STEEL STRIPS GROUP

STEEL STRIPS WHEELS LTD.
CIN: L27107PB1985PLC006159
Head Office : **ISO /TS16949 Certified**
SCO 49-50, Sector-26,
Madhya Marg, Chandigarh -160 019 (INDIA)
Tel : +91-172-2793112, 2790979, 2792385
Fax : +91-172-2794834, 2790887
Website : www.sswlindia.com

Date: 10/03/2016

To,

Bombay Stock Exchange Limited
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

The National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai-400051

Reference: Scrip Code: BSE - 513262, NSE - SSWL

Subject: Presentation to Analysts/Investors Meetings under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

This is further to our letter dated 7th March, 2016. Please find enclosed herewith the Presentation to Analysts/Investors Meetings held pursuant to the provisions of Regulation 30(6) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

The above stated presentation will also be accessible on the website of the Company i.e. www.sswlindia.com.

Kindly take the same on your records for reference.

Thanking you.

For and behalf of the Board of
STEEL STRIPS WHEELS LIMITED

(Shaman Jindal)
GM-cum-Company Secretary
Encl:a/a

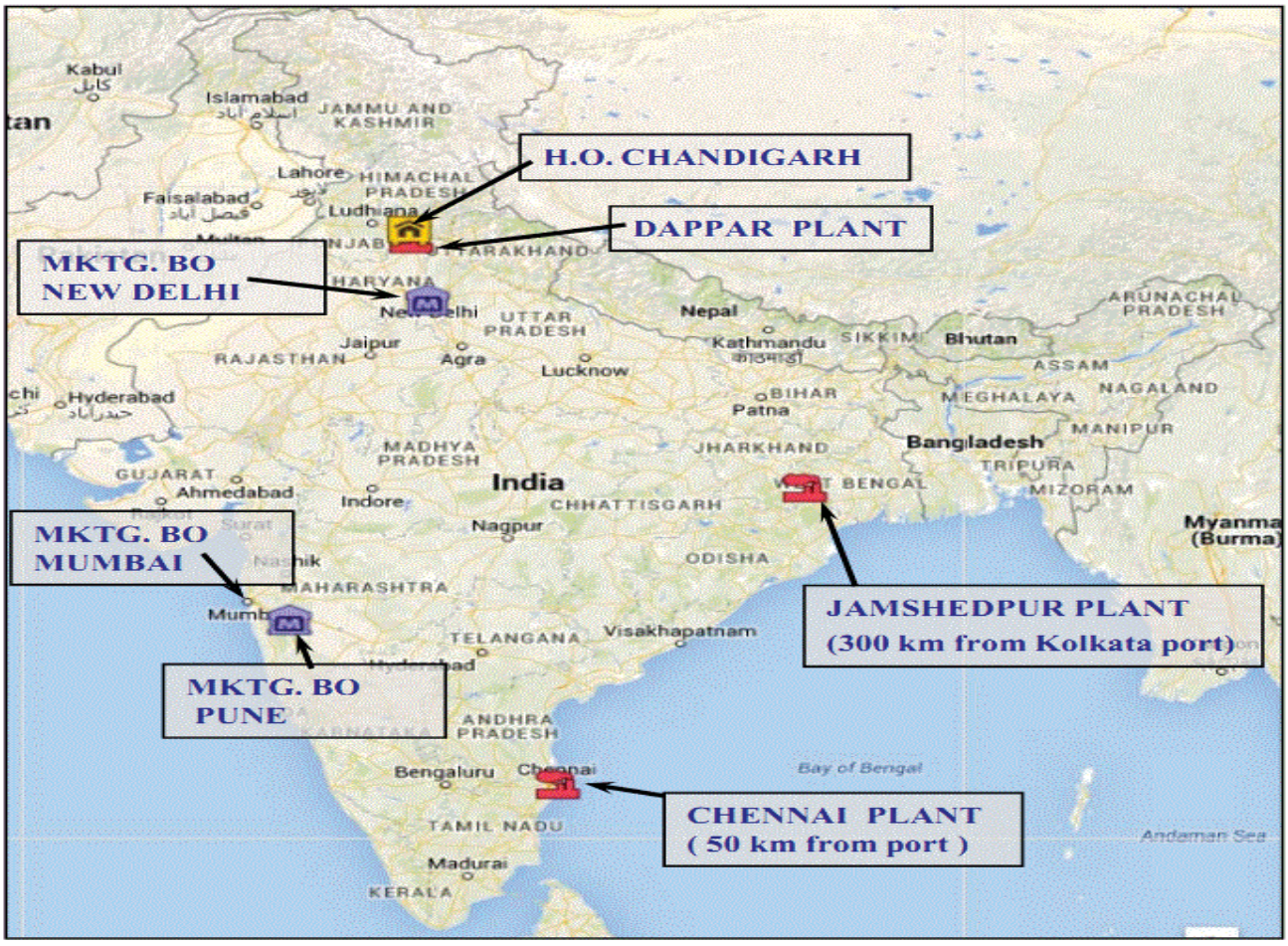
STEEL STRIPS WHEELS LTD.

Mar-16

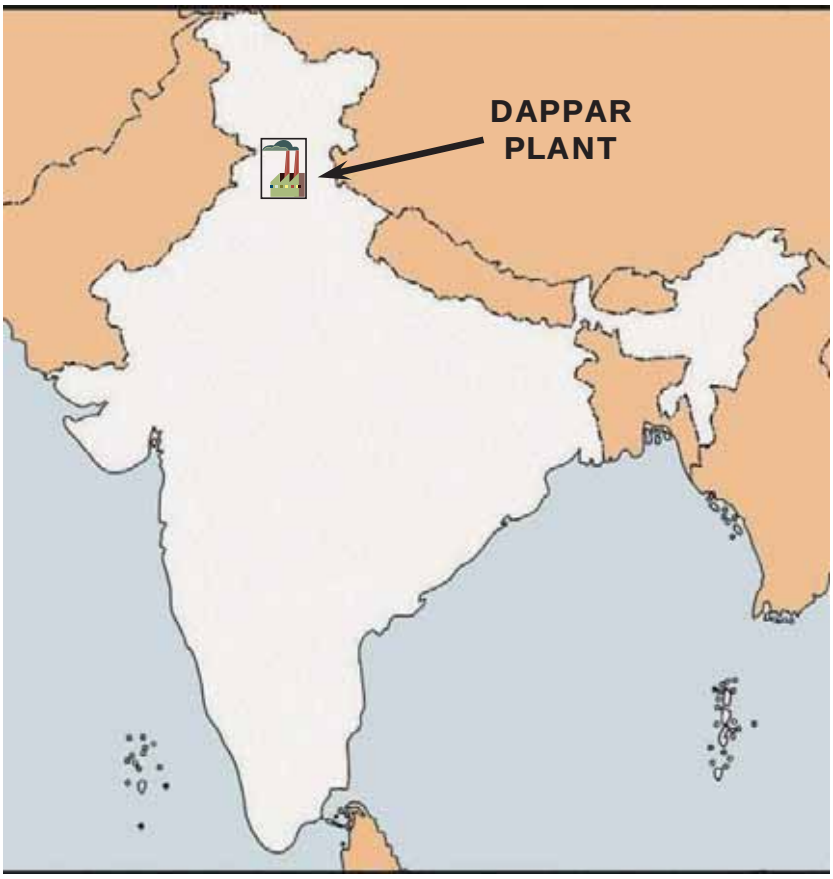
The Company

Group	STEEL STRIPS GROUP
Chairman	R. K. Garg
Managing Director	Dheeraj Garg
Business Category	Design, manufacturing and marketing of Steel Wheel Rims for Passenger cars, Utility vehicles, 2/ 3 wheelers, Tractors, Light/ Heavy commercial vehicles and OTRs
Manufacturing locations	1. Dappar (Punjab) - North India 2. Oragadam , Chennai (Tamilnadu) -South India 3. Jamshedpur (Jharkhand) - East India
Technical collaborator	Ring Techs Co. Ltd., Japan (A group company of Sumitomo Metal, Japan)
Capacities	➢ Total 16.6 million nos p.a. ➢ Dappar - 9.0 Million ➢ Chennai -6.0 Million ➢ Jamshedpur -1.6 Million
Strategic Investors in Steel Strips Wheels Ltd	➢ Tata Steel Ltd, India - 8.26%, ➢ Sumitomo Metal Industries, Japan – 5.59%, ➢ GS Global, South Korea – 2.48% ➢ Kalink, South Korea- 1.30% ➢ Listed company in National Stock Exchange and Bombay Stock Exchange , India.

Foot Print


H.O. CHANDIGARH
DAPPAR PLANT
MKTG. BO
NEW DELHI
MKTG. BO
MUMBAI
MKTG. BO
PUNE
JAMSHEDPUR PLANT
(300 km from Kolkata port)
CHENNAI PLANT
(50 km from port)
India
Nepal
Bhutan
Bangladesh
Myanmar
(Burma)
Kabul
Islamabad
JAMMU AND
KASHMIR
Lahore
HIMACHAL
PRADESH
Faisalabad
Ludhiana
HARYANA
UTTAR
PRADESH
Jaipur
RAJASTHAN
Agra
Lucknow
Kathmandu
SIKKIM
ARUNACHAL
PRADESH
ASSAM
MEGHALAYA
NAGALAND
MANIPUR
TRIPURA
MIZORAM
Hyderabad
BIHAR
Patna
JHARKHAND
MADHYA
PRADESH
GUJARAT
Ahmedabad
Indore
CHHATTISGARH
Nagpur
ODISHA
MAHARASHTRA
Surat
Nashik
TELANGANA
Visakhapatnam
ANDHRA
PRADESH
Bengaluru
Chennai
Bay of Bengal
TAMIL NADU
Madurai
KERALA
Andaman Sea

Manufacturing Locations- Capabilities



Dappar, Chandigarh

- **Location:** Chandigarh Ambala Highway
- **Capacity:**
  - 7.25 Million for Passenger cars, MUV's, 2& 3 Wheelers.
  - 1.75 Million for Commercial Vehicles, Tractors and OTR's.
- **Area:** 160,000 sq. meters of land with 55,000 sq. meters of built up area.
- **Manpower:** App. 1800 people.
- Equipped with Govt. of India approved Research and Development Centre

TRACTOR WHEELS

- Diameter - 10"-30"
- Width - 4.5"-15"
- Single Piece: Fixed & Adjustable

2-3 WHEELERS, CAR & MUV'S:

- Diameter - 12" to 20"
- Width - 2.5" to 8"

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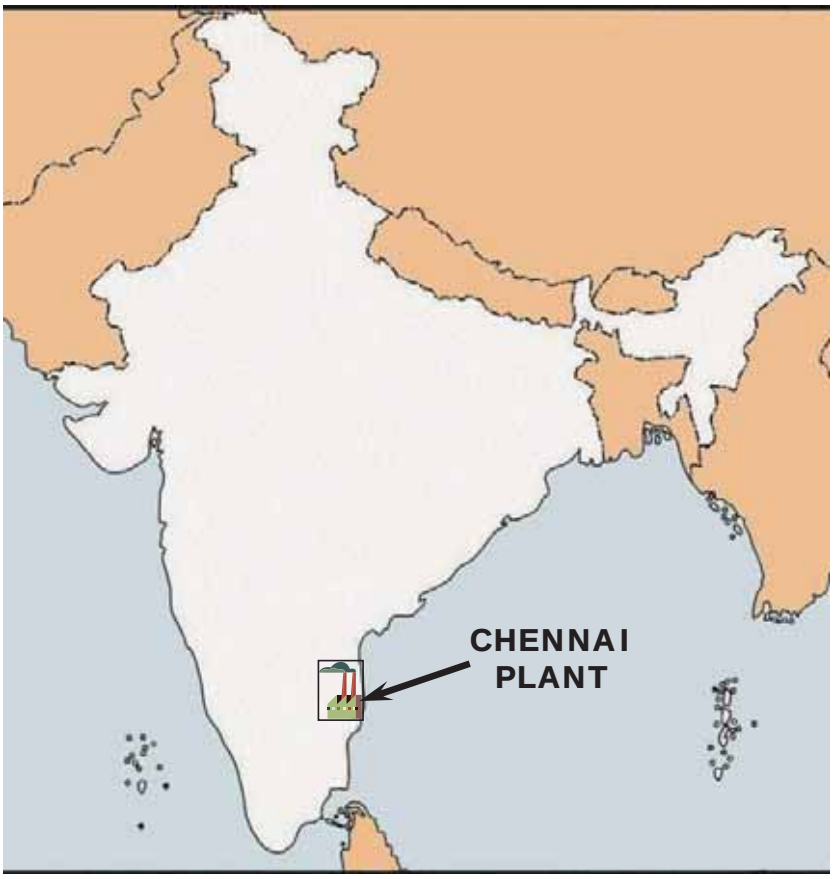
Manufacturing Locations- Capabilities



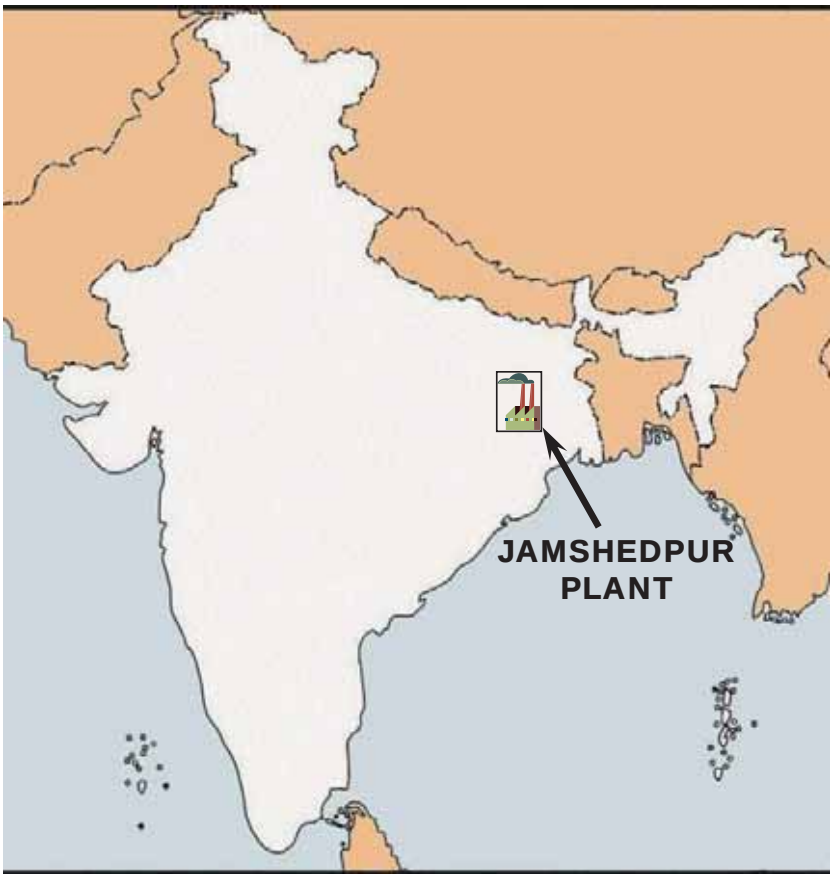
Oragadam , Chennai

- **Location:** App.35 Kms from Chennai
- **Capacity:**
  - 6.0 Million for Passenger cars & MUV's.
- **Manpower:** App. 700 people.

CAR & MUV'S:

- Diameter - 12" to 20"
- Width - 2.5" to 8"
- Maximum Tensile - 600 MPa

Manufacturing Locations- Capabilities



Jamshedpur , Jharkand

- **Location:** Close proximity to Tata Motors and Tata Steel.
- **SOP:** July 2010.
- **Capacity:**
  - 1.6 Million for C.V. Wheels
- **Manpower :** App. 200 people.

HCV

Multi-Piece: 2/3 Pieces

Width : 5.5"-13"
Dia : 15"-24"

Construction, Mining & Industrial Wheels

Multi-Piece: 3/4/5 Pieces

Width : 5.5"-22"
Dia : 15"-24"

Partners in Success

Partners in Success

Partners in Success

SSWL Export Customers Locations

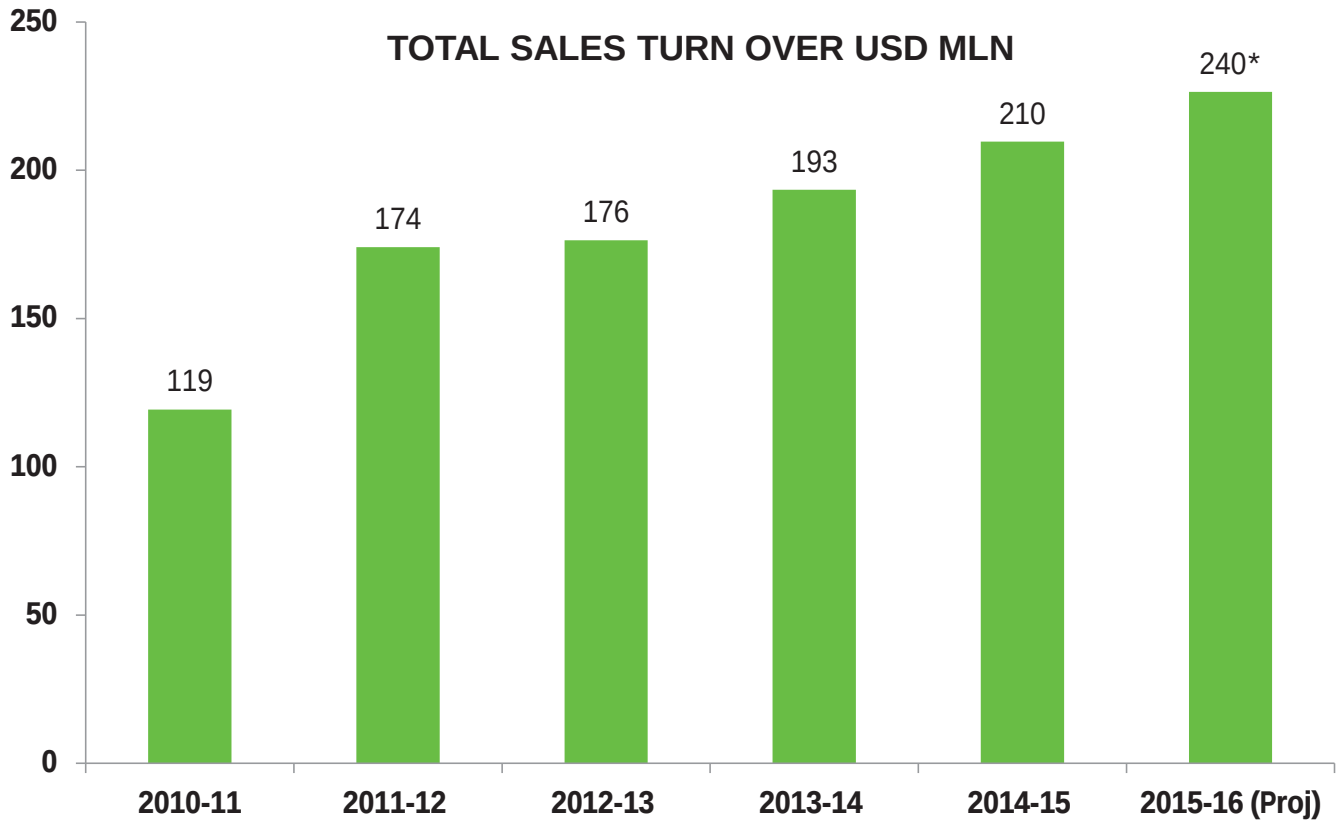
New Domestic Business Allocations (Steel Wheels)

Vehicle Name	SSWL SoB
·Maruti Celerio	100%
·Hondo Mobilio	100%
·Hyundai Xcent	100%
·Tata Zest	50%
·Tata Bolt	50%
·Maruti CIAZ	100%
·M&M U-301	100%
·M&M S101	100%
·Maruti YAD	100%
·Datsun Go Plus	100%
·Renault Lodgy	100%
·Maruti Baleno	100%

SSWL Market share of Current Business in Steel Wheels

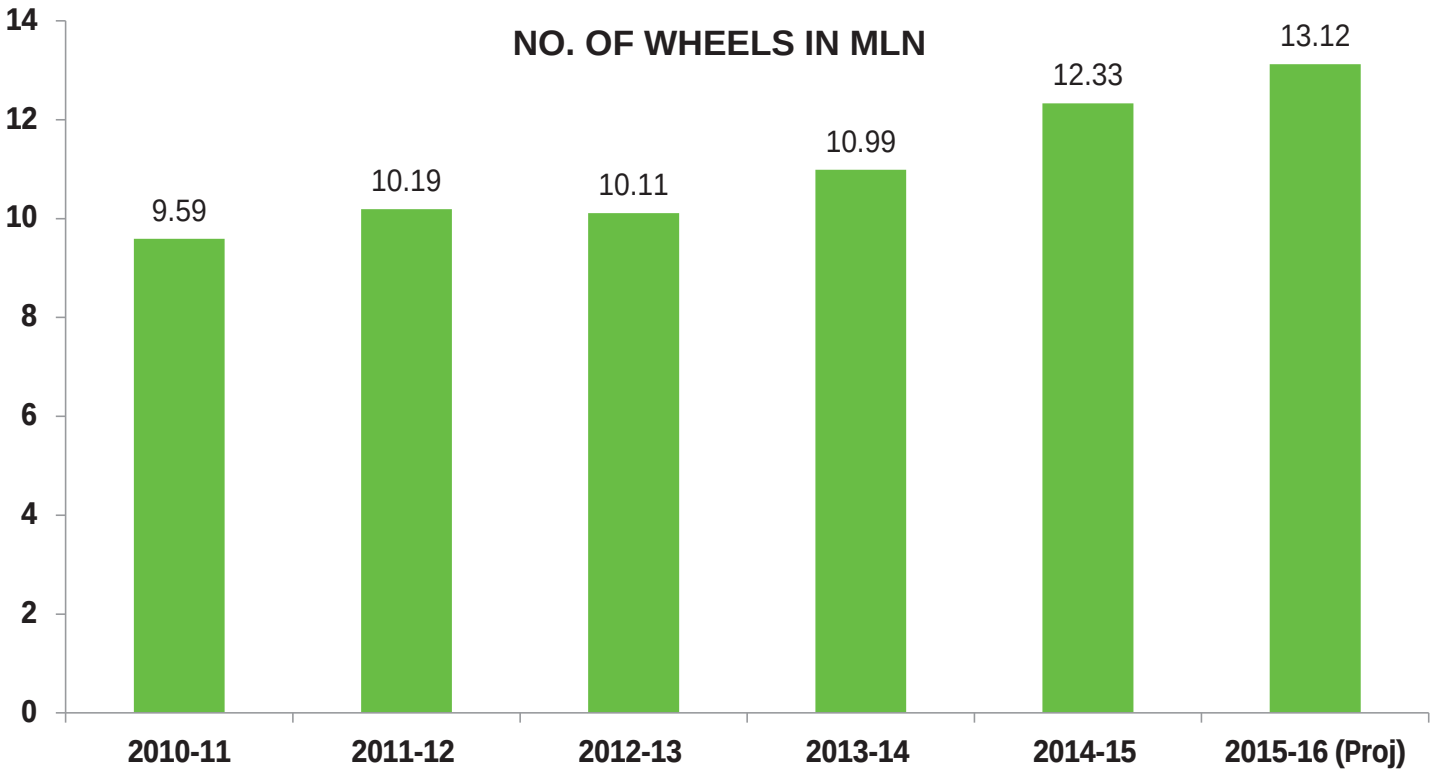
Segment	SoB
Passenger Car	50%
Tractor	38%
Commercial Vehicle	38%
OTR (Back Hoe Loader)	70%

Sales Performance Turnover Value

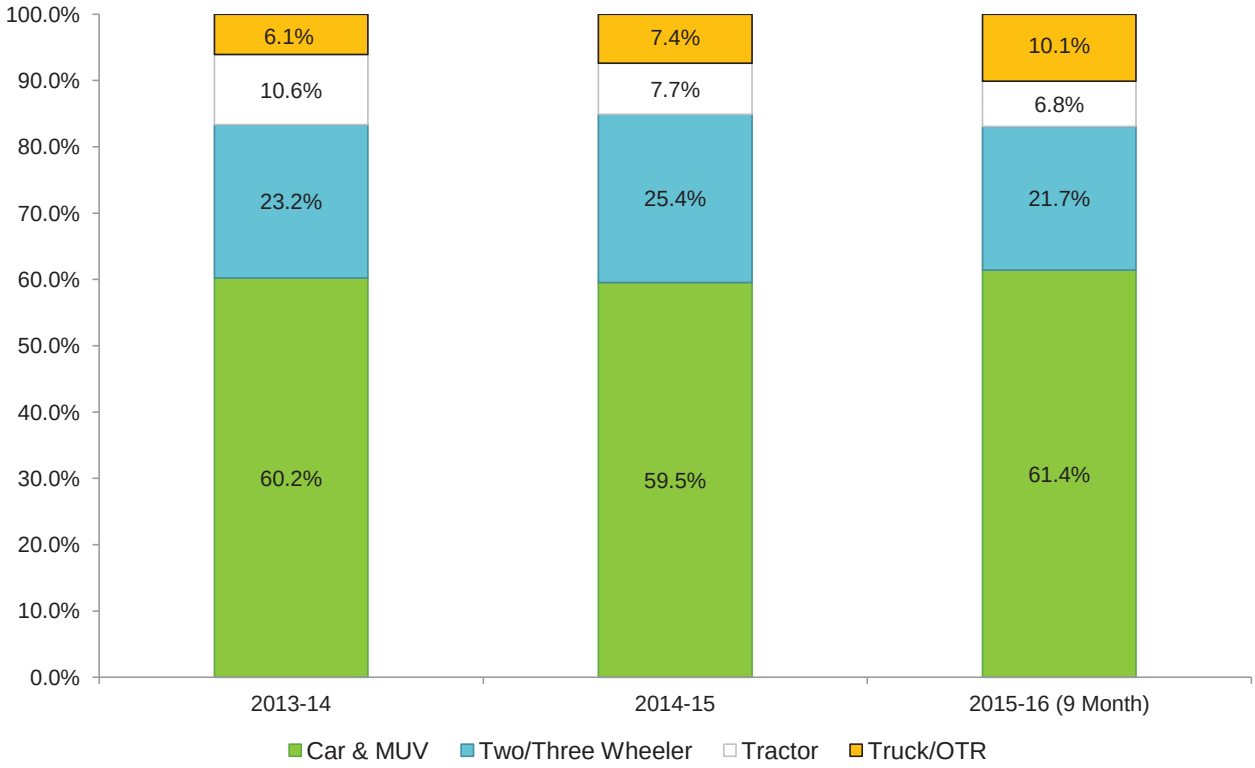


*Without considering the impact of Steel Reduction passed on to Customer

Sales Performance Turnover Volumes

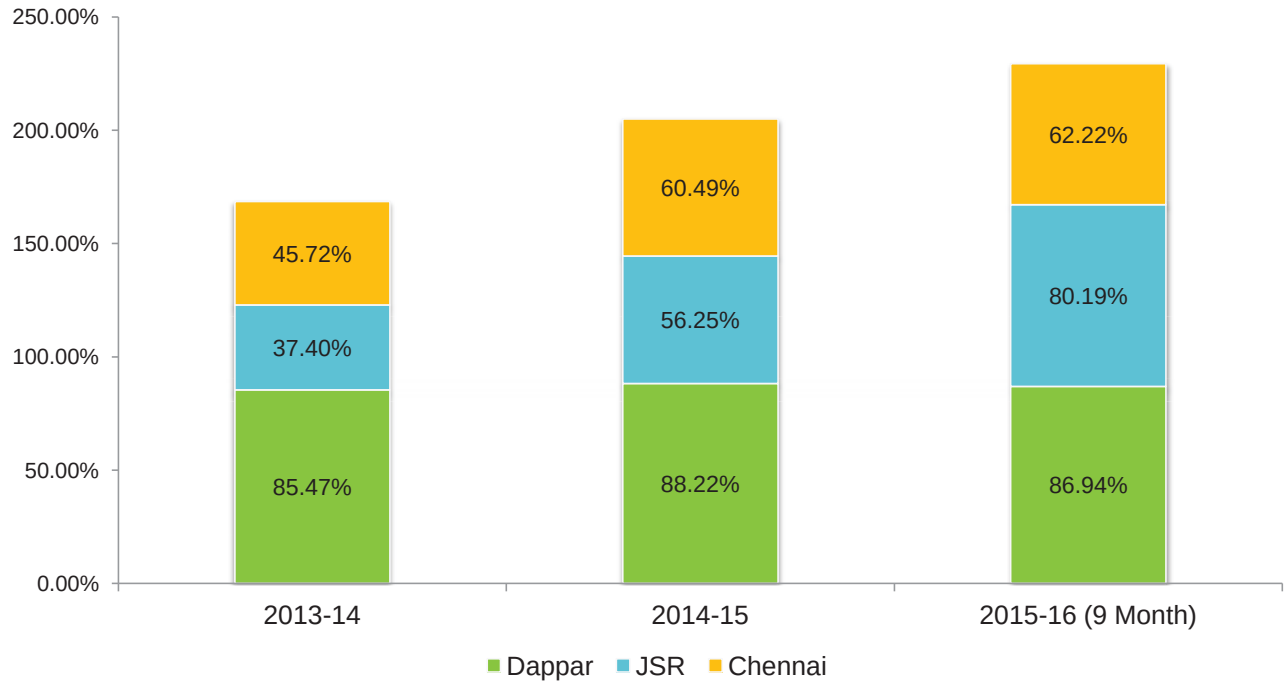


Segment Wise Volume Mix



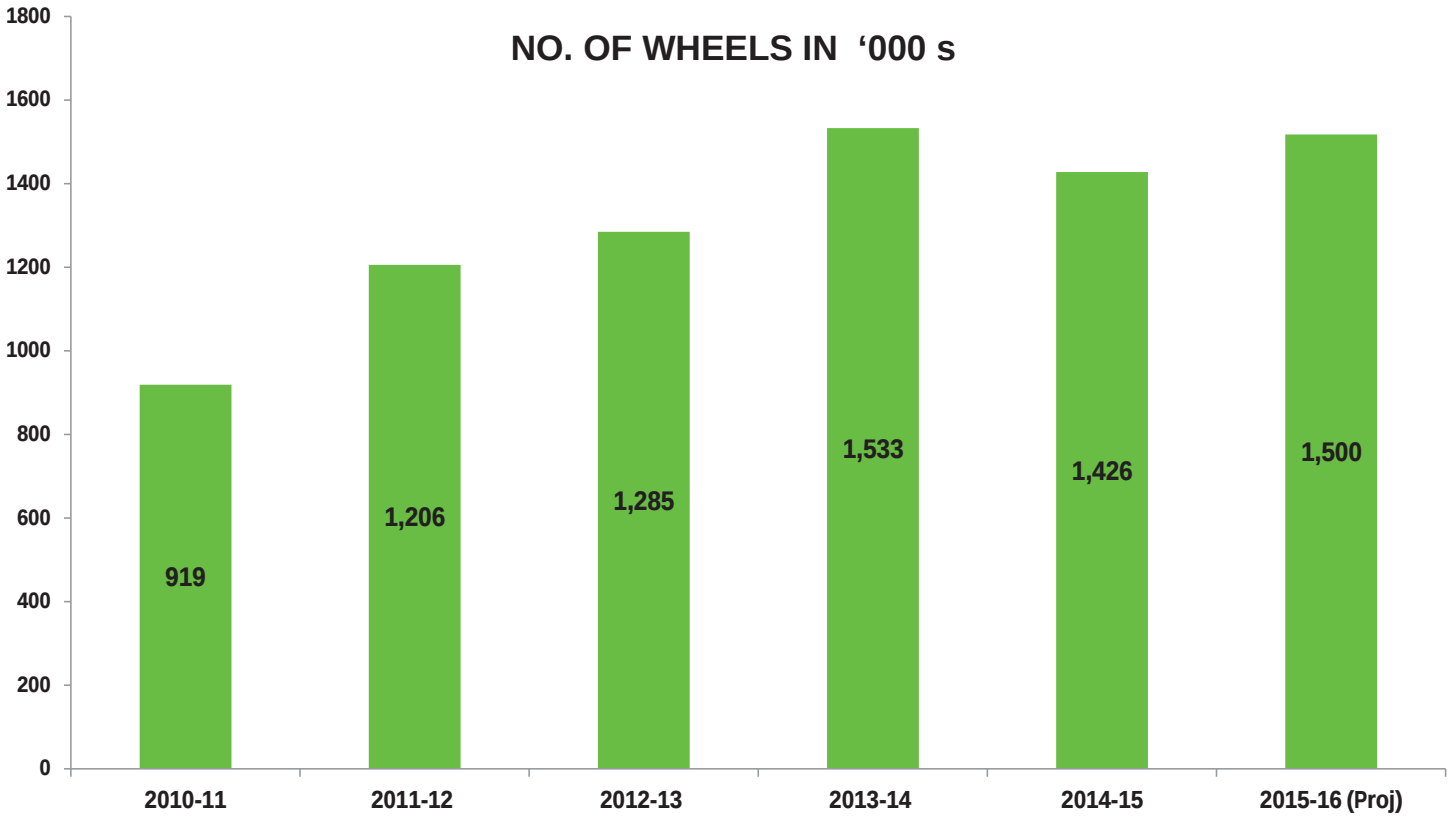
Mix is now tilting towards heavier wheels thus improving realization and margin.

Plant Wise Capacity Utilization



Utilization levels across all the facilities have moved up. The growth is substantial in case of Jamshedpur plant which is specifically for CV wheels.

Exports Turn over Volumes



SSWL Performance Q3/YTM Dec 2015-2016

	Q3 2015-16	Q3 2014-15	Growth	9Month 2015-16	9Month 2014-15	Growth
Gross Sale	31,385.95	29,534.71	6.27%	97,560.21	95,199.57	2.48%
EBITDA	4,268.08	3,014.55	41.58%	11,732.13	9,168.81	27.96%
	15.18%	*11.30%*		*13.44%*	*10.68%*	
PBT	2,120.40	1,177.47	80.08%	5,499.53	3,309.60	66.17%
	7.54%	*4.42%*		*6.30%*	*3.85%*	
PAT	1,551.06	955.72	62.29%	4,269.56	2,749.15	55.30%
	5.52%	*3.58%*		*4.89%*	*3.20%*	
Cash Profit	2,659.98	1,811.25	46.86%	7,364.80	5,507.59	
				8.44%	6.41%	

Sales in 2015-16 is post impact of steel rate reduction passed on to customers..

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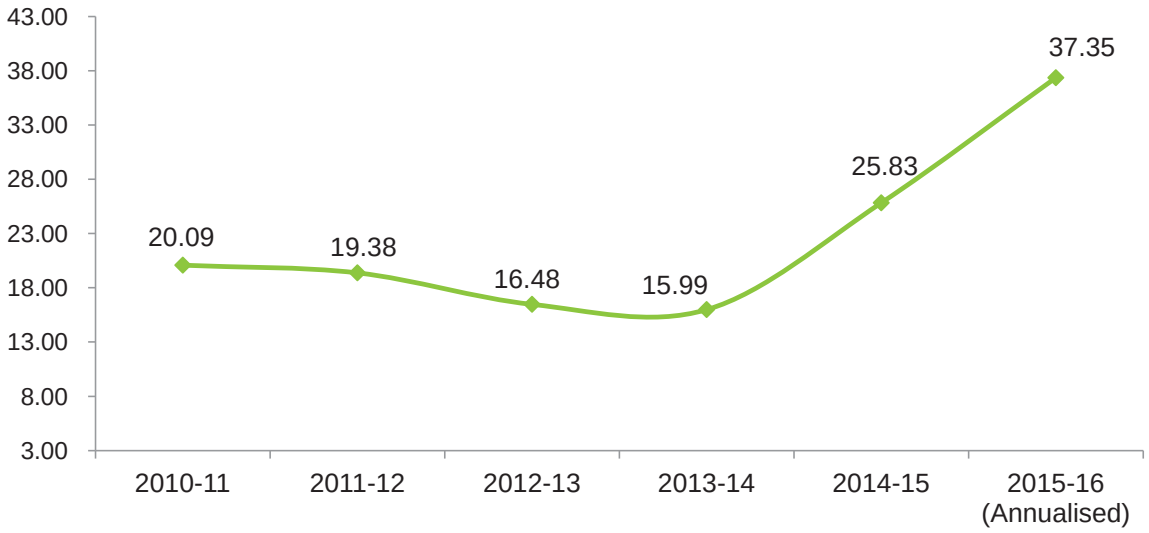
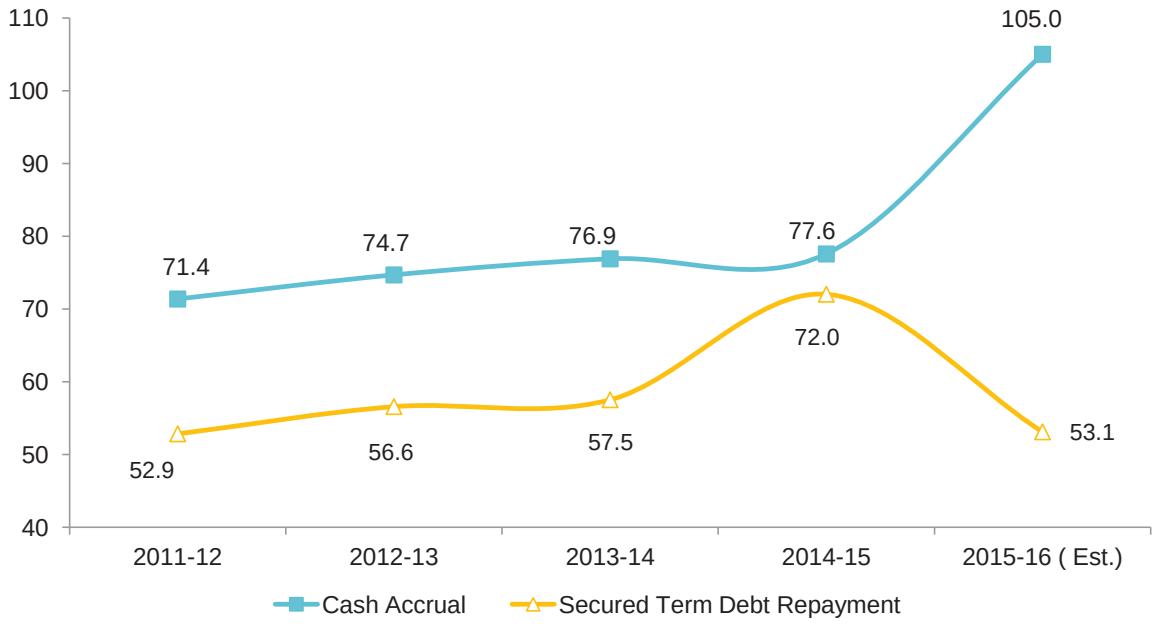
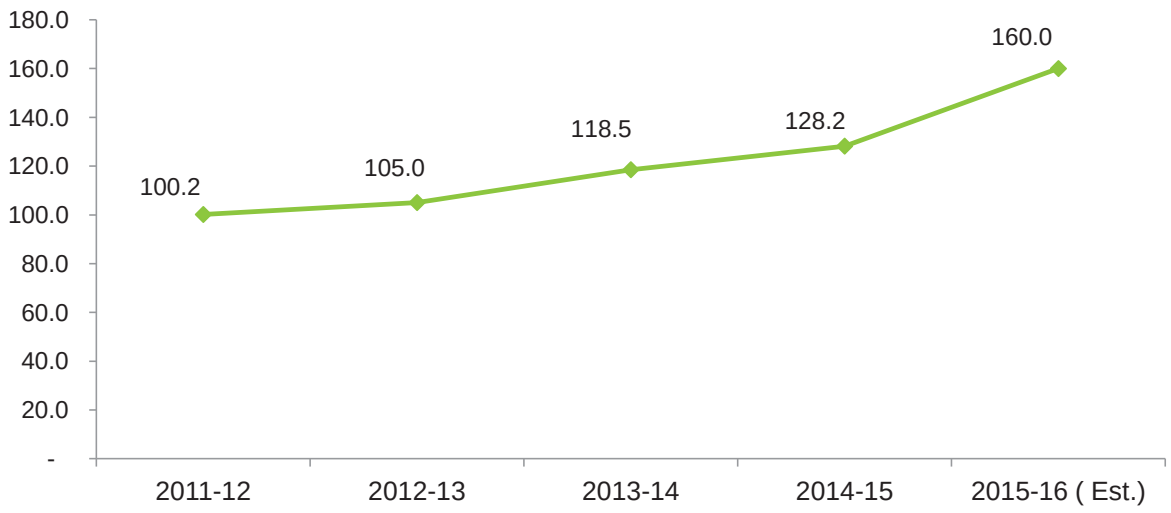
SSWL EPS Trend



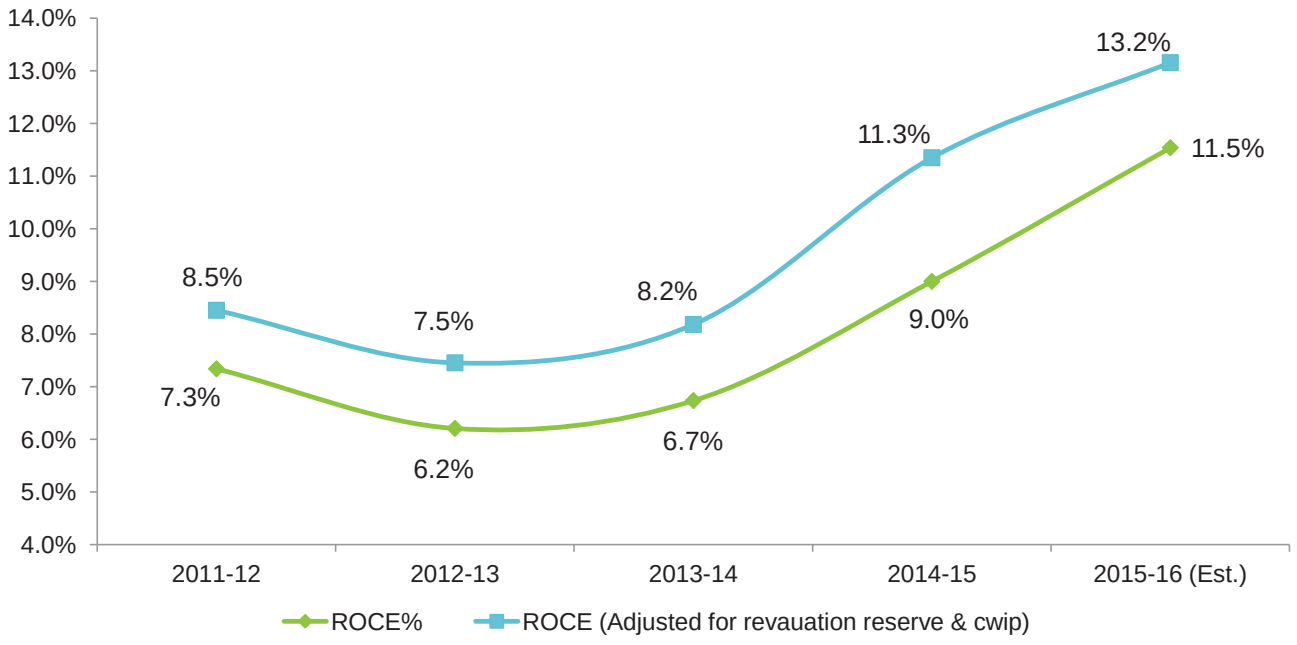
Cash Accrual vs Secured Term Debt Repayment (Rs Cr)



EBITDA Trend (Rs Cr)

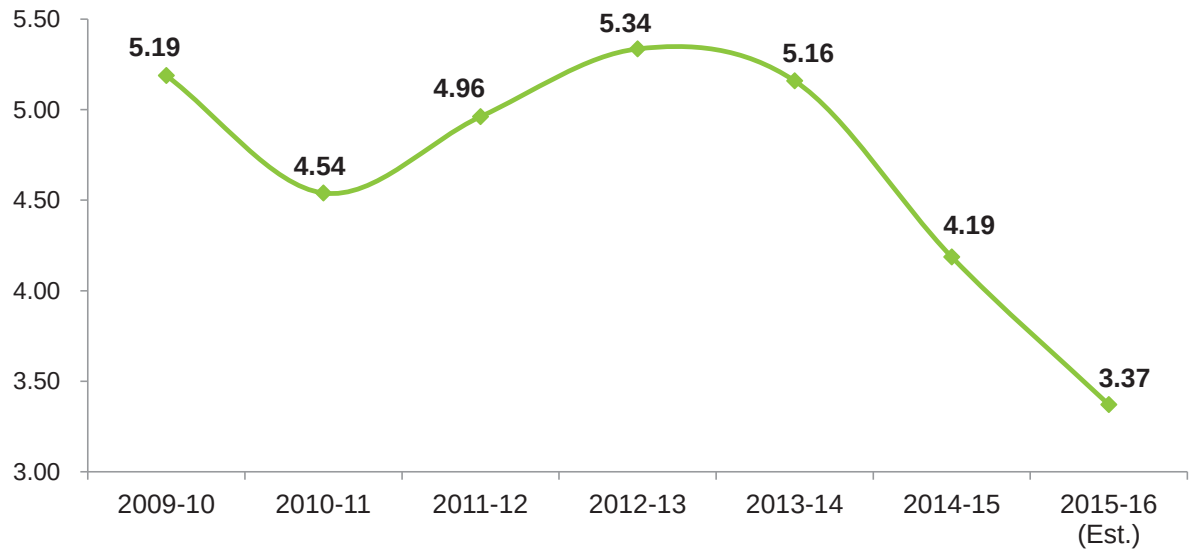


ROCE Trend



Even with Alloy Wheel project in 2016-17 ROCE is expected to remain in double digit.

Financial Leverage (Consolidated)



With Alloy Wheel in 2016-17, Leverage is expected to be around 4.

SSWL ALLOY WHEELS PLANT
MEHSANA, GUJARAT

IN TECHNOLOGICAL COLLABORATION
WITH
KALINK, KOREA

STEEL STRIPS GROUP

Geographical Location
Mehsana, Gujarat

Location	Distance
Ahmedabad Airport	75 Kms
Kandla Sea port	300 Kms
Gandhinagar (Capital of Gujarat)	64 Kms

Customer	Plant capacity (Mln Cars)	Total No. of wheels required (Mln)	No. of Alloy Wheels @ 30% Mix (Mln)	SOP	Distance from SSWL Alloy wheel plant
Suzuki	0.25	1.25	0.38	May 2017	25 Kms
Ford	0.24	1.2	0.36	Functional	70 Kms
Tata	0.25	1.25	0.38	Functional	70 Kms
TOTAL	**0.74**	**3.7**	**1.12**		

Proposed Alloy Wheels Plant: Gujarat

- **Proposed location**: Mehsana, Gujarat
- **Land measuring:** 240,000 Sq Mt.; **Product Size Range**: 14” to 20”
- **Capacity**: Production: 1.5 Mln & Painting: 2.5 Mln; Low Pressure Die Casting with Diamond Cutting
- **Investment:** Approx USD 50 Mln. Kalink will invest USD 2 Mln in SSWL.

Main Location Advantages

a. Cheap Power & Gas

b. Industrial friendly State with abundant availability of Skilled labour

c. OEM’s Suzuki/Ford/Tata/Honda in vicinity of less than 70 Kms

d. Sea Port proximity hence cheaper imported Raw Material and easy access for Exports

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Why Alloy Wheels?

Appearance
Alloy wheels have enhanced aesthetic appeal and look much better than Steel wheels

Weight
Lighter in weight compared to Steel wheels leading to better fuel efficiency of the car and helps in adhering to stricter emission norms

Strength
Aluminum mixed with other metals makes alloy wheels stronger than typical steel wheels, and the unprecedented strength of alloy wheels leads to greater control and precision steering

Heat dissipation
Alloy wheels disperse heat better, and this decreases cracking and bending which also translates to more efficient braking

Indian Market context

Infrastructure
India's infrastructure has improved in the recent past & will continue improving substantially in the coming few years with good wide roads being developed across the country.

Demographics: Young country
India has more than 65% below the age of 35. It is expected that, in 2020, the average age of an Indian will be 29 years

Increase in buying power
Young buyers have higher buying power due to higher salaries and tend to prefer high end variant of car models that use Alloy wheels having enhanced aesthetic appeal.

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Why SSWL For Alloy Wheels?

Wheel Manufacturing/Selling Experience

SSWL already into manufacturing/selling steel wheel rims across all leading PV Manufacturers. With Alloy wheel, SSWL will be covering the entire portfolio covering Steel/Alloy Wheel under one umbrella.

Established Customer Base

SSWL is already enjoying strong relationship with most of the PV OEM's in India. Alloy wheels will be an additional offering to existing relationship.

Proven track record and well accepted product

SSWL Steel Wheel rims are well accepted by OEM's across the globe and Company has demonstrated impeccable quality history.

Demand/Supply Gap

Currently there is gap between demand and supply, further Customer is struggling to receive the desired quality Alloy Wheel Rims from existing alloy wheel suppliers in India. SSWL has entered into technical tie up with Kalink Korea, who is leading Alloy Wheel Manufacturer and is among top 7 of the World in Alloy Wheel supplies. Export Quality is what Company is eyeing and will include latest technologies like Diamond Cut Alloy Wheels.

Anti Dumping Duty

Government has imposed anti dumping duty on imported alloy wheel rims for 5 years as below:
China: $2.15/Kg
Korea: $1.18/Kg
Thailand: $1.06/Kg.
This anti dumping duty has made import unviable thereby widening the demand supply gap by additional 1Mn wheel rims.

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SWOT analysis SSWL

STRENGTH

1. SSWL leading supplier of Steel Wheel rims in India.
2. Diversified customer base, all major OEM's are covered
3. Globally accepted product and excellent reputation with Customers.
4. In house Government approved R&D facility, equipped with latest technology. Similar R&D facility will be replicated in Alloy Wheel Plant.
5. State of Art technology from Kalink Korea (Among top seven suppliers of Alloy Wheel Globally).
6. Facility is well connected by all means of transport.

WEAKNESS

1. Growth dependent of industry. Though Company is mitigating the same with diversified customer base.
2. Alloy wheel is a new product for SSWL and manufacturing process is completely different from steel wheel rims. Company has mitigated the same by entering into technology agreement with Kalink Korea.

OPPORTUNITY

1.Growing demand for Alloy wheels. Shift happening from Steel Wheel Rims to Alloy wheels across all variants of passenger vehicle.
2. Demand Supply Gap which is expected to reach around 2.6mn wheel rims in 2018-19
3. Anti dumping duty on imports of Alloy Wheels ($2.15/Kg China/ $1.18/Kg Korea/$1.06/Kg Thailand)
4. Absence of dependable source of Quality Alloy Wheels maker in India.

THREAT

1. New Entrants will pose a threat, however considering the gap in demand and supply there is sufficient cushion to allow multiple entrant. Further SSWL plant will cater to export quality wheels which will put is miles ahead of competition.
2. Slow down in domestic market. Company is mitigating this threat by eyeing export quality wheels and both domestic/ export market will be captured.

Alloy Wheels opportunity analysis

Automobile Production Trend - INDIA								
FY	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Passenger Cars Production	2,887,018	3,040,768	3,253,622	3,644,056	4,081,343	4,611,918	5,211,467	5,888,958
YOY Growth	-5%	5.33%	7%	12%	12%	13%	13%	13%
Alloy Wheel Usage	2,309,614	2,919,137	3,383,767	3,935,581	4,897,612	5,534,301	6,670,678	8,008,983
	20%	24%	26%	27%	30%	30%	32%	34%
Steel Wheel Usage	12,125,476	12,284,703	12,884,342	14,284,701	15,509,104	17,525,287	19,386,657	21,435,806
	80%	76%	74%	73%	70%	70%	68%	66%
Total Wheels	14,435,090	15,203,840	16,268,109	18,220,282	20,406,716	23,059,589	26,057,335	29,444,789
Wheels per Car	5	5	5	5	5	5	5	5
Demand Vs Supply Analysis		**2014-15**	**% Split**		**2018-19**			
Domestic Alloy Wheel Suppliers		**1,955,822**	**67%**		**1,955,822**			
Imported Alloy Wheel Suppliers		**963,315**	**33%**		**963,315**	**Govt. has introduced anti - dumping duty of $2.15/Kg on China, $1.06/Kg on Thailand & Korea imports**		
Gap					-2,615,164			

Enkei, Pune

1. Annual Installed Capacity of 0.96 Mln wheels
2. No immediate capacity expansion plans
3. No available spare capacity
4. Caters to only Japanese OEM's in India as a policy

Kosei-Minda, Chennai

1. Annual Installed Capacity of 0.84 Mln wheels
2. Quality issues with high rejections %
3. High operating costs due to expensive Power, Gas and Labor
4. New plant in Bawal, Haryana with capacity of 1 Mln with SOP April 2016

Synergies, Vishakhapatnam

1. Annual Installed Capacity of 0.72 Mln wheels
2. No immediate capacity expansion plans
3. Old plant with issues of high operating costs due to expensive Power, Gas and Labor
4. More thrust on Exports than Domestic market

Delltronix, Nandambakkam

1. Annual Installed Capacity of 0.96 Mln wheels
2. Unable to fully utilize installed capacity due to severe quality issues
3. Plant set up with used equipments.
4. Fitch rating of 'D'. Has filed for CDR.

Absence of dependable source of Quality Alloy wheels maker in India

Technological Partner: Kalink

Kalink, Korea

- Part of HIHO Group, Headquartered in Seoul, Korea with its presence in Aluminum Alloy Billet production, Trading of Aluminum for Mining and Smelting
- Group sales of more than USD 1.3 Billion
- Kalink has 2 plants for Aluminum Alloy wheels: Korea (1.6 Mln wheels) and China (2.8 Mln wheels)
- Strong history of supplying Competitive and Quality wheels to OEM's such as VW, Audi, Nissan, Chrysler, Subaru in Europe, USA and China

Customers	Location	Programs	Remarks
Nissan	Japan	Dualis, Murano, Qashqai, Juke	From 2007
	USA	Altima Coupe, X-Terra	From 2007
	UK	Qashqai, Juke	From 2007
	China	Dualis	From 2010
	Spain	X01B	From 2011
Chrysler	USA	Dodge Caliber, Grand Cherokee	From 2004
VW	Germany	Golf, Passat	From 2013
Audi	-	A3	From 2013
Subaru	Japan	Forester	From 2012

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Proposed Time plan for SOP

Sr. No.	Activity	Completion month	Status
1.	Land Purchase	May 2015	Completed
2.	Project agreement sign off with Kalink	Sep 2015	Completed
3.	Groundbreaking	Dec 2015	Completed
4.	Building and Utilities completion	Sep 2016	Planned
5.	Equipment Erection	Dec 2016	Planned
6.	Commissioning and Stabilization	Feb 2017	Planned
7.	Plant Audit	Mar 2017	Planned
8.	PPAP Approvals	Jun 2017	Planned
9.	SOP	Oct 2017	Planned

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Summary of Project Cost

COST OF THE PROJECT			
S.NO.	PARTICULARS	AMOUNT	
		Rs in Lacs	
		Phase I	Phase II
1	Land (66.80 Acre)	1773.86	0.00
2	BUILDING & CIVIL WORK	5000.00	1000.00
3	PLANT & MACHINERY	20783.00	9000.00
4	Pre-Operatives, Margin Money & Contigency	5443.14	
	TOTAL	**33000.00**	**10000.00**
			0.00
	EQUITY		
	By Foreign Partner	1300.00	
	By SSWL	7926.14	3000.00
	Equity by way of Land Purchase	1773.86	
	Total Equity	**11000.00**	**3000.00**
	LOAN		
	Term Loan	22000.00	7000.00
	Total loan	**22000.00**	**7000.00**
	TOTAL	**33000.00**	**10000.00**
	TOTAL PROJECT COST (Rs in Lacs) **Phase I + Phase II**	43000.00	

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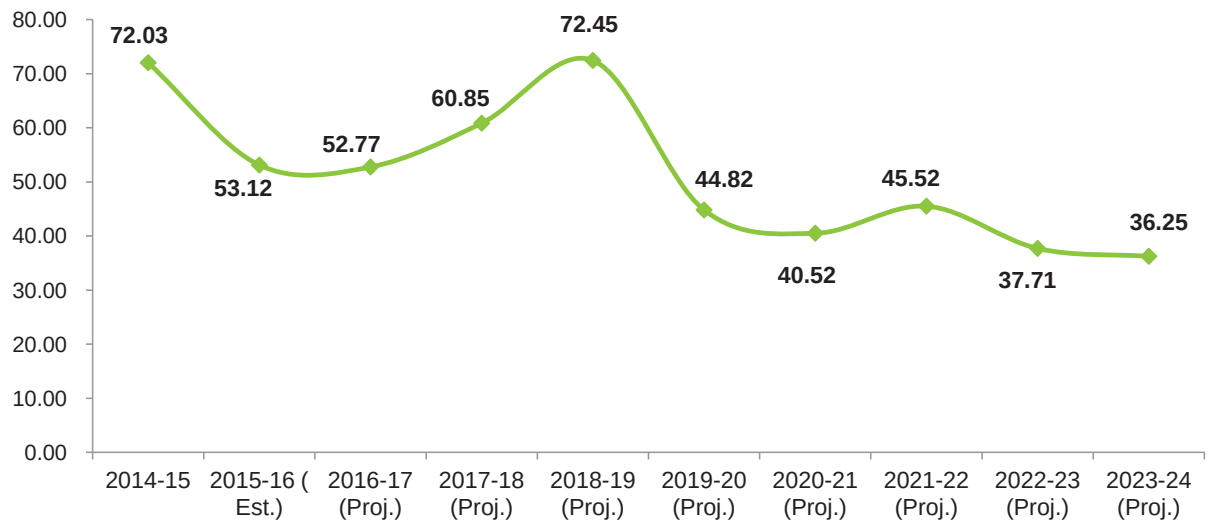
Secured Term Loan Repayment Trend



Thank You