

# BOARD'S

# REPORT

To

The Members,

Your Directors are pleased to present the 35<sup>th</sup> Annual Report together with Audited Financial Statements of the Company for the financial year ended March 31<sup>st</sup>, 2021.

## FINANCIAL HIGHLIGHTS

(Rs. in Millions)

S No	Particulars	2020-21	2019-20
A)	Revenue from Operations	17494.15	15633.45
B)	Other Income	163.18	221.10
C)	<b>Total Income (A+B)</b>	<b>17657.33</b>	<b>15854.55</b>
D)	Total Expenditures (excl. Finance Cost, depreciation and amortization)	15456.61	13921.51
E)	<b>Profit before interest, depreciation and amortization</b>	<b>2200.72</b>	<b>1933.04</b>
F)	Interest & Financial Charges	839.31	886.65
G)	Depreciation and amortization	723.11	719.38
H)	<b>Profit before tax and Exceptional Item</b>	<b>638.30</b>	<b>327.01</b>
I)	Exceptional Item	0.01	0.003
J)	<b>Profit before tax</b>	<b>638.29</b>	<b>327.01</b>
K)	<b>Tax expense</b>		
	Current tax	45.35	0.00
	Deferred tax	100.44	114.27
	Prior year tax adjustments	-	(21.76)
L)	<b>Profit after tax</b>	<b>492.50</b>	<b>234.50</b>
M)	<b>Other Comprehensive Income (Net of Tax)</b>	0.98	(3.64)
N)	<b>Total Comprehensive Income for the period (L+M)</b>	<b>493.48</b>	<b>230.86</b>

## FINANCIAL PERFORMANCE

The Financial Year (FY) 2020-21 was highly volatile and challenging year for whole of the world economy with the outbreak of the COVID-19 pandemic resulting in lockdown across the world. The FY 2020-21 began with nationwide lockdown imposed by the Government of India, in order to curb the spread of the COVID-19 pandemic, which had put a spanner in the works. As a result, country's overall economy witnessed the sharpest decline in the first quarter of FY 2020-21. The automobile industry, which was already facing headwinds of a slowing-down economy, geo political trade tensions, liquidity crisis, increased tariff hikes etc. was further impacted by COVID-19, consequently brought the industry to a standstill.

However, the upliftment of lockdowns in a phased manner along with various measures taken by the Government of India helped in regaining the growth momentum in the country. Your Company's activity level gradually picked up the pace from second quarter onwards. Further, the rise in international demand helped your company to attain a stable position throughout the year and perform well as compared to previous financial year.

Amidst this scenario the total income for the year under review of your Company increased by 11.37% to Rs. 17,657.33 million as compared to Rs. 15854.55 million in FY 2019-20.

In terms of number of wheels, the Company has achieved sale of 13.36 million wheel rims during FY 2020-21 against sale of 13.975 million wheel rims during the FY 2019-20, showing a drop of 4.40%.

The Earnings Before Interest, Depreciation and Tax (EBIDTA) increased to Rs. 2,200.72 million in FY 2020-21 from Rs. 1933.04 million in FY 2019-20, registering an increase of 13.85%.

The Depreciation and other amortization have increased to Rs. 723.11 million in FY 2020-21 from Rs. 719.38 million in FY 2019-20.

Profit before tax during the year under review has almost doubled up to Rs. 638.30 million in FY 2020-21 from Rs. 327.01 million in FY 2019-20 recording an increase of 95.19%. The profit after tax (before other comprehensive income) have also increased to Rs. 492.50 million from Rs. 234.50 million, showing an increase of 110.02%.

## TRANSFER TO RESERVES

Your Company proposes to transfer an amount of Rs. 238.13 million to the General Reserve out of the amount available for appropriation.

## DIVIDEND

The Board of directors at its meeting held on 07.05.2021, has recommended a final dividend of Rs. 2.00 (20%) per equity share of Rs. 10/- each (previous year: Nil) for the financial year ended 31.03.2021, subject to the approval of members at the ensuing Annual General Meeting (AGM) of the Company. The total cash outflow on account of proposed dividend, if approved by the members for the current year will amount to Rs. 31.22 million (previous year: Nil), which represent 6.34% of the Profit After Tax earned during the year.

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Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders/members effective from 01.04.2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2021 to 30.09.2021 (both days inclusive) for the purpose of payment of the dividend and AGM for the financial year ended March 31, 2021.

**Dividend Distribution Policy**

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 (w.e.f. 05.05.2021) makes it mandatory for the top 1000 listed entities based on their market capitalization calculated as on 31st March of every financial year to formulate a Dividend Distribution Policy. Accordingly, as at the end of financial year 2020-21, your company was amongst the top 1000 listed entities as per the list issued by BSE and NSE making it mandatory to formulate the said policy.

The Board of Directors at its meeting held on 12.07.2021, has approved and adopted the Dividend Distribution Policy of the Company duly formulated in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is available at the Company's website at <http://sswllindia.com/wp-content/themes/sswl/assets/docs/Dividend-Distribution-Policy.pdf>

**SHARE CAPITAL**

During the year under review, the Company has allotted 19750 Equity Shares of Rs. 10/- each on 10.11.2020 upon exercise of options by the employees of the Company under "Steel Strips Wheels Limited-Employee Stock Option Scheme, 2016" ("ESOS 2016") at an exercise price of Rs. 200/- each.

Consequent to the allotment of above stated shares, the Issued and Paid up Equity Share Capital of the Company increased from Rs. 15,58,97,200/- (divided into 15589720 Equity Shares of Rs. 10/- each) as on 31.03.2020 to Rs. 15,60,94,700/- (divided into 15609470 equity shares of Rs. 10/- each).as on 31.03.2021.

**EMPLOYEE STOCK OPTION SCHEME**

During the year under review, the Employee Compensation Committee (ECC) of the Company, in its meeting held on 15.03.2021, granted 37550 Stock Options to eligible employees of the Company under "Steel Strips Wheels Limited- Employee Stock Option Scheme, 2016" ("ESOS 2016"). Each stock option is exercisable into equivalent number of equity shares of Rs. 10/- each. Options granted will vest on 15.03.2022 and exercise period would commence from date of vesting and will expire on completion of 5 years from the date of grant.

Further, there is no material change in the continuing "ESOS 2016" scheme of the Company and the Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any amendment(s) thereof [now Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. The applicable details/disclosures as stipulated under aforesaid regulations and SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 with regard to "ESOS 2016" pertaining to financial year 2020-21 have been uploaded on the website of the Company under the web-link: <http://www.sswllindia.com/pages/disclosureconcerningesos.htm>.

It is to be noted that the number of all outstanding stock options (vested but not exercised and unvested stock options), the number of stock options available for future grant(s) with effect from the record date and the exercise price thereof shall be adjusted appropriately in line with the face value of shares after sub-division, if approved by the members of the Company in the ensuing AGM of the Company.

The Company has received a certificate from the Secretarial Auditors of the Company that the Scheme "ESOS 2016" has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any amendment (s) thereof [erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014] and in accordance with the resolution passed by the members in their AGM held on 30.09.2016 respectively. The certificate would be placed at the ensuing AGM for inspection by members.

Your Company has also proposed to introduce and implement a new Employee Stock Option Scheme titled as "Steel Strips Wheels Limited-Employee Stock Option Scheme- 2021" ("ESOS 2021" or "the Scheme").The said proposal is subject to the approval of members in the ensuing AGM of the Company.

**NATURE OF BUSINESS**

During the financial year 2020-21, there has been no change in the nature of business of the Company.

**CORPORATE GOVERNANCE**

The Company is firmly committed to the principles of Good Corporate Governance and believes that statutory compliances and transparency are necessary to enhance the shareholder value. A separate section on Corporate Governance and a Certificate from the Company's Statutory Auditors, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is included and forms an integral part of this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI Listing Regulations is presented in a separate Section forming part of this Report.

**HEALTH, SAFETY AND ENVIRONMENT PROTECTION**

The Company has complied with all the applicable Health & Safety standards, Environment Laws and Labour Laws and has been taking



all necessary measures to protect the environment and provide workers a safe work environment. The Company is committed for continual improvement in Health & Safety as well as Environmental performance by involving all the employees.

Significant emphasis was also laid towards raising awareness on health and wellness of employees through medical check-ups and health awareness activities.

Employees have been encouraged to practice safety in all their activities in and out of Company premises. Continuous safety training is conducted at all levels and special emphasis is given to implementation of safety work standards.

Further, due to the ongoing pandemic COVID-19, several measures for the safety of the employees like sanitization of the office premises, factory premises, body temperature checks, social distancing etc. have been undertaken by your Company. In order to ensure the smooth working of the Company during the lockdown period and also to ensure the safety of its employees, the Company has given the facility to work from home.

#### **HUMAN RESOURCES DEVELOPMENT**

The Company has continuously adopted structures that help in attracting best external talent and promote internal talent to take higher roles and responsibilities. The Company's people centric focus is providing an open work environment fostering continuous improvement and development among the employees of the Company. The Company provides a holistic environment where employees get opportunities to realize their potential. Company's performance driven culture helps and motivates employees to excel in their respective areas and progress within the organization. The Company has a structured appraisal system based on key result areas (KRAs) for employees belonging to Manager and above category.

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed there under.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary trainees) are covered under this policy.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2020-21, the Company has not received any complaint on sexual harassment.

#### **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board consists of optimum number of Executive and Non- Executive Directors including Independent Directors who have wide and varied experience in the field of business, finance, education, industry, commerce and administration. Independent Directors provide their declarations confirming that they meet the criteria of independence as prescribed under the Act and SEBI Listing Regulations.

##### **Retirement by Rotation**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, and Rules framed thereunder (including any amendment thereof), Sh. Rajinder Kumar Garg, Non-Executive Director (Chairman) and Sh. Andra Veetil Unnikrishnan, Deputy Managing Director of the Company shall retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment. The Board recommends their re- appointment for your approval.

##### **Appointment/Continuation/Cessation/Re-appointment of Directors**

###### **Appointment**

Pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations and upon recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company approved the appointment of Smt. Deva Bharathi Reddy (DIN: 08763741) as an additional director (Non-Executive and Independent Director) of the Company to hold office w.e.f 01.08.2020 till the conclusion of the 34<sup>th</sup> AGM of the Company. Further, the Nomination and Remuneration Committee of the Board of directors of the Company in its meeting held on 14.08.2020, had recommended to the Board of Directors, to regularize the appointment of Smt. Deva Bharathi Reddy, as a Non-Executive Independent Director of the Company to hold office for a period commencing from 01.08.2020 to 30.09.2024, not liable to retire by rotation, subject to the approval of members of the Company in the 34<sup>th</sup> AGM. Subsequently, the said appointment was approved by the members in 34<sup>th</sup> AGM of the Company held on 30.09.2020.

Further, pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations and upon recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 24.08.2020 had appointed Sh. Sanjay Garg (DIN: 00030956) as an Additional Director (Non-executive Non-Independent Director) of the Company w.e.f 24.08.2020 to hold office up to the date of the 34<sup>th</sup> AGM of the Company and further recommended to the members for regularization at the said AGM as Director (Non-executive Non-Independent Director) of the Company, liable to retire by rotation. Subsequently, the said appointment was approved by the members in 34<sup>th</sup> AGM of the Company held on 30.09.2020.

In addition to the above, pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations and upon recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company had also approved the appointment of Sh. Siddharth Bansal as an additional director (Non-Executive and Independent Director) of the Company to hold office w.e.f 09.11.2020 till the conclusion of the next AGM to be held in the year 2021. Further, on the recommendation of the Nomination & Remuneration Committee, the Board of directors have proposed the regularization of his appointment as Non-Executive Independent Director of the Company for a period commencing from 09.11.2020 to 30.09.2025, for approval by the members at the ensuing AGM.

The Company has received the requisite notice from a member in writing proposing his appointment as a Non-Executive Independent Director on the Board of the Company. Your Company proposes his appointment as Non-Executive Independent Director on the Board of

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the Company for a period commencing from 09.11.2020 to 30.09.2025, his period of office shall not be liable to determination by retirement of Directors by rotation.

**Continuation of Directorship**

Pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Keeping in view of the above and on the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 03.09.2021, proposed to seek consent of the members by way of special resolution for continuation of office of directorship of Sh. Rajinder Kumar Garg (aged 78 years) (DIN: 00034827), Chairman and Non-Executive Director of the Company till the date he retires by rotation in terms of Section 152 of the Companies Act, 2013.

**Cessation**

During the year under review, Ms. Jaspreet Takhar, Non-Executive Independent Woman Director of the Company had resigned from the post of Director of the Company w.e.f 29.05.2020 due to unavoidable personal reasons. She had also confirmed in her resignation letter submitted to the Board of Directors of the Company that there were no other material reasons for her resignation other than as cited therein.

**Re-appointment of Whole Time Directors**

During the year under review, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 29.05.2020, approved the re-appointment of Sh. Dheeraj Garg as Managing Director of the Company and Sh. Manohar Lal Jain as the Executive Director of the Company liable to retire by rotation for a period of three years w.e.f. 01.06.2020 and 01.07.2020, respectively. Subsequently, the said re-appointments and remuneration thereof were approved by the members by way of special resolutions in the 34<sup>th</sup> AGM held on 30.09.2020.

**Key Managerial Personnel**

During the year under review, Sh. Ayush Thareja resigned from the office of Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. close of business hours of 15.09.2020 due to personal reasons. The Board placed on record its deep appreciation for the valuable services rendered by Sh. Ayush Thareja during his tenure as CFO of the Company. Further, the Board of directors at its meeting held on 15.09.2020, appointed Sh. Naveen Sorot as CFO and KMP w.e.f 16.09.2020. Sh. Naveen Sorot is a member of the Institute of the Chartered Accountants of India (ICAI) and had been previously associated with the Company since March, 2012 till September, 2018 and had served as the CFO of the Company for a period of four years since May, 2014 till September, 2018.

During the year under review, there were no other changes to the Key Managerial Personnel of the Company.

Accordingly, pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of the Company as on 31.03.2021 are Sh. Dheeraj Garg, Managing Director, Sh. Andra Veetil Unnikrishnan, Deputy Managing Director, Sh. Manohar Lal Jain, Executive Director, Sh. Shaman Jindal, Company Secretary and Sh. Naveen Sorot, Chief Financial Officer (CFO) of the Company.

**DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

The Company is not having any Subsidiary Company, Joint Venture Company or Associate Company.

**DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public within the meaning of Section 73 and 74 of the Companies Act, 2013 and Rules framed thereunder (including any amendments thereof) during the financial year 2020-21 and, as such, no amount on account of principal or interest on deposit from public was outstanding as on the date of this report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**CREDIT RATING**

The details pertaining to credit ratings obtained by the Company during the financial year are provided in the Corporate Governance Report, which forms part of this Report.

**INTERNAL FINANCIAL CONTROL**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information(s).

**INTERNAL CONTROL SYSTEMS**

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

To enhance effective internal control system, the Company has laid down following measures:

- The Company's Books of accounts are maintained in SAP and transactions are executed through SAP (ERP) setups to ensure correctness/effectiveness of all transactions integrity and reliable reporting.





- Adherence to accounting policies.
- The Company has in place a well-defined Whistle Blower Policy/Vigil Mechanism.
- Compliance of secretarial functions is ensured by way of secretarial audit.
- Internal Audit is being done for providing assistance in improvising financial control framework.
- The Company has adequate risk management policy.
- Code of Conduct and other policies.
- Physical verification of inventory/stock (stock audit).

## **AUDIT COMMITTEE AND OTHER COMMITTEES OF THE BOARD**

The details pertaining to composition of Audit Committee and other committees of the Board constituted by the Board of Directors of the Company as per the provisions of the Act and SEBI Listing Regulations are provided in the Corporate Governance Report which forms part of this report

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In compliance with the requirements under Section 177(9) & (10) of the Act and in accordance with Regulation 22 of SEBI Listing Regulations, the Company has adopted a policy named "Vigil Mechanism and Whistle Blower Policy". The further details pertaining to Vigil Mechanism and Whistle Blower Policy of the Company is available in the Corporate Governance Report, which forms part of this Report. This Policy is also available on the Company's website at <http://sswllindia.com/wp-content/themes/sswl/assets/docs/whistleblower.pdf>.

## **NUMBER OF MEETINGS OF THE BOARD**

During the year, eight (8) Board Meetings were convened and held, details of which are provided in the Corporate Governance Report, which forms part of this Report. The Intervening gap between the Meetings was within the period prescribed under the SEBI Listing Regulations and Companies Act, 2013 i.e. interval between two meetings did not exceed 120 days. The Company has complied with Secretarial Standards on the meeting of Board of Directors and General Meetings.

It is hereby clarified that the gap between the last board meeting of the financial year 2019-20 held on 10.01.2020 and the first board meeting of financial year 2020-21 held on 29.05.2020 was more than 120 days due to the nationwide lockdown caused by the outbreak of pandemic COVID-19. However, the SEBI vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020, had given relaxation with respect to compliance of Regulation 17(2) whereby the listed entities were exempted from observing the maximum stipulated time gap between two meetings. This relaxation was provided for the meetings held/proposed to be held between the period December 1, 2019 and June 30, 2020.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134 (5) of the Act and based on the representations, information and explanations received from the management, and after due enquiry, the Directors of the Company hereby confirm that:

- in the preparation of the annual accounts for the financial year 2020-21, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year 2020-21;
- they have taken proper and sufficient care for the maintenance of adequate 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors of the Company have submitted their declaration that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and that they are independent of the management. Further, there has been no change in the circumstances which may affect their status as Independent Director during the financial year 2020-21.

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar ("IICA"). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

The Independent Directors of the Company except Sh. Virander Kumar Arya, Smt. Deva Bharathi Reddy and Sh. Siddharth Bansal are exempt from the requirement to undertake online proficiency self-assessment test. Sh. Siddharth Bansal has already cleared the said test and the remaining two Independent Directors would be undertaking the said test in due course.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is available on the website of the Company under

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the link <http://sswfindia.com/wp-content/themes/sswl/assets/docs/nomination.pdf>. The salient feature of the policy is set out in the Corporate Governance Report which forms the part of this Report.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors or Cost Auditors of the Company has reported any offence involving fraud which is being or has been committed against the Company by officers or employees to the Audit Committee or to the Board of Directors or to the Central Government under section 143(12) of the Act and Rules framed thereunder.

**STATUTORY AUDITORS AND THEIR REPORT**

M/s AKR & Associates was appointed as Statutory Auditor of the Company by the Members in their AGM held on 28.09.2017 till the conclusion of the 36<sup>th</sup> AGM of the Company to be held in the year 2022 (subject to the ratification of their appointment at every AGM, if so required under the Act).

The requirement relating to ratification of Auditors appointment by the members of the Company at every AGM has been dispensed with by the Companies Amendment Act, 2017 vide Notification No. S.O.1833 (E) dated 07.05.2018. Pursuant to the said amendment, during the five-year term of appointment/re-appointment of Statutory Auditors, ratification of the appointment /re-appointment by the members in the AGM is not required. Accordingly, business item of ratification of appointment of Statutory Auditors is not included in the Notice of the ensuing 35<sup>th</sup> AGM of the Company.

Auditors' Report is self-explanatory and does not contains any qualification, reservations or adverse remarks or disclaimers in their report for the financial year ended 31.03.2021, and therefore, needs no comments and forms part of this Annual Report. The board of directors places on record its sincere appreciation for the valuable services rendered by M/s AKR & Associates.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sushil K. Sikka, a practicing Company Secretary (Membership No. 4241 and CP No. 3582), proprietor of S. K. Sikka & Associates, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for financial year 2020-21 is being attached with the Board's Report as an **Annexure-I**. There were no qualifications, reservations or adverse remarks in the Secretarial Audit Report of the Company except non-compliance w.r.t. Regulation 17(1) of SEBI Listing Regulations regarding delay in appointment of Director on the Board of the Company.

Your directors are of the opinion that the delay in appointment of Independent director as stated in above observation was due to reporting of many COVID-19 cases in the Corporate Office of the Company including amongst the top management, consequent to which, the Company was unable to find a suitable candidate for the post of Independent Director as no fruitful discussions could take place between the prospective candidates and management. However, when the things came back to normalcy, the Company appointed Sh. Siddharth Bansal as the Non-Executive Independent Director on the Board w.e.f. 09.11.2020 and hence, the board composition was corrected in accordance with the SEBI Listing Regulations. BSE and NSE vide their notices dated 15.02.2021, had identified such delay as non-compliance of Regulation 17(1) of SEBI Listing Regulations and imposed a penalty of Rs. 1,95,000/- plus 18% GST each on the Company. Consequently, the Company had duly paid the fine of Rs. 1,95,000 plus 18% GST, each to the respective stock exchanges on 25.02.2021 well within the stipulated time limit mentioned in the notices and filed an application on 25.02.2021 seeking waiver of the said fines in accordance with the carve-out policy of the Stock Exchanges. However, BSE vide its e-mail dated 03.08.2021 has intimated that the Company's request for waiver of fine could not be acceded, hence denied. Whereas, no response or acknowledgement has been received from NSE so far.

**ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Company has undertaken an audit for the financial year 2020-21 pursuant to SEBI Circular No. CIR/CFD/ CMO/II/27/2019 dated 08.02.2019 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circular/ Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the Stock Exchanges within 60 days of the end of the financial year 2020-21 and is also attached with the Board's Report as an **Annexure-II**.

**SECRETARIAL STANDARDS**

During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

**MAINTENANCE OF COST RECORDS AND AUDIT**

In terms of Section 148 of the Act read with relevant rules made thereunder, the Company is required to maintain cost records only for its HRM division (i.e. Hot Rolling Mills) and have the audit of its cost records conducted by a Cost Accountant. Accordingly, Cost records have been prepared and maintained by the Company as required under Section 148(1) of the Act for the said division. The Board had appointed M/s Aggarwal Vimal & Associates, Cost Accountants having Firm Registration No: 000350 as cost auditors to conduct the audit of the cost records relating to HRM Division of the Company for the financial year ending 31.03.2021.

The Cost Auditor shall forward the Cost Audit Report for the financial year 2020-21 to the Company by September 30, 2021. The report shall be filed with Ministry of Corporate Affairs within 30 days of date submission of Cost Audit Report to the Company.

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s Aggarwal Vimal & Associates, Cost Accountants having Firm Registration No: 000350 as cost auditors to conduct the audit of the cost records relating to HRM Division of the Company for the financial year ending 31.03.2022. The remuneration has been approved by the Board of directors based on recommendation of the Audit Committee. The resolution for ratification of remuneration of Cost Auditors is subject to approval of Members of the Company at the ensuing AGM. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.



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**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

There have been no loans, guarantees and investments made by the Company under Section 186 of the Act and Rules framed thereunder (including any amendments thereof) and Schedule V of the SEBI Listing Regulations during the financial year 2020-21.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR 2020-21**

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2020-2021.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF DURING THE FINANCIAL YEAR 2020-21**

Not applicable during the financial year.

**PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. The related party transactions undertaken by the Company during the year under review were in compliance with the provisions set out in the Companies Act, 2013 read with the rules issued thereunder and Regulation 23 of the SEBI Listing Regulations. Since all the Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business, no details are required to be provided in Form AOC-2 prescribed under clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

All Related Party Transactions were placed before the Audit Committee for their prior approval in accordance with the requirements of the applicable provisions of the Act and SEBI Listing Regulations. The Audit Committee, during the Financial year 2020-21, has approved Related Party transaction along with granting omnibus approval in line with the policy of the Company on materiality of Related Party Transactions and dealing with related party transactions and the applicable provisions of the Act read with the Rules issued thereunder and the SEBI Listing Regulations (including any statutory modification (s) or re-enactment (s) thereof for the time being in force). The transactions entered into pursuant to such approval were placed periodically before the Audit Committee.

The policy on materiality of Related Party Transactions and dealing with related party transactions as approved and adopted by the Board is uploaded on the website of the Company under the link <http://sswllindia.com/wp-content/themes/sswl/assets/docs/relatedpartytransaction.pdf>.

Disclosure as required under (IND AS) 24 has been made in Note 41 of the Notes to the financial statements.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except remuneration and sitting fees.

**MATERIAL CHANGES AND COMMITMENT, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR 2020-21 AND THE DATE OF THIS REPORT**

No material changes and commitment, affecting the financial position of the Company has occurred between the end of the Financial year 2020-21 of the Company and the date of this report.

**THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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 134 (3) (m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, forms part of this report and is annexed herewith as **Annexure A**.

**BUSINESS RISK MANAGEMENT**

Pursuant to the requirement of Regulation 21 of SEBI Listing Regulations, your Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

The details of the Committee and its terms of reference are set up in the Corporate Governance Report forming part of this Report.

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy, inter alia, includes identification of risks, including cyber security and related risks which in the opinion of the Board may threaten the existence of the Company and its mitigation plans which have been covered in the Management Discussion and Analysis, which forms part of this Report.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In compliance to Section 135 and in consonance with Schedule VII of the Act, and Rules framed thereunder (including any amendment thereof), the Company has constituted a Corporate Social Responsibility Committee and also framed a Corporate Social Responsibility Policy and the same is uploaded on the website of the Company under the link <https://sswllindia.com/wp-content/themes/sswl/assets/docs/csr-policy.pdf>.

The Annual Report on CSR activities in terms of Section 135 of the Act and the Rules framed thereunder, including a brief outline of the Company's CSR Policy, is annexed to this Report as **Annexure B**.

**BOARD EVALUATION**

In compliance with the provisions of the Act, SEBI Listing Regulations and Guidance note on Board evaluation issued by SEBI, the Nomination and Remuneration Committee of the Board of Directors of the Company has carried out a formal annual evaluation of the Board, its committees and individual directors. Further, the Board of Directors have also carried out the evaluation of the Board as a whole, its committees, Chairman of the Board and all the Individual and Independent Directors on the Board.

**STEEL STRIPS WHEELS LIMITED**

The performance evaluation of the Board and its committees was made after seeking inputs from all the directors of the Company on the basis of effectiveness of Board processes, information and functioning, degree of fulfillment of key responsibilities, governance issues, effectiveness of control system in identifying material risks and reporting of material violations of policies and law, Board Structure and composition, experience and competencies, establishment and delineation of responsibilities to committees, frequency of meetings, circulation of agenda of the meetings, recording of minutes, adherence to law, Board culture and dynamics, Quality of relationship between Board and Management, efficacy of communication with external stakeholders, etc.

The Board and the Nomination and Remuneration Committee (NRC) of the Company evaluated the performance of individual directors (including independent directors) based on criteria such as qualifications, experience, knowledge and competency, fulfillment of functions and integrity including adherence to Code of Conduct and code of Independent directors of the Company, safeguarding of the Confidential information and of interest of Whistle Blowers under Vigil Mechanism, compliance with policies and disclosures of interest and fulfillment of other obligations imposed by the Law, Contribution and Initiative, availability, attendance, participation and ability to function as a team, commitment, independence, independent views and judgement and Guidance/support to Management outside board, etc.

A separate meeting of the Independent Directors ("Annual ID meeting") was convened on 26.03.2021, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman and the quality, quantity and timeliness of flow of information between the Company, Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. Post the Annual Independent Directors meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the Nomination and Remuneration Committee with the Board's Chairman covering performance of the Board as a whole; performance of the Non-Independent Directors and performance of the Board's Chairman.

**FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company has practice of conducting familiarization program of the Independent Directors as detailed in the Corporate Governance Report which forms part of this Report.

**ANNUAL RETURN**

In accordance with Section 92(3) & 134(3)(a) of the Act, the Annual Return of the Company for the financial year 2020-21 in form MGT-7 is available on the website of the Company at [https://sswllindia.com/wp-content/themes/sswl/assets/docs/annualreturn\\_MGT7\\_2020-21.pdf](https://sswllindia.com/wp-content/themes/sswl/assets/docs/annualreturn_MGT7_2020-21.pdf)

**PARTICULARS OF REMUNERATION OF DIRECTORS/KMP'S/EMPLOYEES**

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure C** to this report. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136(1) of the Act, the said annexure is open for inspection at the Registered Office of the Company and has been uploaded on the website of the Company at [www.sswllindia.com](http://www.sswllindia.com). Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

**BUSINESS RESPONSIBILITY REPORT ("BRR")**

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Business Responsibility Report for the year ended 31.03.2021, describing the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Annual Report as **Annexure-D**.

**INSURANCE**

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

**INDUSTRIAL RELATIONS WITH THE PERSONNEL OF THE COMPANY**

The industrial relations scenario continued to be largely positive across all the manufacturing locations and the Company has continued to maintain cordial and harmonious relations with its employees at all levels. As a result of it, the Company is thriving to achieve growth and greater heights in the times to come.

**ACKNOWLEDGEMENT**

The Board of 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 made by the employees at all levels towards growth of the Company in all fields.

For and on behalf of the Board

Date: 03.09.2021  
Place: Chandigarh

(Rajinder Kumar Garg)  
Chairman  
DIN: 00034827