Weighted Average exercise price of stock option are as follows :

Particulars	ESOS 2013			
	Year Ended 31st March 2014		Year Ended 31st March 2013	
	Options	Weighted average Exercise Price	Options	Weighted average Exercise Price
	Number	Amount	Number	Amount
Outstanding at the Beginning of the year	Nil	Nil	Nil	Nil
Granted Options	51000	10	Nil	Nil
Forfeited during the year	Nil	Nil	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Expired during the year	Nil	Nil	Nil	Nil
Outstanding at the end of year	51000	10	Nil	Nil
Exercisable at the end of the year	Nil	Nil	Nil	Nil
Number of Equity shares of Rs 10 each fully paid to be issued on exercise of option	51000	10	Nil	Nil
Weighted average share price at the date of exercise	Not applicable	Not applicable	Nil	Nil
Weighted average remaining contractual life (in years)	4 years (w.e.f. 01-01-2014)	4 years (w.e.f. 01-01-2014)	Nil	Nil

##### c). Impact of fair Valuation method on Net Profit under EPS

In March 2005, the institutes of Chartered Accountants of India has issued a guidance note on "**Accounting for Employees Share based payments**" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1st, 2005. The said guidance note require the pro-forma Disclosures of the impact of fair value method of accounting of employee stock Compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earning per share would be as follows :

## STEEL STRIPS WHEELS LIMITED

in Lacs

Particulars		for the Year ended 31st March 2014	for the Year ended 31st March 2013
Profit as Reported	A	2,432.99	2,504.74
Add: Employee Stock Compensation under Intrinsic Value Method	B	14.03	-
Less: Employee Stock Compensation under fair Value Method	C	(13.92)	-
Pro-forma Profit	(A+B-C)	2,433.10	2,504.74
<b>Earning per share:</b>			
<b>Basic</b>		In Rs.	In Rs.
-As Reported		16.00	16.55
-As Proforma		16.00	16.55
<b>Diluted</b>			
-As Reported		15.98	16.55
-As Proforma		15.98	16.55

- d). Weighted Average fair value of options granted during the year is Rs. 109.20 per option.
- e) **The fair value of the options, is estimated on the date of grant using the black-scholes model with the following significant assumptions :**

Particulars	for the Year ended 31st March 2014	for the Year ended 31st March 2013
Weighted average Risk free interest rates ( in %)	8.50%	Nil
Weighted average Expected life	4 Years	Nil
Weighted average Volatility (in %)	29.53%	Nil
Weighted average Dividend Yield (%)	0.78%	Nil
Weighted average Exercise price	Rs. 10.00	Nil
Weighted average Share Price	Rs. 120.00	Nil
Weighted average Fair Value of the Options	Rs. 109.20	Nil

*The volatility of the options is based on the historical volatility of the share price applicable to the total expected life of each option.*

- 1.5 No Shares out of the issued, subscribed and paid up Share Capital were allotted in the last five years pursuant to the various scheme of amalgamation without payment being received in cash.
- 1.6 No Shares out of the issued , subscribed and paid up Share Capital were allotted as Bonus Shares in the last five years by capitalization of Securities Premium Reserves.

## Notes on Financial Statements for the year ended 31st March, 2014

### NOTE 2

in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Reserves &amp; Surplus</b>		
Securities Premium Account	-	-
Share Forfeiture Reserve	59.10	59.10
Assistant under PATSER Scheme	50.00	50.00
Share Premium Account	11,437.18	11,437.18
Capital Subsidy	27.95	27.95
Capital Revaluation Reserve	5,280.64	5,280.64
<b>General Reserve</b>		
As per Last Balance Sheet	9,873.30	6,996.96
Add: Transfer from Profit & Loss	2,504.75	2,876.34
Less : Appropriations	-	-
Closing Balance	12,378.04	9,873.30
<b>Profit and Loss account (Carried over from P&amp;L)</b>		
As per Last Balance Sheet	5,993.99	6,631.33
Add: Profit for the year	2,432.99	2,504.13
Less : Appropriations		
Proposed Dividend	228.12	228.12
Dividend Distribution Tax	37.01	37.01
Transfer to other Reserves	2,504.75	2,876.34
Closing Balance	5,657.11	5,993.99
<b>Share Options Outstanding Account:</b>		
<b>Employee Stock Option Outstanding</b>		
As per last balance sheet	-	-
Addition during the year	56.10	-
Deduction during the year	-	-
Closing balance	56.10	-
<b>Deferred Employee compensation Expenses</b>		
As per last balance sheet	-	-
Addition during the year	(56.10)	-
Deduction during the year	14.03	-
Closing balance	(42.07)	-
<b>TOTAL</b>	<b>34,904.05</b>	<b>32,722.16</b>

Pursuant to SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999, the Board of Directors of the Company and subsequently share holders of the company in their AGM held on 30-09-2013 had approved to grant upto 51,000 option exercisable into equivalent nos. of equity shares of the face value of Rs. 10/- each BSE & NSE both have issued their in principle approval for the same. Date of grant is 01-01-2014.

### NOTE 3

in Lacs

PARTICULARS	AS AT March 31, 2014			AS AT March 31, 2013		
	Current	Non Current		Current	Non Current	
<b>LONG TERM BORROWINGS</b>						
<b>SECURED</b>						
Loans from Banks						
- Rupee Term Loans	1,790.00	2,323.32	<b>2,323.32</b>	1,145.76	1,562.50	1,562.50
- Foreign Currency Term Loan	4,874.10	11,792.74	<b>11,792.74</b>	4,369.36	15,270.98	15,270.98
<b>From NBFC</b>	538.60	1,612.24	<b>1,612.24</b>	238.60	715.79	715.79
<b>UN-SECURED</b>						
Payables for Capital Goods						
- Long Term	-	17,305.72	<b>17,305.72</b>	-	11,000.26	11,000.26
<b>TOTAL</b>	<b>7,202.69</b>	<b>33,034.02</b>	<b>33,034.02</b>	<b>5753.72</b>	<b>28,549.53</b>	<b>28,549.53</b>

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

All secured loans are further secured by personal guarantee of Chairman and / or Managing Director of the Company.  
Maturity Profile of Secured Term Loans are as below:



## STEEL STRIPS WHEELS LIMITED

### Notes on Financial Statements for the year ended 31st March, 2014

#### NOTE - 3 (Continued)

in Lacs

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
Term Loans - Current Year	7,202.69	5,030.47	4,305.42	4,066.82	2,314.51
Term Loans - Previous Year	5,753.72	5,860.50	3,804.65	3,144.70	2,906.10

#### NOTE - 4

in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Deferred Tax Liability ( Net)</b>		
<b>Deferred Tax Liabilities</b>		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	2,436.82	2,436.82
<b>Gross Deferred Tax Liabilities</b>	2,436.82	2,436.82
<b>Deferred Tax Assets</b>		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	27.61	-
<b>Gross Deferred Tax Assets</b>	27.61	
<b>Net Deferred Tax Liability</b>	<b>2,409.21</b>	<b>2,436.82</b>

In compliance with AS 22 on Accounting for the Taxes on Income, a Sum of Rs.27.61 lacs (previous Year Rs. 126.83 Lac) has been considered as deferred tax Assets (deferred tax liability) in respect of timing difference for the year under consideration and the same has been charged to profit & Loss account. Deferred tax Assets will likely to be recovered from future taxable income.

#### NOTE - 5

in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Long Term Provisions</b>		
Provision for Gratuity	398.26	305.32
Provision for Leave Encashment	138.22	101.47
<b>Total</b>	<b>536.49</b>	<b>406.79</b>

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

#### NOTE - 6

in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Short Term Borrowings (SECURED)</b>		
<b>-Working Capital Loans :</b>		
- From Bank -Cash Credit	20,334.60	19,622.23
<b>- Other Loans</b>		
- Current Maturities of Long Terms Debts (refer Note No.3)	7,202.69	5,753.72
- Loan Against Fixed Deposits	1,950.95	2,256.34
<b>- Foreign Currency Loan</b>		
- Buyers Credit for Raw Material	1,307.94	3,534.06
<b>(UNSECURED)</b>		
- Loan againsts Bills Receivables	1,451.36	1,479.19
- NBFC	500.00	-
	<b>32,747.53</b>	<b>32,645.53</b>

**Note :**

Working Capital Limits from Banks are secured / to be secured by First charge on stocks of Raw materials, Semi-finished goods, Finished goods, Consumable stores, hypothecation of book debts. The Limits are further secured/ to be secured by IInd pari-passu charge over fixed assets of the company. Buyer credit loans are secured by way of lien on non-funds based working capital limits and counter indemnity of the Company. All secured loans are further secured by personal guarantee of Chairman and/ or Managing Director of the Company.



## Notes on Financial Statements for the year ended 31st March, 2014

### NOTE 7

in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Trades Payable</b>		
Micro & Small Enterprises	164.28	231.09
Others	11,892.35	8,856.59
<b>Total</b>	<b>12,056.63</b>	<b>9,087.68</b>

Debit and Credit Balances in the accounts of suppliers and others are subject to confirmation and reconciliations .  
Detail of amounts outstanding to Micro & Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 based on available information with the Company is as under :

in Lacs

	AS AT March 31, 2014	AS AT March 31, 2013
Principal amount due and remaining unpaid	164.28	231.09
Interest due on above and the unpaid Interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

### NOTE 8

in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Other Current Liabilities</b>		
Interest Accrued But Note Due	82.45	91.74
Advances from Customers	77.75	214.26
Taxes and duties payable	129.13	90.03
Dues to Directors	85.36	93.52
Unclaimed Dividend	26.31	27.84
Excise Duty on Finished Goods	72.23	47.49
Other Payables	365.89	291.90
(Incl. Salary, Bonus, PF, ESI Payable)		
<b>Total</b>	<b>839.12</b>	<b>856.78</b>

### NOTE 9

in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Short Term Provisions</b>		
Provision for Gratuity	54.82	44.76
Provision for Leave Encashment	21.97	16.65
Proposed Dividend	228.12	228.12
Dividend Distribution Tax	37.01	37.01
<b>Total</b>	<b>341.92</b>	<b>326.54</b>

# STEEL STRIPS WHEELS LIMITED

## Notes on Financial Statements for the year ended 31st March, 2014

### NOTE 10 FIXED ASSETS

in Lacs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Deletions/ Adjustments	As at 31.03.2014	As at 01.04.2013	For the Year	Deletions/ Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets :</b>										
Land	8,397.13	17.55	-	8,414.68	79.26	12.19	-	91.45	8,323.23	8,317.87
Building	11,223.19	695.86	-	11,919.05	1,783.46	359.48	-	2,142.94	9,776.11	9,439.73
Plant & Machinery	49,251.68	3,263.36	900.10	51,614.94	17,449.08	3,699.66	327.48	20,821.26	30,793.68	31,802.59
Plant & Machinery - R&D	402.96	0.98	-	403.95	255.84	35.96	-	291.80	112.15	147.12
Furniture & Fixture	1,981.15	631.93	-	2,613.08	162.40	121.72	-	284.12	2,328.97	1,818.75
Data Processing Equipments	414.65	34.12	-	448.76	336.73	26.26	-	362.98	85.78	77.92
Data Processing Equipments - R&D	57.49	4.04	-	61.53	16.96	7.51	-	24.47	37.07	40.53
Motor Vehicle	834.38	59.89	28.04	866.23	312.56	77.44	18.98	371.03	495.21	521.81
Die Toolings - New Products R&D	947.83	607.79	122.63	1,432.99	159.22	116.19	0.56	274.85	1,158.14	788.61
Die Toolings	8,299.35	565.96	325.51	8,539.81	3,856.22	793.69	69.08	4,580.84	3,958.97	4,443.13
<b>Intangible Assets :</b>										
Packages & Software	50.52	41.92	-	92.43	10.33	7.49	-	17.82	74.61	40.19
Drawing & Copyrights	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>81,860.33</b>	<b>5,923.41</b>	<b>1,376.28</b>	<b>86,407.46</b>	<b>24,422.07</b>	<b>5,257.58</b>	<b>416.09</b>	<b>29,263.56</b>	<b>57,143.91</b>	<b>57,438.26</b>
Previous Year	76,053.66	6,474.27	667.60	81,860.33	19,655.78	4,962.14	195.85	24,422.07	57,438.26	56,397.88
Capital work in Progress	-	-	-	-	-	-	-	-	11,745.09	9,459.86
Intangible Assets under development	-	-	-	-	-	-	-	-	297.34	198.72

#### Note 10(1)

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

#### Note 10(2)

Preoperative Expenses/ Interest pending capitalization consist of expenses incurred /being incurred during implementation of project under installation of new fixed Assets. These will be capitalized with other fixed assets when project /fixed assets shall commence commercial production. Interest on term Loan of Rs. 78.59 Lacs (Previous year 191.52 Lacs) has been capitalised during the year.

#### Note 10(3)

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

#### Note 10(4)

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

#### Note 10(5)

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

#### Note 10(6)

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

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

#### Note 10(7)

Depreciation of assets Costing Rs. 5000 or Less is provided 100% on pro rata basis for days put in use.

#### Note 10(8)

Unit Wise Depreciation / Amortisation during the year as follows :

in Lacs

Particulars	Current Year				Previous Year			
	Dappar	Jamshedpur	Chennai	Total	Dappar	Jamshedpur	Chennai	Total
Depreciation	2,740.09	1,176.78	1,328.51	5,245.38	2,598.32	1,117.19	1,234.43	4,949.94
Amortization	-	-	12.19	12.19	-	-	12.19	12.19
Total	2,740.09	1,176.78	1,340.71	5,257.58	2,598.32	1,117.19	1,246.63	4,962.14

## Notes on Financial Statements for the year ended 31st March, 2014

` in Lacs

NOTE 11	AS AT March 31, 2014	AS AT March 31, 2013
<b>Non Current Investments</b>		
<b>Long Term (At cost)</b>		
<b>Equity Shares</b>		
Investment in Shares	11.25	11.25
(Unquoted and valued at cost)		
1,12,500 (Previous year 150,000) Equity Shares of Rs. 10/- each of Nimbua Greenfield (Punjab) Limited.		
<b>In Others</b>		
Investment in Bonds & Mutual Funds	5.39	24.36
Dividend option of Canara Bank / (PY Axis Mutual Fund)		
6896.54 units (SIP) of Canara Bank (PY 172034.60) units of Axis Triple Advantage Fund-Growth of Axis Mutual Fund.)		
( Quoted and valued at Net Realizable Value)		
<b>TOTAL</b>	<b>16.64</b>	<b>35.61</b>

` in Lacs

NOTE 12	AS AT March 31, 2014	AS AT March 31, 2013
<b>Long Term Loans and Advances</b>		
<i>(Unsecured - considered good except to the extent provided for)</i>		
Advances Recoverable in Cash or in Kind or for the value to be received (Incl. Doubtful Rs. 35 Lakh, (Previous Year Rs.35 Lakh )	392.98	169.40
Security Deposits	442.99	437.01
Capital Advances	318.18	318.18
Income tax Refundable of Earlier Years	35.36	36.22
Advance Tax / Tax deducted at Source	121.28	36.91
(Net of provision for tax Rs. 503.43 Lacs. (Previous year Rs. 531.54 Lacs)		
	<b>1,310.79</b>	<b>997.71</b>
<b>Less :- Provisions for Doubtful Advances</b>	35.00	35.00
<b>Total</b>	<b>1,275.79</b>	<b>962.71</b>

The Income Tax Assessment of the Company has been completed upto the Assessment year 2006-07. There is no demand on company. Therefore no provision has been made by the company.

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

## STEEL STRIPS WHEELS LIMITED

### Notes on Financial Statements for the year ended 31st March, 2014

NOTE 13	in Lacs	
PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Inventories</b>		
(As taken, valued and certified by management)		
Raw Material & Components	6,416.13	5,092.63
Stores and Spares	4,348.54	4,158.58
Goods in Transit		
- Raw Material & Components	1,211.27	476.31
Scrap	43.88	67.68
Work in Progress	1,007.91	2,119.78
Finished Goods	608.25	719.11
<b>Total</b>	<b>13,635.99</b>	<b>12,634.10</b>

Raw materials have been valued at weighted average cost. Stores and spares have been valued at weighted average cost. Stocks in Process have been valued at Raw material cost plus proportionate of conversion cost. Scrap is valued at Net Realizable Value. Finished Goods lying at factory have been valued at Raw material cost plus conversion cost including excise duty payable.

NOTE 14	in Lacs	
PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Trade receivables</b>		
(Unsecured, Considered Goods unless Otherwise Stated)		
Debts outstanding for a period exceeding six months	460.67	126.78
(Considered doubtful Rs. 25.62 lac., Previous year. Rs. 27.23 Lac.)		
Other Debts	21,076.30	14,858.44
	21,536.97	14,985.22
<b>Less: Provisions for Doubtful Debts</b>	<b>25.62</b>	<b>27.23</b>
<b>Total</b>	<b>21,511.34</b>	<b>14,957.99</b>

NOTE 15	in Lacs	
PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Cash and Cash Equivalents</b>		
Cash in Hand	11.75	15.53
Cheques in Hand (Current Account)	246.25	1,018.15
Balances with Scheduled Banks on:		
- In current accounts	978.80	756.93
- in dividend accounts	26.31	27.84
- Fixed Deposit / Margin Money account (Held under lien with bank)	3,286.81	4,548.73
<b>Total</b>	<b>4,549.92</b>	<b>6,367.19</b>

NOTE 16	in Lacs	
PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Short Term Loans and Advances</b>		
(Unsecured - considered good except to the extent provided for)		
Advances Recoverable in Cash or in Kind (Short Term)	1,025.23	1,024.61
Prepaid Expenses	65.05	137.71
MAT Credit Entitlement	2,095.76	1,679.59
Balance with Excise Authorities	2,182.61	1,230.83
Vat Recoverable	2,553.14	2,264.71
	7,921.79	6,337.44
<b>Less: Provisions for Doubtful Advances</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7,921.79</b>	<b>6,337.44</b>

As per the provision of Section 115JAA, MAT Credit receivable has been recognized as an asset to the extent there is convincing evidence that the Company will pay normal Income tax during the specified period. MAT credit is recognised as an assets in accordance with the recommendation contained in guidance note issued by Institute of Chartered Accountants of India. The said assets is created by the way of credit to the Profit and Loss account and shown as MAT credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

NOTE 17	in Lacs	
PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
<b>Other Current Assets</b>		
Interest Accrued but not Received	291.99	160.74
<b>Total</b>	<b>291.99</b>	<b>160.74</b>

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

## Notes on Financial Statements for the year ended 31st March, 2014

### NOTE 18

in Lacs

PARTICULARS	For the year ended March 31, 2014		For the year ended March 31, 2013	
<b>SALES</b>				
<b>DOMESTIC SALES :</b>				
a) Manufactured Products		87,213.41		83,160.28
b) Scrap		10,137.59		9,974.68
<b>TOTAL GROSS SALES</b>		<b>97,351.00</b>		<b>93,134.96</b>
Less : Excise Duty		10,779.29		10,732.77
<b>NET DOMESTIC SALES</b>		<b>86,571.71</b>		<b>82,402.18</b>
c) Other Sales		14.70		459.71
<b>EXPORT SALES:</b>				
d) Manufactured Products		19,796.75		14,131.35
<b>Total</b>		<b>1,06,383.16</b>		<b>96,993.25</b>

The Company is in business of manufacture and sale of wheel rims and there is no other segment as per Accounting Standard (AS-17) dealing with the segment reporting

### NOTE 19

in Lacs

PARTICULARS	For the year ended March 31, 2014		For the year ended March 31, 2013	
<b>Other Income</b>				
<b>Total Interest Income</b>		751.56		238.35
TDS Deducted Rs 94.15 Lac (PY Rs. 38.22 Lac)				
Balances Written Back /Off (Net)		21.21		-
Provision for Doubtful Debts Written back		2.07		-
<b>Miscellaneous Income :</b>				
a) Insurance claim recd	44.61		37.39	
b) VAT Subsidy	378.77		560.12	
c) Misc. Income	309.99		230.99	
<b>Total Miscellaneous Income</b>		733.37		828.50
Profit on Sale of Shares /Mutual Funds		2.40		-
Profit on Sale of Asset		409.60		19.82
<b>TOTAL</b>		<b>1,920.00</b>		<b>1,086.68</b>

### NOTE 20

For the year ended

For the year ended in Lacs

PARTICULARS	%age of Consumption	For the year ended		For the year ended	
		March 31, 2014	%age of Consumption	March 31, 2013	%age of Consumption
<b>Cost of Material Consumed</b>					
Imported	5.96	3,910.11	13.10	8,428.42	
Indigenous	94.04	61,692.53	86.90	55,896.96	
<b>Total</b>	<b>100.00</b>	<b>65,602.64</b>	<b>100.00</b>	<b>64,325.38</b>	

in Lacs

Value of Imports on CIF Basis in respect of :	For the year ended March 31, 2014		For the year ended March 31, 2013	
Raw material		2,643.02		7,557.19
Components & Spare Parts		537.79		853.24
Capital goods		4,465.08		980.64
<b>Total</b>		<b>7,645.90</b>		<b>9,391.07</b>

### NOTE 21

in Lacs

PARTICULARS	For the year ended March 31, 2014		For the year ended March 31, 2013	
<b>Change In Inventories Of Finished Goods, Scrap Stock-In-Process And Stock-In-Trade</b>				
<b>Opening Stocks :</b>				
F.G.		719.11		905.05
Scrap		67.68		128.20
Stock-in-process		2,119.78		2,851.68
<b>Closing Stocks :</b>				
F.G.		608.25		719.11
Scrap		43.88		67.68
Stock-in-process		1,007.91		2,119.78
<b>Net Change in Stock</b>		<b>1,246.53</b>		<b>978.36</b>

# STEEL STRIPS WHEELS LIMITED

## Notes on Financial Statements for the year ended 31st March, 2014

### NOTE 22

in Lacs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Employees' Benefits Expenses</b>		
Salaries, Wages, Bonus & Incentives etc.(Net)	6,702.97	5,528.80
Contribution to Provident and Other Funds	308.27	213.92
Workmen and Staff Welfare Expenses	476.54	409.09
Gratuity	62.09	112.58
Employee stock option scheme Share Expenses	14.03	-
<b>Total</b>	<b>7,563.90</b>	<b>6,264.39</b>

51000 No. of options exercisable into equivalent nos of equity shares of the face value of Rs 10/- per share had been granted under ESOS Scheme. The date of grant is 01.01.2014 and proportionate shares expenses have been booked for the period as Expenses.

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

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

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

#### Profit & Loss

(Amount in Rs.)

Particulars	Earned Leave	Gratuity	Earned Leave	Gratuity
	2013-14	2013-14	2012-13	2012-13
Current service cost	6,779,736	6,420,856	53,63,148	51,82,521
Interest cost on benefit obligation	1,063,059	3,155,772	6,18,996	19,84,458
Net actuarial (gain)/ loss recognised in the period	(3,336,955)	1,713,093	(13,51,376)	36,89,133
Expected Returns on plan assets	(210,684)	(1,418,520)	(1,85,902)	(10,69,254)
Net benefit expenses recognised in Profit & Loss a/c	4,295,156	9,871,201	44,44,866	97,86,858

#### Balance Sheet

(Amount in Rs.)

Particulars	Earned Leave	Gratuity	Earned Leave	Gratuity
	2013-14	2013-14	2012-13	2012-13
Defined benefit obligation	(13,365,556)	(27,735,898)	(51,23,610)	(1,98,57,891)
Less: Unrecognised past service cost	-	-	-	-
Net asset/ (liability) recognised in the balance sheet	(13,365,556)	(27,735,898)	(51,23,610)	(1,98,57,891)

Note: The above plans are funded.

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

(Amount in Rs.)

Particulars	Earned Leave	Gratuity	Earned Leave	Gratuity
	2013-14	2013-14	2012-13	2012-13
Opening defined benefit obligation	11,811,769	3,50,64,134	77,37,452	2,48,05,719
Interest cost	10,63,059	31,55,772	6,18,996	19,84,458
Past service cost	-	-	-	-
Current service cost	67,79,736	64,20,856	53,63,148	51,82,521
Benefit paid	(2,98,502)	(8,58,567)	(5,91,518)	(7,13,261)
Actuarial (gains)/ losses on obligation	(33,36,900)	16,97,370	(13,16,309)	38,04,697
Closing defined benefit obligation	1,60,19,162	4,54,79,565	1,18,11,769	3,50,64,134

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

Particulars	2013-14	2013-14	2012-13	2012-13
	%	%	%	%
Discount rate	9	9	8.25	8.25
Expected Increase in Compensation cost	7	7	7	7
Attrition	10	10	10	10
Mortality basis	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96)

Note: The retirement age has been uniformly taken as 58 years. The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority promotion and other relevant factors such as supply and demand in the employment market. The discount rates have been determined by reference to market yields as on 31st March 2014 on CG Secs of currency and terms consistent with those of liability obligations.

## Notes on Financial Statements for the year ended 31st March, 2014

### NOTE 23

in Lacs

PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Finance Cost</b>		
Interest to Bank		
- on Term Loan	667.76	413.28
- on Working Capital Loan	2,092.66	1,307.19
- on Foreign Currency Loan	503.03	681.67
Interest Others	102.84	99.18
Finance Charges	306.65	380.92
Loss/(Gain) on Foreign Exchange Fluctuation	406.14	87.54
<b>Total</b>	<b>4,079.09</b>	<b>2,969.79</b>

### NOTE 24

For the year ended

For the year ended in Lacs

PARTICULARS	% age of Consumption	March 31, 2014	% age of Consumption	March 31, 2013
<b>OTHER EXPENSES</b>				
<b>Manufacturing Expenses</b>				
Store Spares Consumed :				
Imported	2.65	238.12	23.03	1,184.52
Indigenous	97.35	8,747.48	76.97	3,959.40
Other Misc. Manufacturing Exp		228.80		327.77
Power, Electricity & Water Charges (Net)		2,805.28		2,912.32
-Repair and Maintenance -Plant & Machinery		426.04		406.23
		<b>12,445.72</b>		<b>8,790.23</b>
<b>Administrative &amp; Selling Expenses</b>				
Rent (Including Lease Rent)		228.28		253.52
Rates and Taxes		33.56		46.71
Service tax Paid		9.35		12.04
Insurance		164.05		176.84
Auditors' Remuneration		8.00		8.00
Advertisement, Publicity and Sales Promotion		1.63		6.26
Repairs & Renewals		103.37		163.06
Travel & Conveyance		598.21		559.81
Travel & Conveyance - Directors		8.34		15.05
Legal & Professional Charges		150.18		148.41
Bad debts Written Off		4.18		25.44
Electricity and Water Charges		11.46		8.69
Balances Written Back/ Off (Net)		-		0.51
Director's Sitting Fees		3.10		3.00
Managerial Commission		154.49		166.30
Telephone & Communication Expenses		62.83		66.35
Vehicle Running, Repair & Maintenance		91.21		63.77
Miscellaneous Expenses		373.12		279.74
		<b>2,005.36</b>		<b>2,003.52</b>
<b>Selling and Distribution Expenses</b>				
Business Promotion		15.29		141.53
Forwarding Expenses		6,343.95		4,490.13
Rebates and Discounts		759.70		201.28
Royalty on Sales		170.03		127.09
		<b>7,288.97</b>		<b>4,960.03</b>



## STEEL STRIPS WHEELS LIMITED

### Notes on Financial Statements for the year ended 31st March, 2014

#### NOTE 24 (Continued)

` in Lacs

PARTICULARS	March 31, 2014	March 31, 2013
<b>Research and Development Expenses</b>		
Salaries , Wages and other allowances	249.15	160.87
Travelling and Conveyance	35.09	15.00
	<b>284.24</b>	<b>175.87</b>
<b>Grand Total</b>	<b>22,024.29</b>	<b>15,929.65</b>

#### NOTE 24 (1)

` in Lacs

Expenditure in Foreign Currency	March 31, 2014	March 31, 2013
Raw Material	5,019.17	11,621.97
Machinery stores	537.79	853.24
Capital goods	4,465.08	172.83
Technical Know-how fee	125.30	54.45
Foreign Travel-Directors	18.81	11.99
-Staff	31.85	24.16
Other Expenditure	207.59	2,650.99
F.O.B. Value of Exports	18,479.38	13,577.95
Earnings in Foreign Exchange	15,534.80	13,638.43

#### NOTE 24 (2)

` in Lacs

PARTICULARS	March 31, 2014	March 31, 2013
<b>Payment to Auditor</b>		
Statutory Audit Fee	5.00	5.00
Tax Audit Fee	1.50	1.50
Certificate Charges	1.50	1.50
Out of Pocket Exp.	-	-
<b>Total</b>	<b>8.00</b>	<b>8.00</b>

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

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

` in Lacs

PARTICULARS	March 31, 2014	March 31, 2013
<b>Expenses</b>		
Repair bills	-	-
Sales credit notes	-	-
Insurance Claim -GPA	13.15	-
<b>Total</b>	<b>13.15</b>	<b>-</b>
<b>Income</b>		
Stores and other Expenses	-	0.04
Sales credit notes	-	6.04
Interest Income	-	0.34
<b>Total</b>	<b>-</b>	<b>6.42</b>

#### NOTE 24 (4)

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

` in Lacs

Particulars	Opening 01/04/2013	Provisions Made	Amount Used	Amount Reversed	Closing 31/03/2014
Gratuity	350.64	116.22	12.19	0.12	454.55
Leave enchament	118.12	53.04	10.97	-	160.19
Doubt Full debts	62.23	12.94	14.55	-	60.62
Others	762.21	1,082.42	702.60	-	1,142.03
Dividend & Dividend distribution Tax	265.13	265.13	265.13	-	265.13
Income tax	531.54	503.43	496.18	-	538.79
MAT Credit Entitlement	1,679.60	416.16	-	-	2,095.76

## Notes on Financial Statements for the year ended 31st March, 2014

### NOTE 25

₹ in Lacs

PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Earnings per share (EPS)</b>		
<b>Basic</b>		
Net Profit as per profit and loss account	2,432.99	2,504.74
weighted average no. of equity shares outstanding during the year	1,52,08,170	1,51,36,169
<b>Earning per Share- Basic</b>	<b>16.00</b>	<b>16.55</b>
<b>Diluted</b>		
Net Profit as per profit and loss account	2,432.99	2,504.74
weighted average no. of equity shares outstanding during the year	1,52,19,972	1,51,36,169
<b>Earning per Share- Diluted</b>	<b>15.98</b>	<b>16.55</b>
<b>Nominal Value of Equity Share</b>	<b>10.00</b>	<b>10.00</b>

Pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines 1999, the Board of Directors of the Company in their meeting held on 27.08.2013 and subsequently Share Holders of the Company in their Annual General Meeting held on 30.09.2013 had approved to issue upto 51,000 Options exercisable into equivalent nos. of Equity Shares of the face value of Rs. 10/- each .BSE & NSE, both have Issued their In Principal approval for the issue of aforesaid 51,000 option . Date of grant is 01.01.2014. For Diluted EPS, the effect of this 51,000 Option have been considered.

### NOTE 26

#### Related Party Disclosure

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

₹ in Lacs

Related Party Disclosures	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP are able to exercise significant influence	Total for the Current Year 2013-2014	Previous Year 2012-2013
Purchase of Goods	-	-	0.19	0.19	0.56
Lease Line Charges	-	-	8.85	8.85	3.64
Donation Paid	-	-	5.00	5.00	-
Rent Paid	-	24.49	-	24.49	8.00
Sitting Fee	-	-	0.30	0.30	0.30
Remuneration incl. commission	214.67	-	-	214.67	232.20
Dividend Paid	73.94	0.62	52.89	127.45	117.30
<b>Total</b>	<b>288.61</b>	<b>25.11</b>	<b>67.23</b>	<b>380.95</b>	<b>362.00</b>

#### Note :

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

**STEEL STRIPS WHEELS LIMITED**

**Notes on Financial Statements for the year ended 31st March, 2014**

**NOTE 27**

` in Lacs

PARTICULARS	For the year Ended March 31, 2014	For the year Ended March 31, 2013
<b>Managing Director Remuneration</b>		
Salary and Allowances	28.80	28.80
Contribution to Provident Fund	2.16	2.16
Commission on Profit	123.53	135.34
<b>Total</b>	<b>154.49</b>	<b>166.30</b>
<b>b) Whole Time Director Remuneration</b>		
Salary and Allowances	55.83	61.16
Contribution to Provident Fund	4.34	4.74
<b>Total</b>	<b>60.17</b>	<b>65.90</b>

**NOTE 28**

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

` in Lacs

PARTICULARS	AS AT March 31, 2014	AS AT March 31, 2013
A. Letter of Credit/ Bank of Guarantee Outstanding for Import / Purchase of Raw Materials, Spares and Plant and Machinery	2,565.22	885.12
B. Estimated amount of Contracts remaining to be executed on account of Capital account and not provided for (net of advances)	1,953.87	1,325.25

**For S.C. Dewan & Co.**  
**Chartered Accountants**  
 ICAI Firm Registration No. 000934N  
 per S.C. Dewan  
 Partner

Place : Chandigarh  
 Dated : 30th May, 2014

For and on behalf of Board

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

Shaman Jindal  
**Company Secretary**

A.V. Unnikrishnan  
 S.S. Jha  
 M.M. Chopra  
 S.K. Bansal  
 S.S. Grewal  
 Ajit Singh Chatha  
 M.L. Jain  
**Directors**



**STEEL STRIPS WHEELS LIMITED**

CIN : L27107PB1985PLC006159

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

Tel:0172-2793112, Fax: 0172-2794834, E-mail: Website: www.sswlindia.com

Form No. MGT-11

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **L27107PB1985PLC006159**

Name of the Company : **Steel Strips Wheels Limited**

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

Name of the member (s)
Registered address
E-mail Id
Folio No/ Client id
DP ID

I/We, being the member (s) of shares of the above named company, hereby appoint

- Name : ..... Address : ..... E-mail Id : ..... Signature: ..... or failing him
- Name : ..... Address : ..... E-mail Id : ..... Signature: ..... or failing him
- Name : ..... Address : ..... E-mail Id : ..... Signature: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on the 30<sup>th</sup> day of September 2014 at 11:00 a.m. at Registered office of the company at Village Somalheri/lehli, P.O. Dappar, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
<b>Ordinary Business</b>	
1	Adoption of Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of Board of Directors' and Auditors' thereon.
2.	To declare dividend on Equity shares
3	Re-appointment of Shri Manohar Lal Jain, retiring by rotation and being eligible, offering himself for re-appointment
4.	Re-appointment of Statutory Auditors of the Company from the conclusion of 28 <sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 31 <sup>st</sup> Annual General Meeting of the Company.

**Special Business:**

5	Appointment of Sh.Madan Mohan Chopra, as an Independent Director w.e.f. 30.09.2014 to 30.09.2016
6	Appointment of Sh. Sukhbir Singh Grewal, as an Independent Director w.e.f. 30.09.2014 to 30.09.2016
7	Appointment of Sh. Sudhanshu Shekhar Jha, as an Independent Director w.e.f. 30.09.2014 to 30.09.2016
8	Appointment of Sh. Surinder Kumar Bansal, as an Independent Director w.e.f. 30.09.2014 to 30.09.2016
9	Appointment of Sh. Ajit Singh Chatha, as an Independent Director w.e.f. 30.09.2014 to 30.09.2016
10	Appointment of Sh. Vijay Narayan Bedekar, as an Independent Director w.e.f. 30.09.2014 to 30.09.2016
11	Ratification of the Remuneration to be paid to the Cost Auditors of the Company for the financial year 2014-15.
12	To approve Borrowings Limit
13.	To authorize Board of directors to create Security
14.	To Alter Articles of Association of the Company
15.	Change in period of office of Sh. Dheeraj Garg, Managing Director, to be liable to determination by retirement of Directors by rotation.
16	Change in period of office of Sh. Andra Veetil Unnikrishnan, Deputy Managing Director, to be liable to determination by retirement of Directors by rotation.

(Signed this ..... day of ..... 2014

A fix  
Revenue Stamp

Signature of shareholder : .....

Signature of Proxy holder (s).....

**Notes:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

# STEEL STRIPS WHEELS LIMITED

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## STEEL STRIPS WHEELS LIMITED

CIN: L27107PB1985PLC006159

REGD.OFFICE: Village Somalheri/ Lehli,P.O. Dappar, Tehsil Derabassi,  
Distt. S.A.S Nagar, Mohali (Pb.) Tel : +91-172-2793112. Fax: +91-172-2794834  
Email: ssl\_ssg@glide.net.in. Web Site: www.sswindia.com

### ATTENDANCE SLIP

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

28<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON TUESDAY THE 30<sup>TH</sup> SEPTEMBER, 2014 AT  
11.00 A.M.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*FOLIO NO.	
DP ID NO.	
CLIENT ID NO.	
NO OF SHARES HELD	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I hereby certified that I am a Registered Shareholder / Proxy of the Registered Shareholder of the Company.

I, hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company held on Tuesday, the 30<sup>th</sup> Day  
September, 2014, at registered office of the Company at 11.00 A.M.

\*Applicable in case of shares held in Physical Form.

\_\_\_\_\_  
Signature of the Member(s)

NOTES :

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Courier /Regd. Post



Steel Strips Wheels Limited  
*Wheeling Towards Excellence*

If undelivered, please return to :

**STEEL STRIPS GROUP**

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

Tel: +91(172) 2793112, 2792385,

Fax: +91(172) 2794834, 2790887

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

CIN: L27107PB1985PLC006159

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

