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

Ref. SSWL/
Dated 09.05.2016

Bombay Stock Exchange Limited
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

The National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

**Sub: Presentation regarding performance of SSWL.**

Sir,

Attached please find presentation regarding performance of the Company.

Kindly take the same on your record please.

Thanking you.

Yours faithfully,

For Steel Strips Wheels Limited

(Shaman Jindal)
GM-Cum-Company Secretary

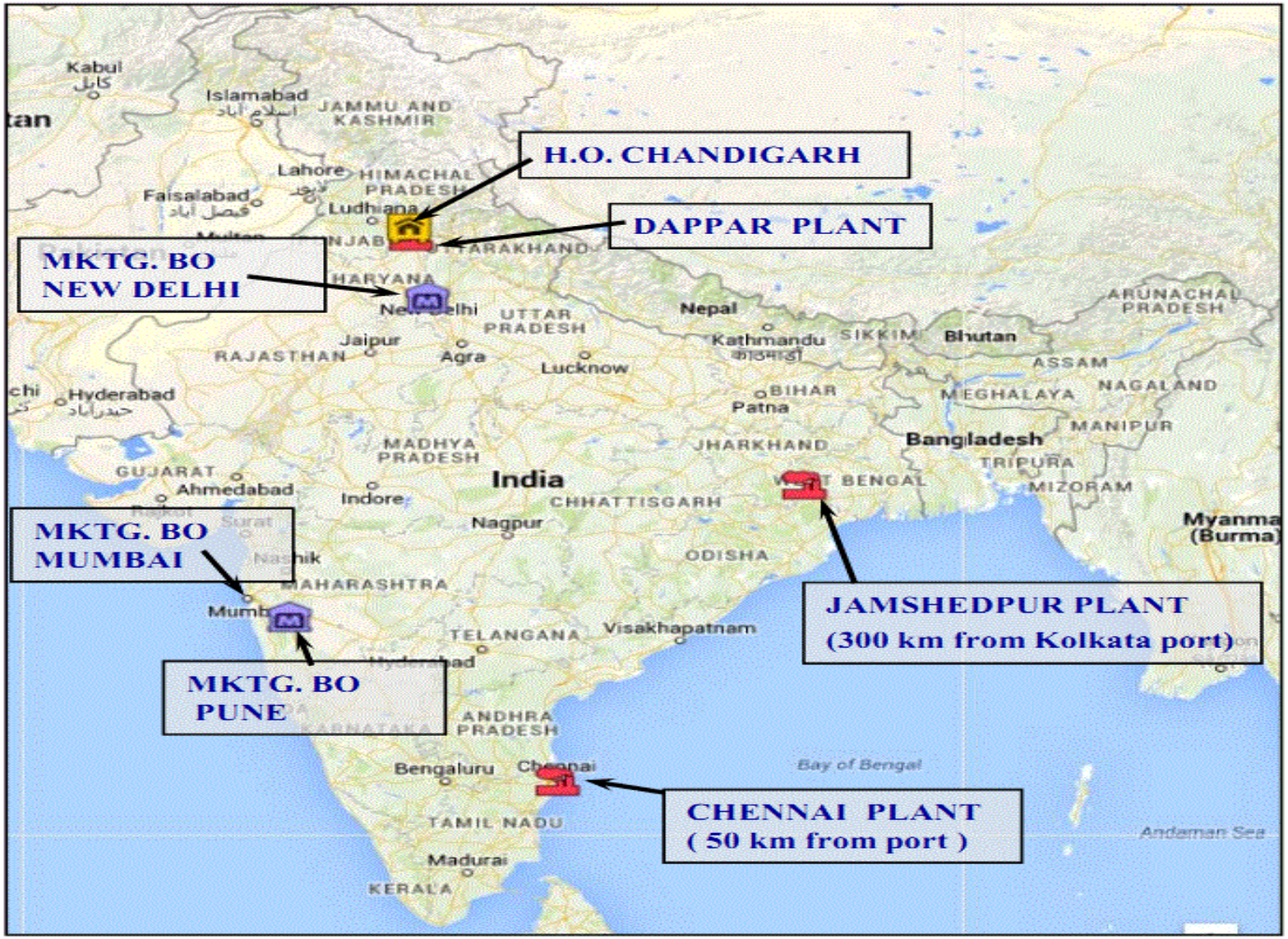
# STEEL STRIPS WHEELS LTD.



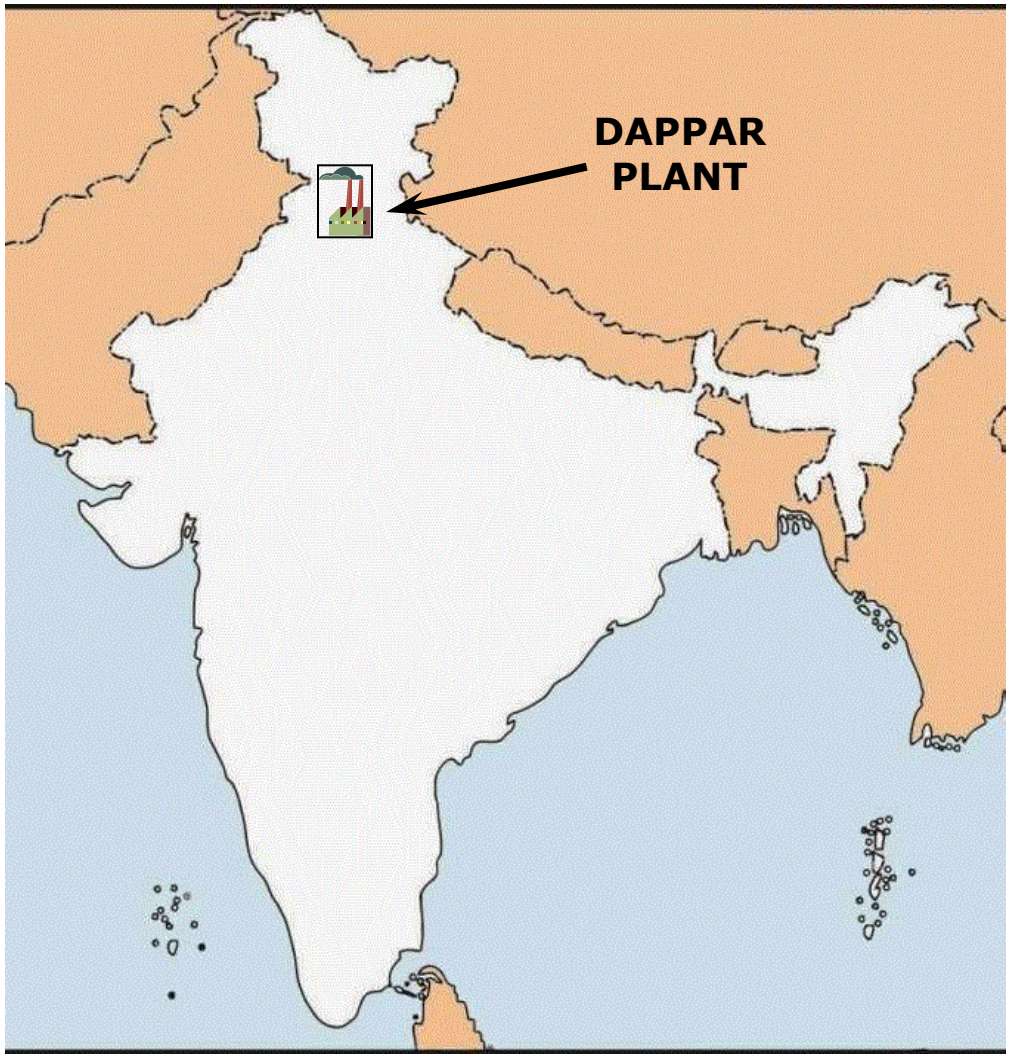
# The Company

| 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<br>2. Oragadam , Chennai (Tamilnadu) -South India<br>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.<br><br>➢ Dappar - 9.0 Million<br>➢ Chennai -6.0 Million<br>➢ Jamshedpur -1.6 Million |
| **Strategic Investors in Steel Strips Wheels Ltd** | ➢ Tata Steel Ltd, India - 8.26%,<br>➢ Sumitomo Metal Industries, Japan – 5.59%,<br>➢ GS Global, South Korea – 2.48%<br>➢ Kalink, South Korea- 1.30% (Shares to be alloted)<br>➢ 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
Kabul
Islamabad
JAMMU AND KASHMIR
Lahore
HIMACHAL PRADESH
Faisalabad
Ludhiana
HARYANA
New Delhi
UTTAR PRADESH
Jaipur
RAJASTHAN
Agra
Lucknow
Nepal
Kathmandu
SIKKIM
Bhutan
ARUNACHAL PRADESH
ASSAM
NAGALAND
MEGHALAYA
MANIPUR
TRIPURA
MIZORAM
Bangladesh
Myanmar (Burma)
BIHAR
Patna
JHARKHAND
WEST BENGAL
Hyderabad
MADHYA PRADESH
Indore
GUJARAT
Ahmedabad
Surat
CHHATTISGARH
Nagpur
ODISHA
MAHARASHTRA
Visakhapatnam
TELANGANA
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

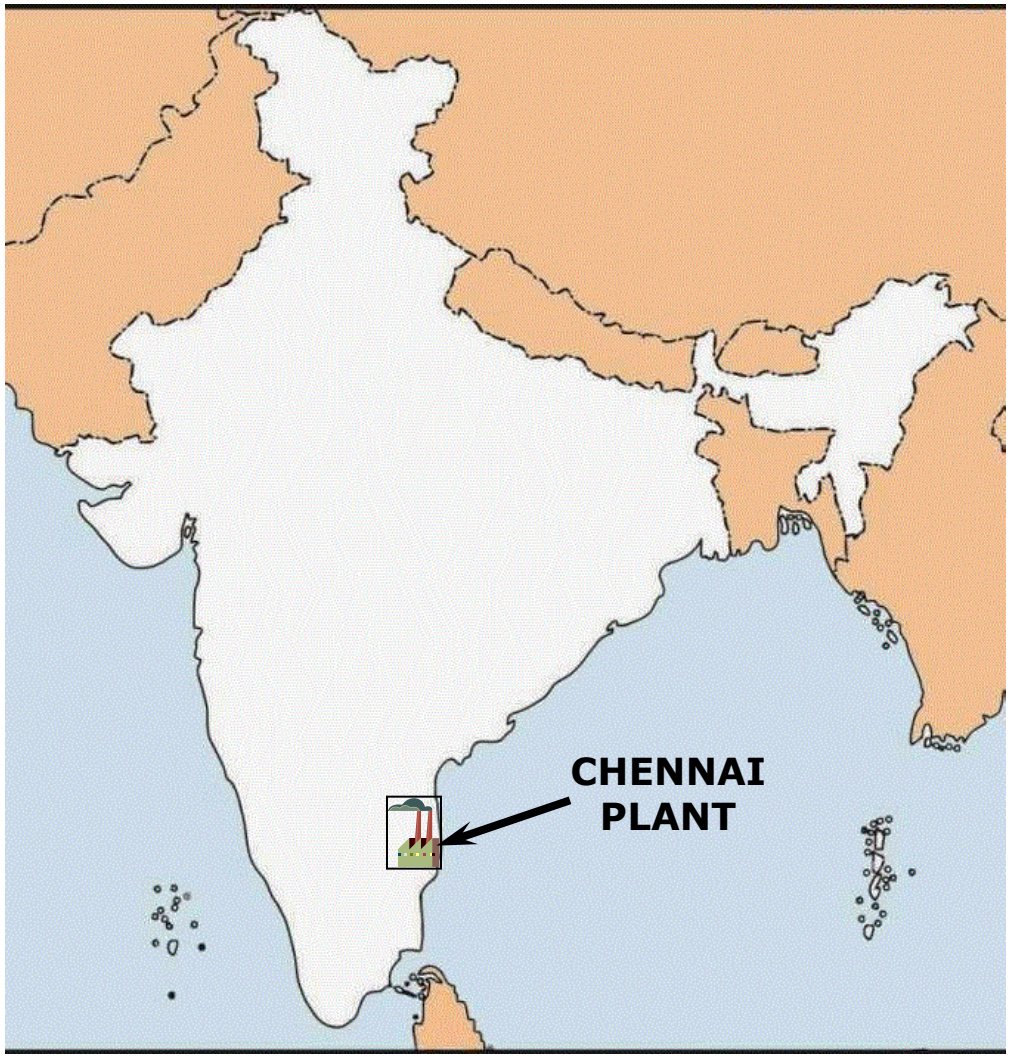
**2-3 WHEELERS, CAR & MUV'S:**

- 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.

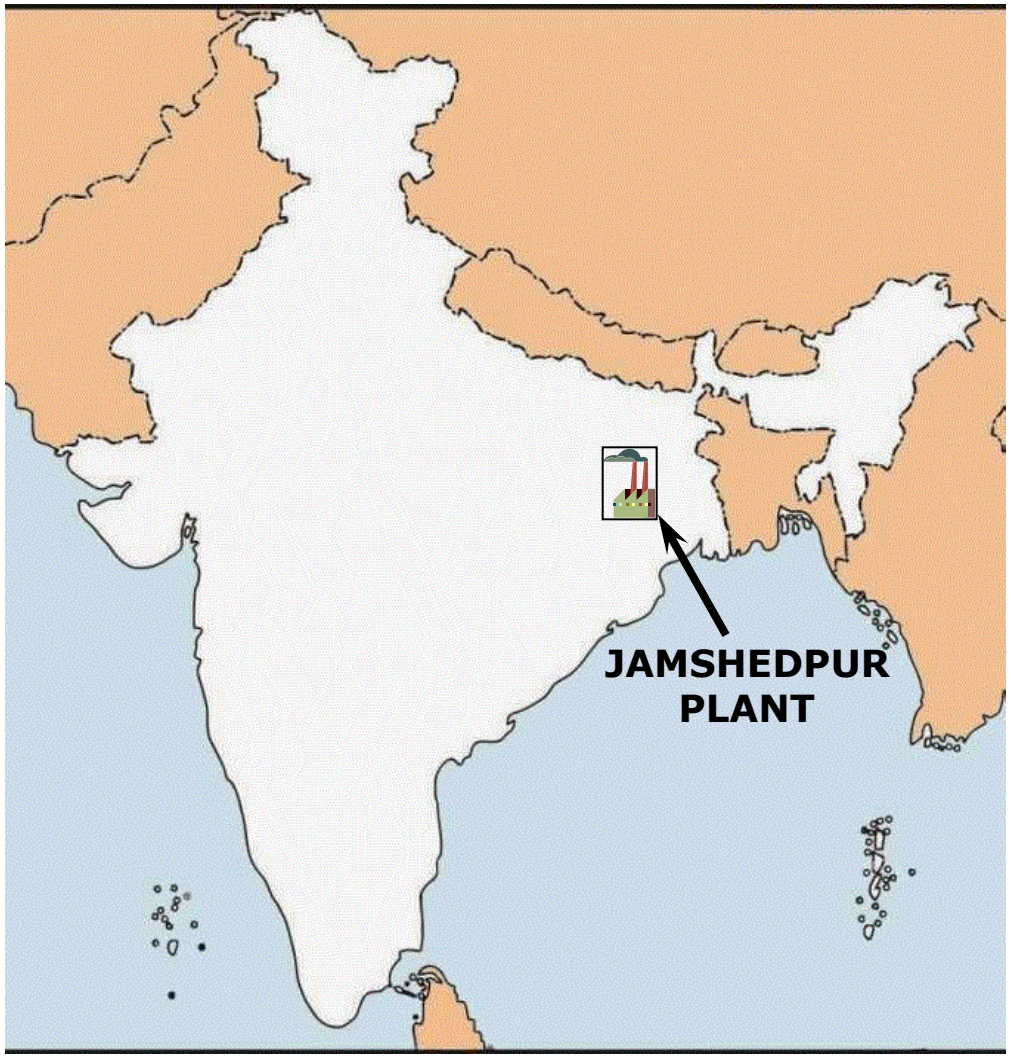
**CAR & MUV'S**:

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



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# 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

TATA

ASHOK LEYLAND

DAIMLER

Daimler India Commercial Vehicles Pvt. Ltd.

MAN

VE COMMERCIAL VEHICLES

A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

swaraj mazda

Putzmeister

JCB

Mahindra EARTHMASTER

ESCORTS

LARSEN & TOUBRO

CNH INDUSTRIAL

bemL

NEW FRONTIERS. NEW DREAMS



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# Partners in Success

Kubota

NEW HOLLAND AGRICULTURE

hmt

SONALIKA INTERNATIONAL

JOHN DEERE

EICHER

INDO FARM TRACTORS & MOTORS LTD.

ACE

RING TECHS
リンテックス株式会社

SUZUKI

PIAGGIO®

HONDA

SCOOTERS INDIA LIMITED



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# Partners in Success
















































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# SSWL Export Customers Locations



# New Domestic Business Allocations (Steel Wheels)

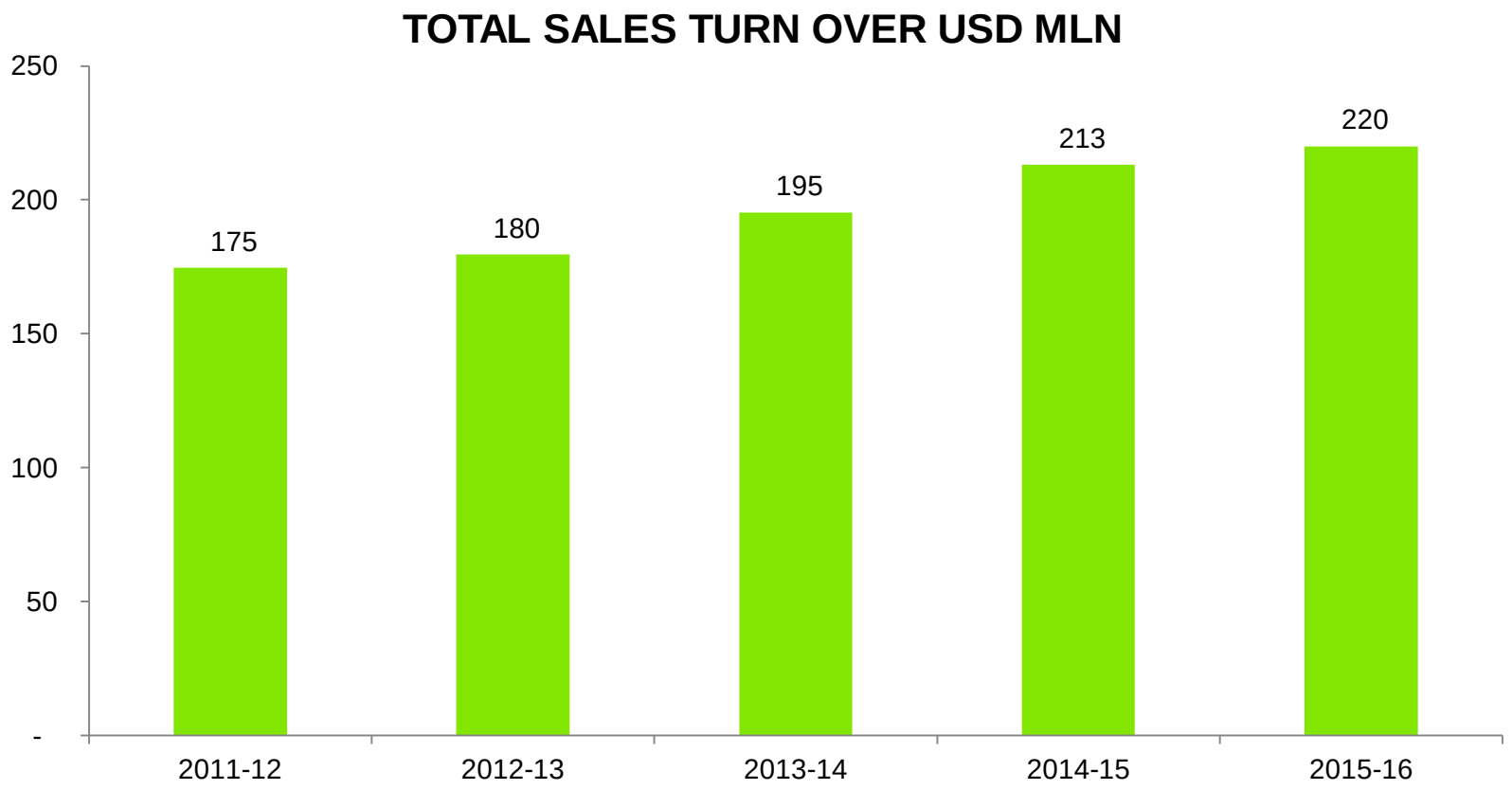
| Vehicle Name | SSWL SoB |
|---|---|
| ·Maruti Celerio | 100% |
| ·Hondo Mobilio | 100% |
| ·Hyundai Xcent | 100% |
| ·Tata Zest | 50% |
| ·Tata Bolt | 50% |
| ·Maruti CIAZ | 100% |
| ·M&M U-301 | 100% |
| ·M&M S101 | 100% |
| ·Maruti YAD | 100% |
| ·Datsun Go Plus | 100% |
| ·Renault Lodgy | 100% |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

# SSWL Market share of Current Business in Steel Wheels

| Segment | SoB |
|---|---|
| Passenger Car | 50% |
| Tractor | 38% |
| Commercial Vehicle | 40% |
| OTR (Back Hoe Loader) | 70% |

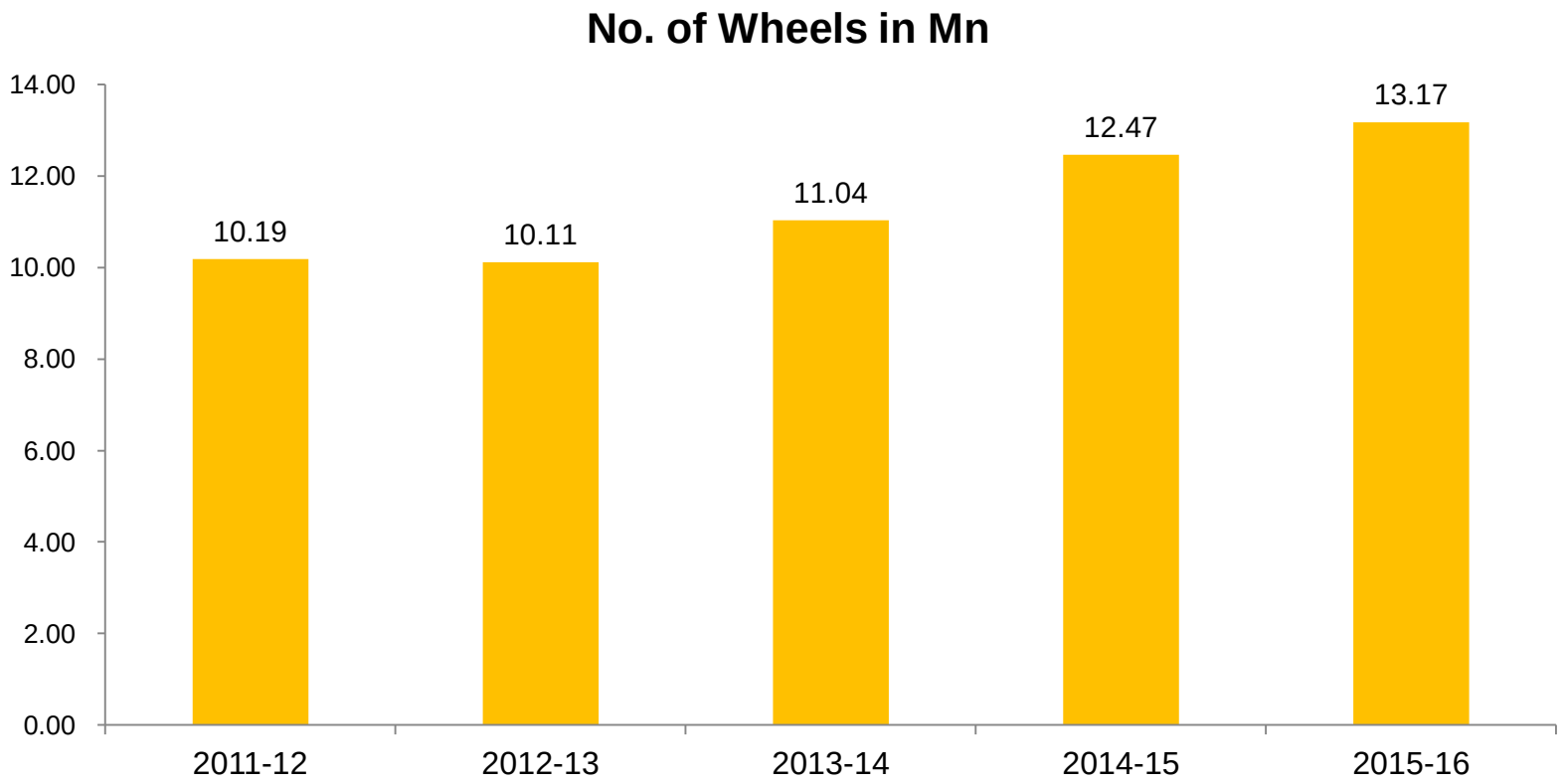
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# Sales Performance Turnover Value

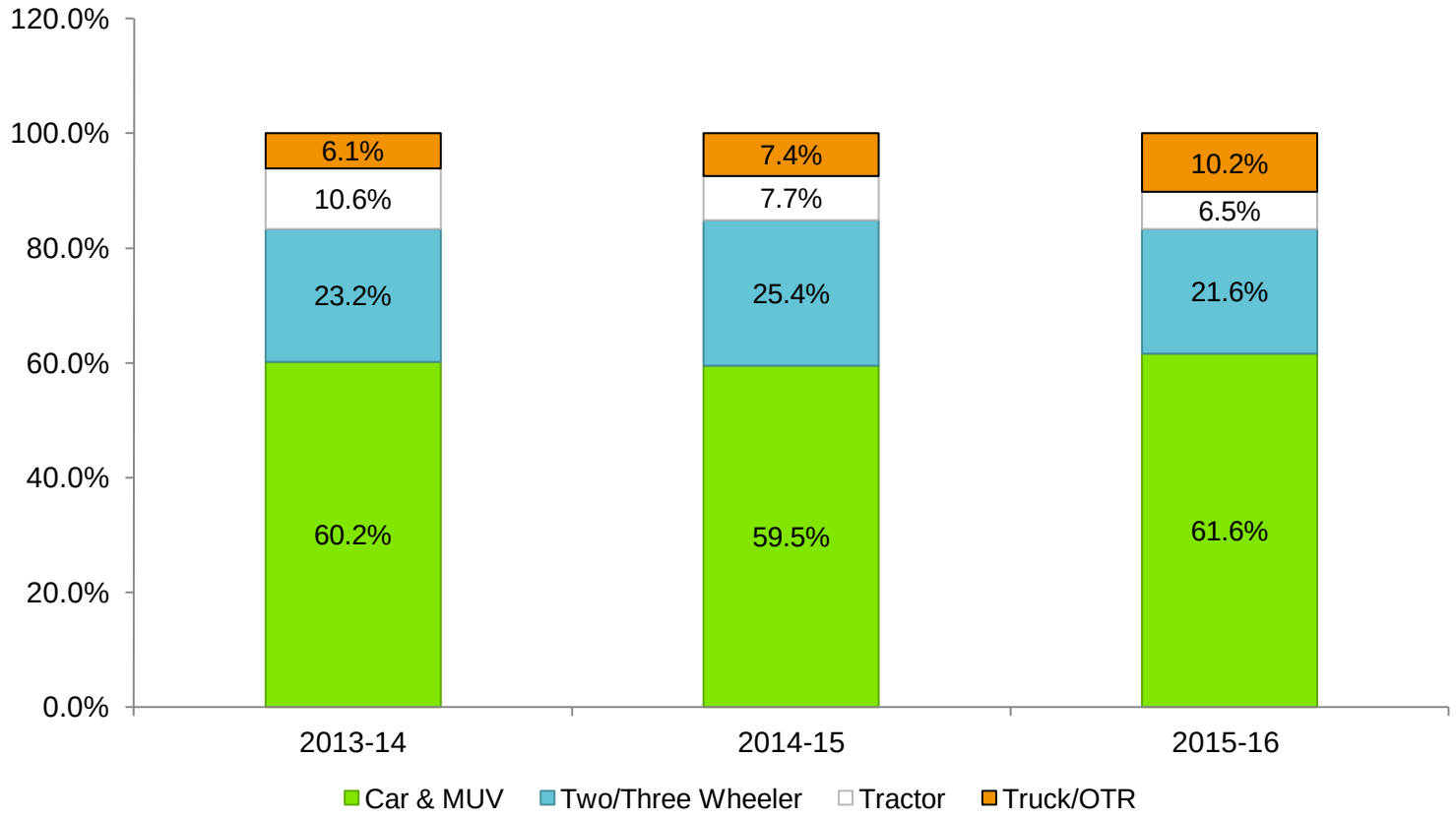



*FY16 is impacted by Steel Reduction passed on to Customer

# Sales Performance Turnover Volumes

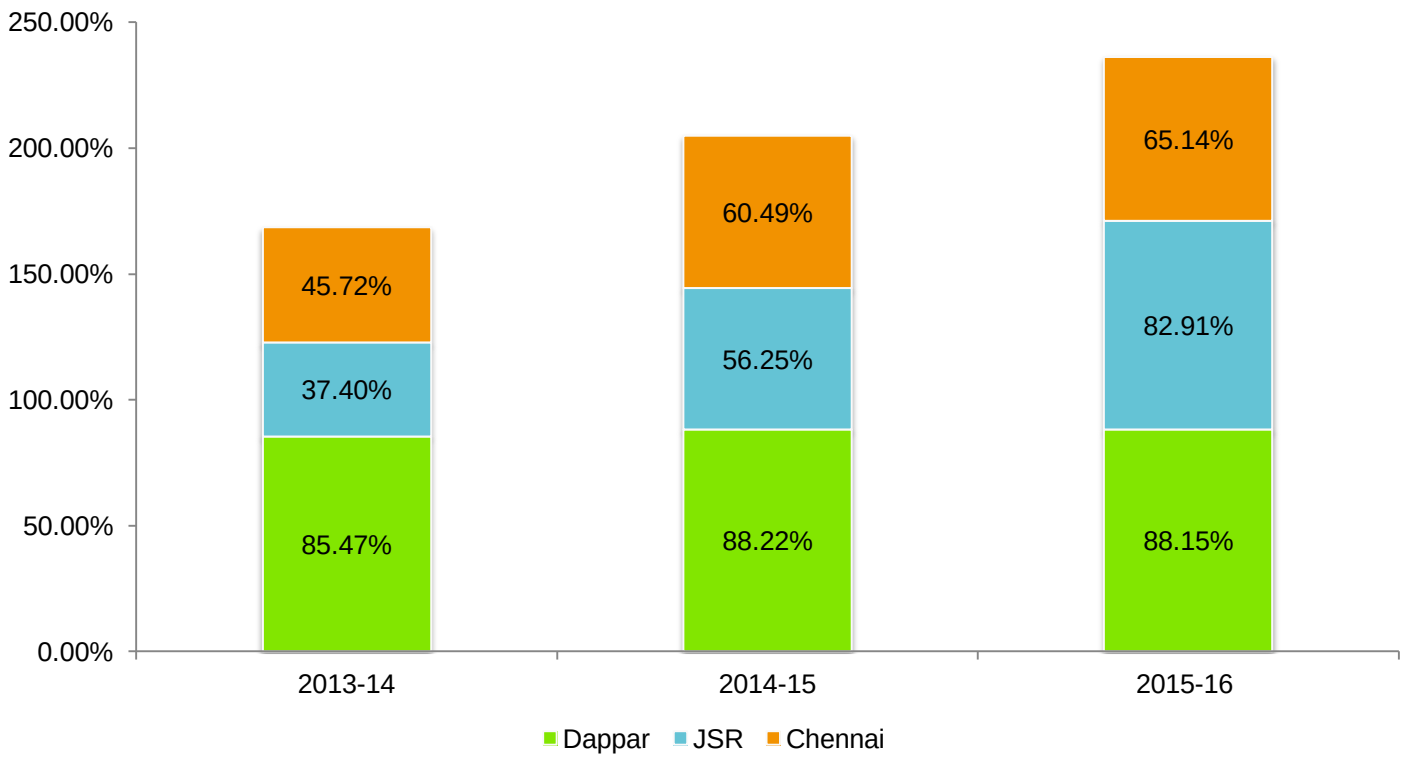


# Segment Wise Volume Mix



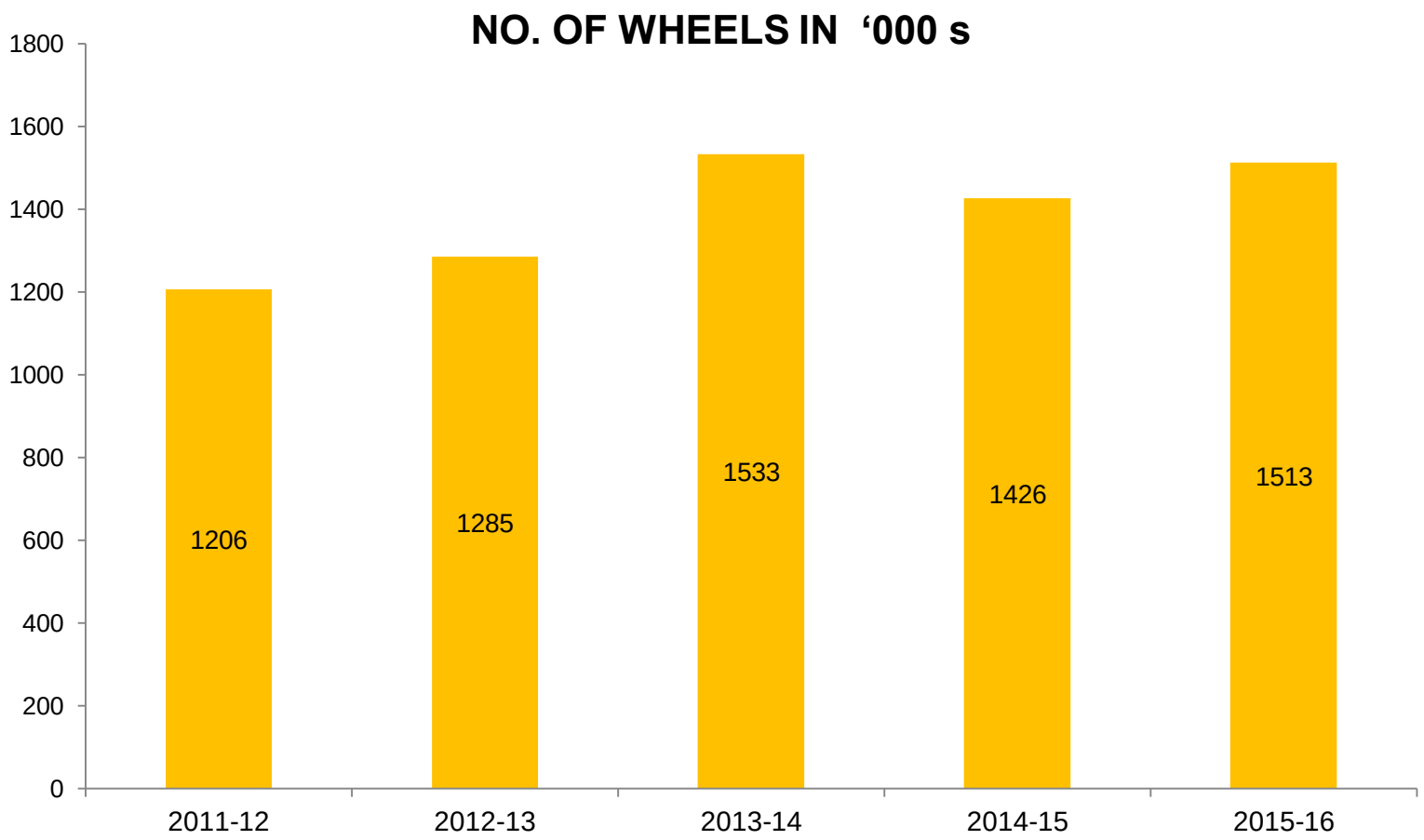

Mix is now tilting towards heavier wheels thus improving realization and margin.

# 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



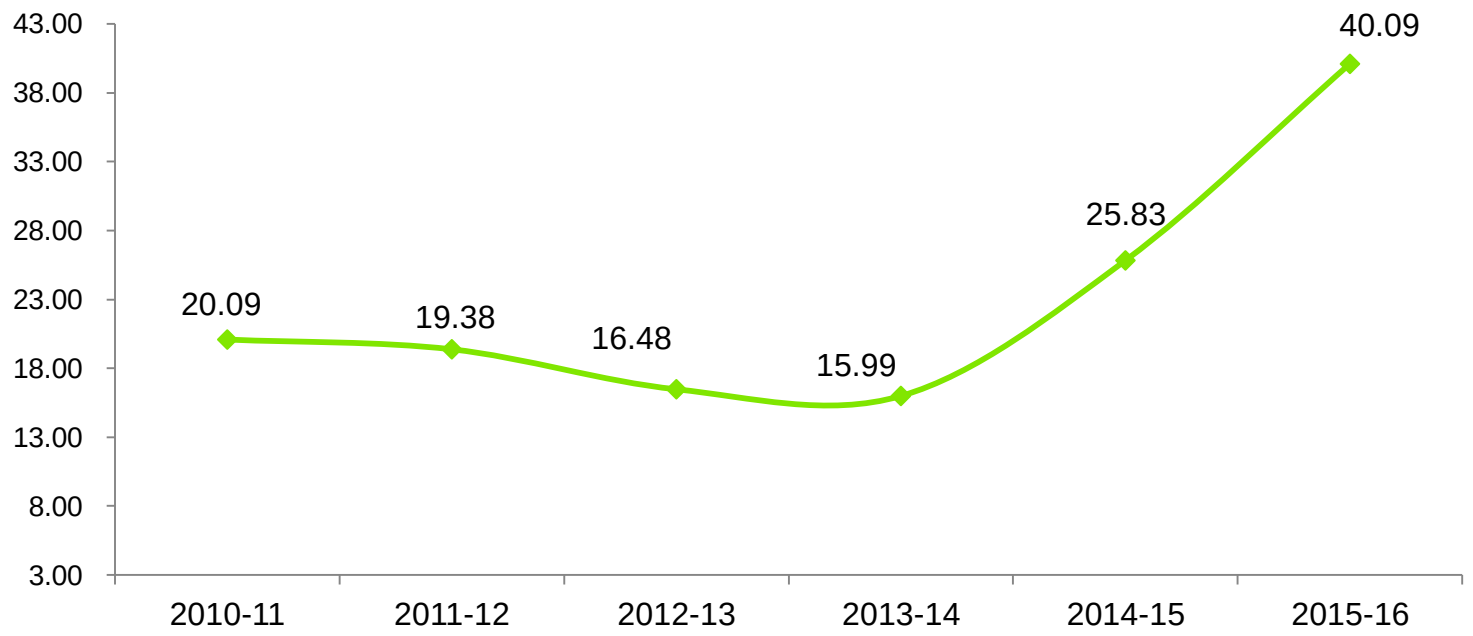
# SSWL Performance Q4 and FY16

| | Q4 2015-16 | Q4 2014-15 | Growth | Full Year 2015-16 | Full Year 2014-15 | Growth |
|---|---|---|---|---|---|---|
| Gross Sale | 34,419.63 | 32,675.08 | 5.34% | 131,979.83 | 127,874.65 | 3.21% |
| | | | | | | |
| EBITDA | 4,682.48 | 3,649.31 | 28.31% | 16,414.61 | 12,817.53 | 28.06% |
| | *14.89%* | *12.25%* | | *13.67%* | *10.92%* | |
| | | | | | | |
| PBT | 2,405.46 | 1,558.23 | 54.37% | 7,904.99 | 4,867.24 | 62.41% |
| | *7.65%* | *5.23%* | | *6.58%* | *4.15%* | |
| | | | | | | |
| PAT | 1,848.56 | 1,191.85 | 55.10% | 6,118.12 | 3,940.42 | 55.27% |
| | *5.88%* | *4.00%* | | *5.10%* | *3.36%* | |
| | | | | | | |
| Cash Profit | 2,959.42 | 2,248.52 | 31.62% | 10,324.22 | 7,755.53 | |
| | | | | | | |

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

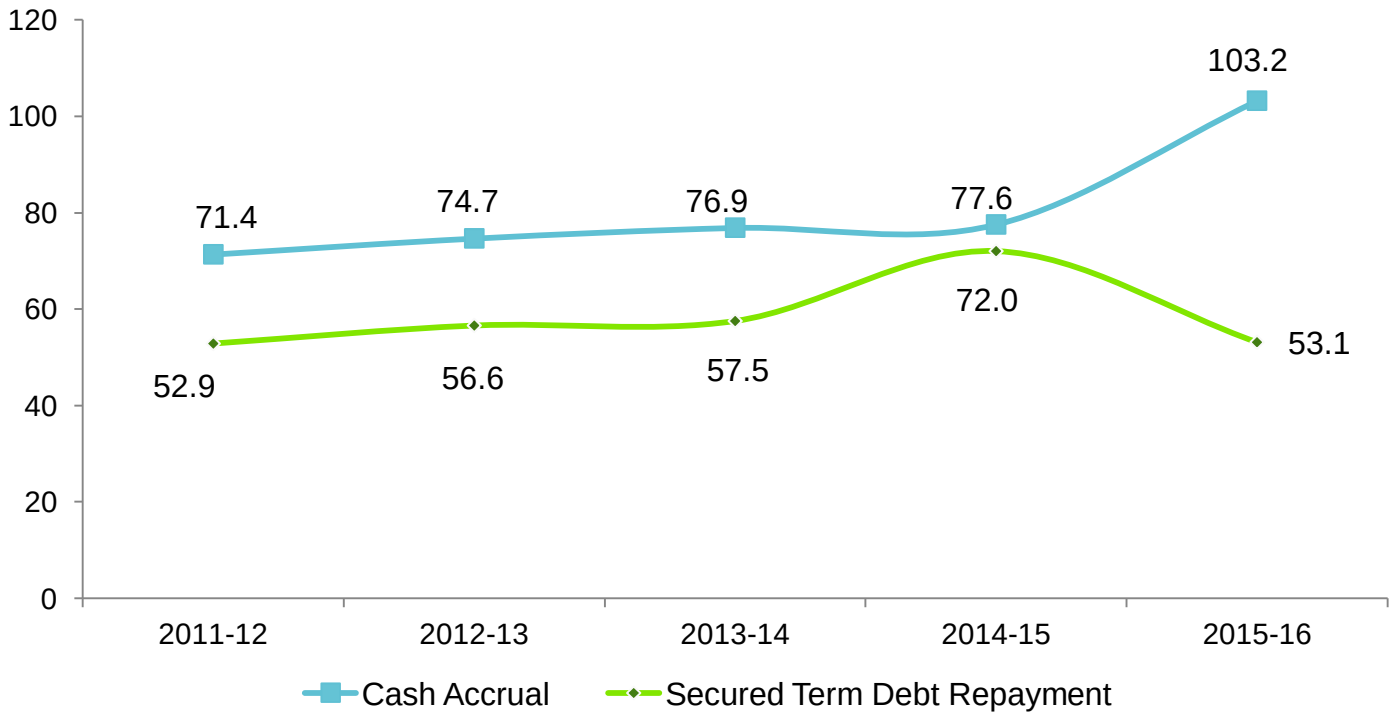
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# SSWL EPS Trend

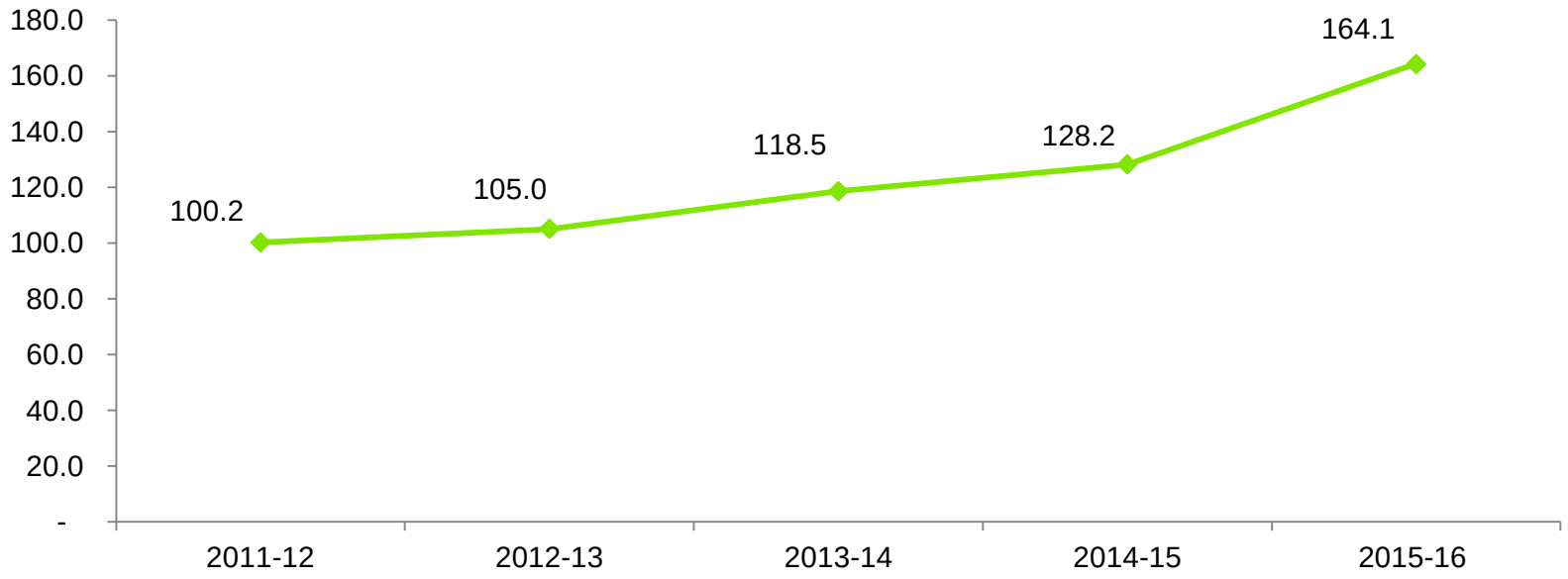



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# Cash Accrual vs Secured Term Debt Repayment (Rs Cr)

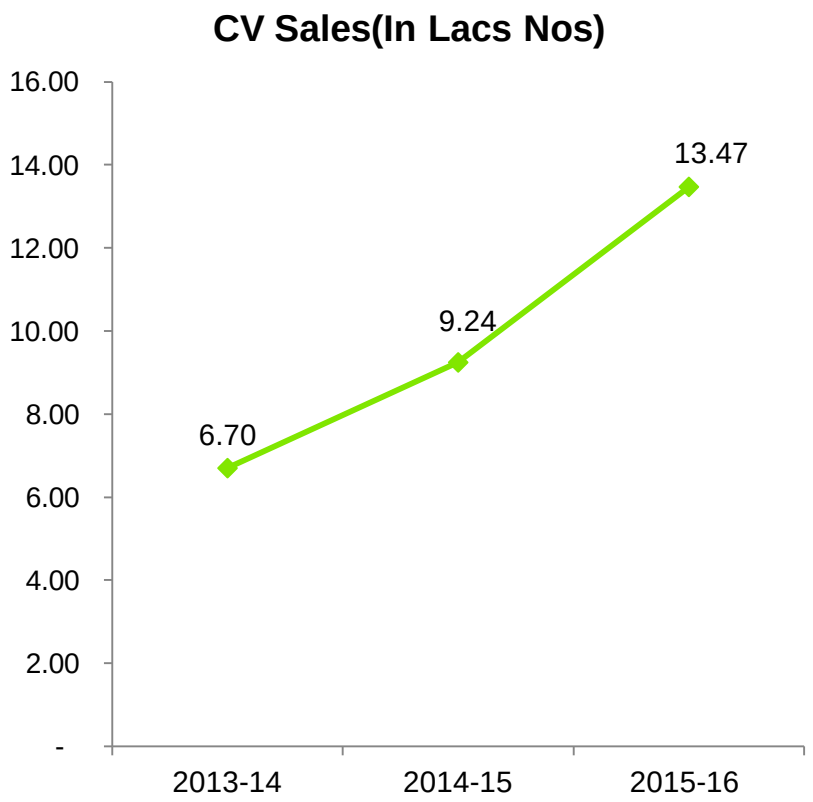


# EBITDA Trend (Rs Cr)

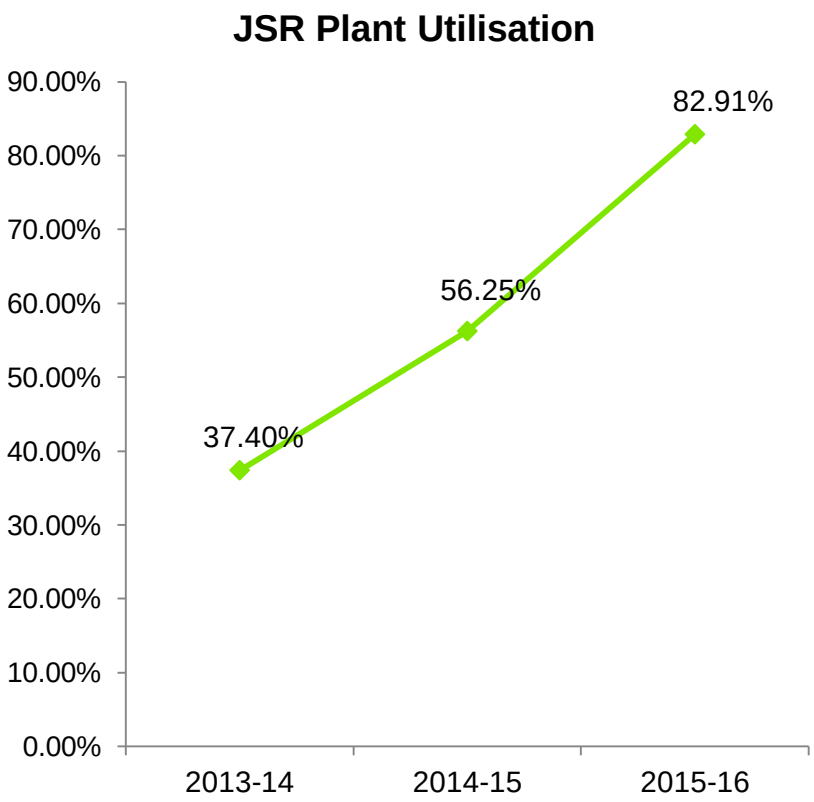


# Growth Driver

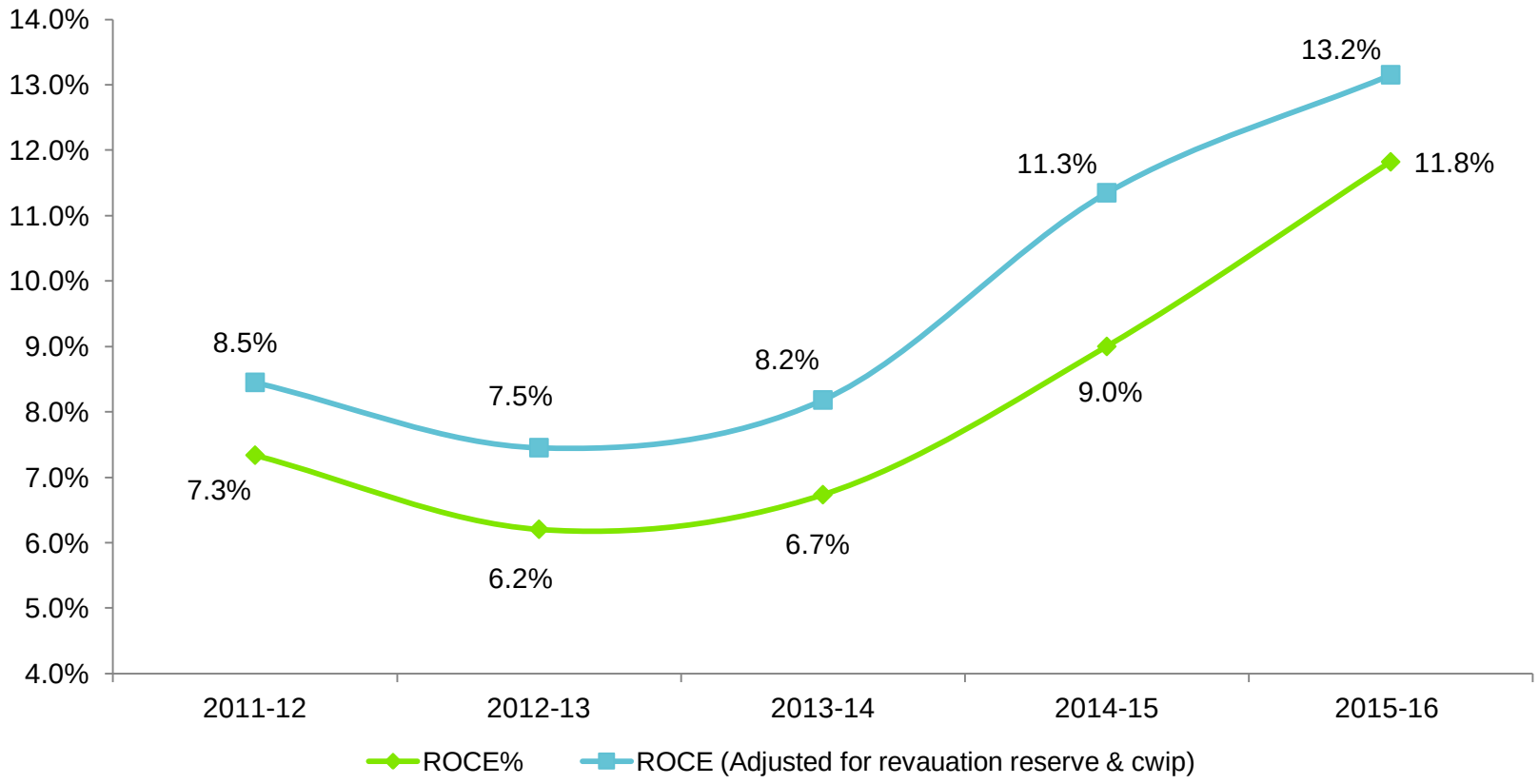
## CV Wheel Sale




## JSR Capacity Utilisation

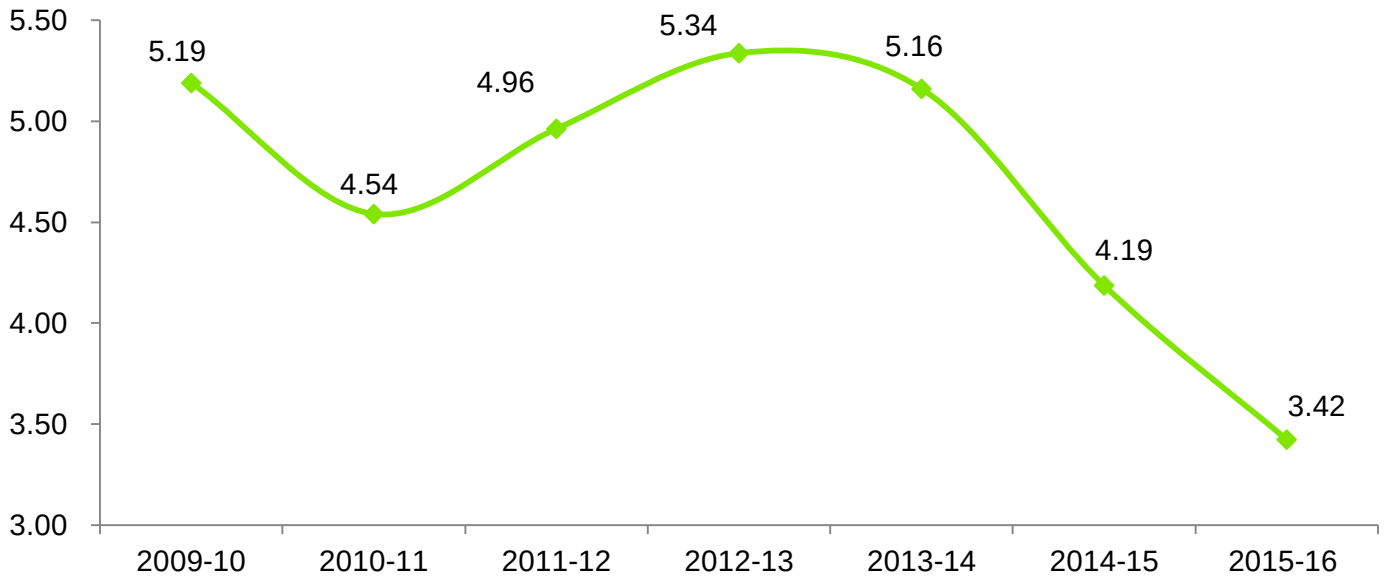


# ROCE Trend



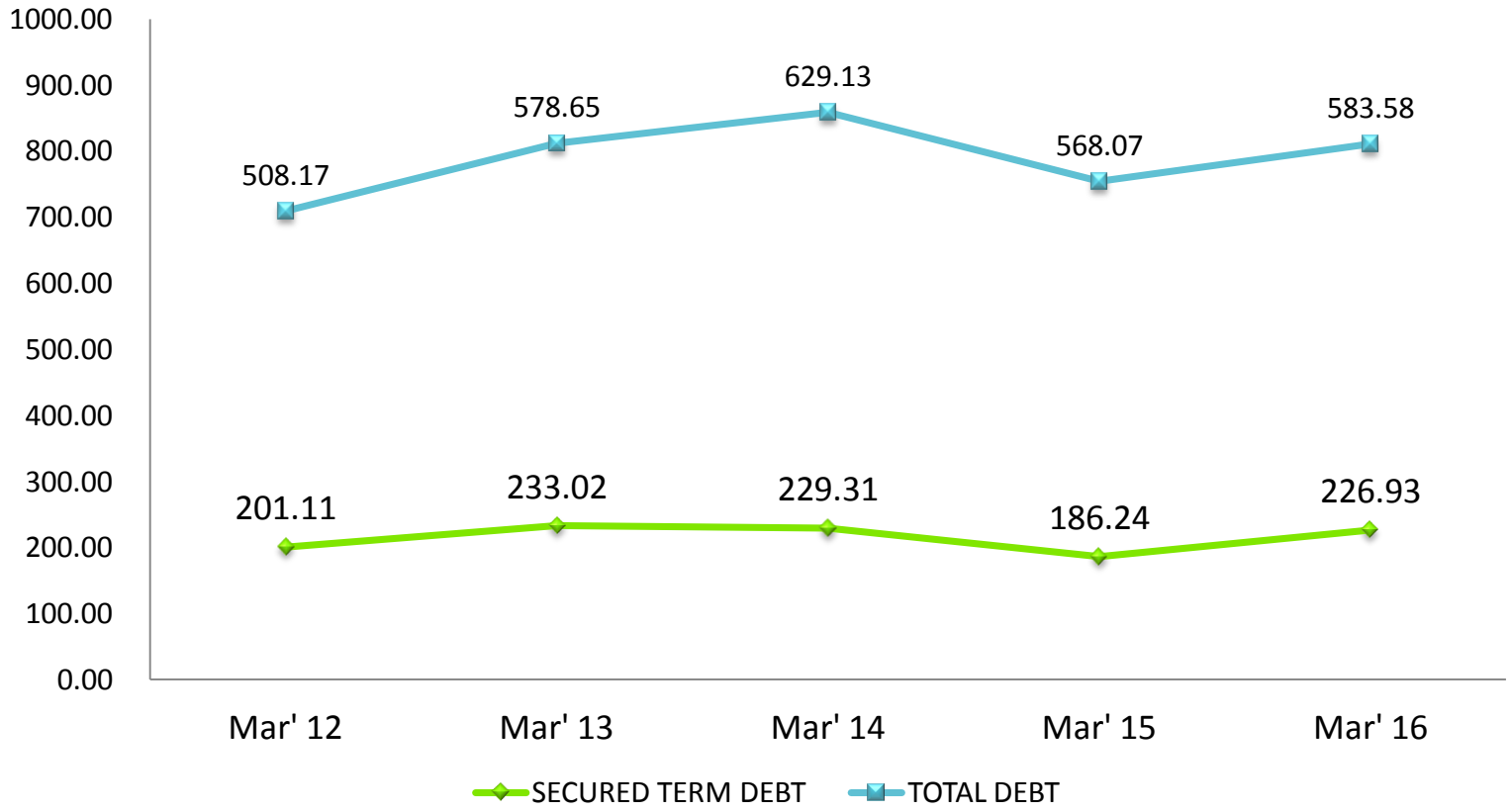

Even with Alloy Wheel project in 2016-17 ROCE is expected to remain in double digit.

# Financial Leverage (Consolidated)




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

# Secured and Total debt (Rs Cr)



# 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.

# 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 |

# 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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# Thank You





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