

STEEL STRIPS WHEELS LIMITED

Regd. Office: Village Somalheri/Lehli P.O.Dappar,
Tehsil Derrabassi, Distt. Mohali (Punjab)

NOTICE

NOTICE is hereby given that an Extra-Ordinary General Meeting of the Shareholders of the Company is scheduled to be held on **Wednesday, the 12th day of January, 2011** at the Registered Office of the Company at **11.00 A. M.** to transact the following business:

SPECIAL BUSINESS:

Item No. 1.

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

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") including any statutory modification (s) thereto or reenactment thereof and in accordance with the applicable provisions of the Foreign Exchange Management Act, 1999 (the "FEMA") , Foreign Exchange Management (Transfer or issue of Security by a Person resident outside India) Regulation 2000, the relevant provisions of the Memorandum and Articles of Association of the company and in accordance with the provisions of SEBI (issue of Capital and Disclosure requirements) Regulations, 2009 (the "SEBI ICDR Regulations") and as per the provisions of other applicable rules/regulations/guidelines prescribed by the Security Exchange Board of India ("SEBI") and/or Reserve Bank of India ("RBI") and/or any other statutory/regulatory authority and clarifications thereon issued from time to time, whether in India or abroad, and pursuant to the listing agreements entered into by the company with the Stock Exchanges where the securities of the company are listed or to be listed, and subject to all approvals, consents, permissions and/or sanctions as may be required including but not limited to from SEBI under the "SEBI ICDR Regulations", from the RBI under FEMA, the Foreign Investment Promotion Board and from any other regulatory or statutory authority or body in India and subject to such terms, conditions, alterations, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/or sanctions and as agreed to by the Board of Directors of the company (the "Board", which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred on the Board by this resolution) and in accordance with the SEBI ICDR Regulations, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot, in one or more tranches, upto 3,77,000 (Three lakh seventy seven thousand only) equity shares of Rs. 10/- each fully paid up for cash by way of preferential allotment, at a price of Rs. 595/- (Rupees Five Hundred Ninety Five only) per equity share (i.e at a premium of Rs. 585/- per Share) for an aggregate consideration of Rs. 22,43,15,000/- (Rupees Twenty Two Crore Forty Three Lacs Fifteen Thousand only) to GS Global Corp., a company incorporated in South Korea (Non Promoter Category) on such terms and conditions and in such manner as the Board may think fit, provided however that in case, the price of equity shares on the relevant date (13.12.2010), calculated as per the formula for pricing laid down in the SEBI (issue of Capital and Disclosure requirements) Regulations, 2009 comes to be more than Rs. 595/-, then the allotment of equity shares shall be made at such higher price.

RESOLVED FURTHER THAT the "**Relevant Date**" as per the SEBI ICDR Regulations for determination of minimum



applicable price for issue of the aforesaid shares is fixed as **13.12.2010** (i.e. the 30th day prior to the date on which meeting of the General Body of shareholders is to be held in terms of Section 81 (1A) of the Act, to consider the proposed issue).

RESOLVED FURTHER THAT the said equity shares to be issued and allotted shall have the same voting rights as the existing equity shares and rank pari passu with the existing equity shares of the company in all respects including payment of dividend, if any, including other corporate benefits, if any, for the financial year in which the allotment has been made and for subsequent years.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and approve, in the best interest of the Company, the other terms and conditions of the issue of equity shares and to vary, modify or alter any of the terms and conditions including the size of the issue, if required, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting, subject however to compliance with the provisions of all applicable laws, guidelines, notification, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any terms and conditions, amendments, modifications, variations and alterations as the Govt. of India, RBI, SEBI or any other regulatory/statutory authority may stipulate in that behalf.

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid equity shares shall be made at such time or times as the Board may in its absolute discretion decide.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the company to give effect to the aforesaid resolution.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, matters, things and deeds and to take all such steps and do all such things and give all such directions as they may consider necessary, expedient or desirable and also to settle any question or difficulties or doubts that may arise with regard to the offer/issue, allotment and utilization of the proceeds and further to do all acts, deeds, matters and things and to finalize and to negotiate and execute appropriate legal documents, Memorandum of Understanding, deeds, undertakings, subscription and/or other agreement by whatever name it may be called and other documents/joint documents as may be necessary, proper, desirable or expedient, in the best interest of the Company and to take all such steps which are incidental and ancillary in this regard."

By Order of the Board of Directors
For Steel Strips Wheels Limited

Place: Chandigarh

Dated: 13.12.2010

H.K.Singhal

Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company. The proxy executed and properly stamped should reach the Company's Registered Office or Head Office at least 48 hours before the time of the meeting. The Blank Proxy Form is enclosed herewith.
2. Explanatory statement as required under section 173 (2) of the Companies Act, 1956 are annexed hereto.
3. All documents referred to in the accompanying notice and the Explanatory statement, alongwith a certificate from M/s S. C. Dewan and Co., Chartered Accountants, Statutory Auditors of the Company certifying that the above issue is in accordance with the SEBI ICDR Regulations and Copies of Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company during office hours on all working days between normal business hours up to the date of Extra Ordinary General Meeting and the same shall also be available at the time of Extra Ordinary General Meeting.

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

ITEM NO. 1

The Company is going ahead with its programme to increase its production capacity in phases. It also proposes to strengthen its Research and Development Center and tool rooms. The Company proposes to raise a part of additional funds required for these purposes and to meet associate expenditure, by way of issue of additional equity. Accordingly, the Board of Directors in their meeting held on 13.12.2010 have proposed to raise a part of the funds through preferential issue of 3,77,000 equity shares of Rs. 10/- each at a price of Rs. 595/- per equity share to GS Global Corp. as per the provisions of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009 (the "SEBI ICDR Regulations") and other applicable rules/regulations. GS Global Corp. is a South Korea based Company (Non Promoter category).

As required under the provisions of Section 81 (1A) of the Companies Act, 1956 and under the other applicable rules/regulations, approval of the shareholders of the company is being sought to issue and allot the said equity shares to GS Global Corp. The consent of the members of the company, by way of a special resolution is required, for this purpose.

Disclosures in terms of regulations 73 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issues are as under:

a) **Objects of the Preferential Issue:**

The amount proposed to be raised by the company will be utilized to part finance its on going programme to increase its production capacity in phases and to strengthen its research and development centre and tool rooms as also to meet other associate expenditure:

b) **Proposal of the Promoters/Directors/Key Management Personnel of the issuer to subscribe to the offer:**

The company is proposing to allot equity shares to GS Global Corp. which does not belong to the Promoter/Promoter Group/Directors/Key Management persons. Accordingly the Promoters/Promoter Group/Persons Acting in Concert/ Directors/ Key Management Persons would not subscribe to the offer.

The allotment would not result in any change in the control or management of the affairs of the company. The existing Promoters shall continue to control and manage the affairs. However there will be consequential change in the voting rights/ shareholding of the company.

c) **Pre and Post allotment Shareholding Pattern:**

The shareholding pattern of the company, before and after the proposed issue of shares on preferential basis is given below:

	Category	Pre issue		Post issue	
A	Shareholding of Promoter & Promoter Group	No. of Shares	%	No. of Shares	%
1	Indian				
	Individual	4600619	31.80	4600619	30.99
	Bodies Corporate	2849488	19.70	2849488	19.20
	Sub- Total (A) (1)	7450107	51.50	7450107	50.19
2	Foreign Promoters and Person acting in concert	0	0	0	0
	Sub-Total (A) (2)	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A) (1) + (A) (2)	7450107	51.50	7450107	50.19
B	Public Shareholding				
1	Institutions				
a	Mutual Fund and UTI	348699	2.41	348699	2.35
b	Financial Institutions/ Banks	171550	1.19	171550	1.16
c	Foreign Institutional Investors	74134	0.51	74134	0.50
	Sub- Total (B) (1)	594383	4.11	594383	4.01
2	Non- Institutions				
a	Bodies Corporate				
	Foreign Body Corporate:				
	- GS Global Corp.	----	----	377000	2.54
	- Other Foreign Body Corporate	8,50,000	5.88	8,50,000	5.73
	Other Body Corporate	3539583	24.47	3539583	23.85
b	Individual				
	i- Individual shareholders holding nominal share capital upto Rs. 1 lakh	1644056	11.36	1644056	11.07
	ii- Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	257485	1.78	257485	1.73
c	Any other (please Specify)				
	(i) Trust	7000	0.05	7000	0.05
	(ii) Non Resident Indians	18590	0.13	18590	0.13
	(iii) Clearing Members	67156	0.46	67156	0.45
	(iv) Hindu Undivided family	37810	0.26	37810	0.25
	Sub- Total (B) (2)	6421680	44.39	6798680	45.80
B	Total Public shareholding (B) = (B) (1) + (B) (2)	7016063	48.50	7393063	49.81
	Total (A) + (B)	14466170	100.00	14843170	100.00
C	Shares held by Custodian and against which depository receipts have been issued	0	0	0	0
	GRAND TOTAL (A) + (B) + (C)	14466170	100.00	14843170	100.00

(d) Proposed time within which the allotment shall be complete:

The Board will allot the equity shares within 15 days from the date of this Extra-Ordinary General Meeting. Provided that where the issue of equity shares on preferential basis is pending on account of pendency of any approval of such issue by any regulatory authority or the Central Government, the issue of equity shares shall be completed within 15 days from the date of such approval.

(e) The Identity of the proposed allottee and the percentage of post Preferential issued capital that may be held by them and change in control if any, consequent to the preferential issue:

The company is proposing to allot upto 3,77,000 (Three lakh seventy seven thousand) equity shares of Rs. 10/- each at a Price of Rs. 595/- per equity share (i.e. at a premium of Rs. 585/- per equity share) to GS Global Corp. It is a company organized under the laws of South Korea with its registered office at 10th Fl., GS Tower, 679, Yeoksam-dong, Gangnam-gu, Seoul, Korea. GS Global Corp. is a Global Trading Company, trading mainly Steel products, Coal, cement and Petrochemicals etc.

GS Global Corp. belongs to the Non Promoter category of the company. Presently it is not holding any Shares in the company. After the allotment of these equity shares, the holding of GS Global Corp. will be as follows.

Name	Pre Issue equity holding		Post issue equity holding	
	No. of Shares	%	No. of Shares	%
GS Global Corp., a company incorporated in South Korea and having its registered office at 10th Fl., GS Tower, 679, Yeoksam-dong, Gangnam-gu, Seoul, Korea	0	0.00	377000	2.54
TOTAL	0	0.00	377000	2.54

The proposed allotment would not result in any change in the control or management of the affairs of the company. However there will be consequential change in the voting rights/ shareholding of the company.

(f) Pricing of the issue:

The issue price of the said shares to be issued to GS Global Corp. is in accordance with the price calculated in accordance with SEBI ICDR regulations. As per the said regulations, the minimum price comes to Rs. 361.03/- per share approximately. Against this, the equity shares are proposed to be issued on preferential basis at a price of Rs. 595/- per equity share of Rs. 10/- each (i.e at a premium of Rs. 585/- per share).

(g) The relevant date:

The relevant date for determining the price of the above shares means the date thirty days prior to the date on which the meeting of Shareholders is to be held to consider the proposed issue under section 81 (1A) of the Companies Act, 1956. Accordingly, for the above purpose, the relevant date is December 13, 2010.

(h) Certificate from Statutory Auditors:

A certificate from M/s S. C. Dewan & Co., the Statutory Auditors of the company, as required under the SEBI ICDR Regulations, certifying that the proposed issue of equity shares is being made in accordance with the requirements contained in the SEBI ICDR Regulations, will be placed for inspection of shareholders at this Extra Ordinary General Meeting.

(i) Lock in:

As per the provisions of applicable SEBI ICDR Regulations, the said shares will be subject to lock-in for one year from the date of allotment.

(j) Terms of payment:

The whole consideration against the allotment of the said shares shall be received by the Company from the proposed allottee before the allotment.

(k) Undertaking by the Company:

The Company undertakes that the Company shall recompute the price of the said shares in terms of the provisions of the SEBI ICDR Regulations, where it is required to do so, and if the amount payable on account of the re-computation of price is not paid within the time as stipulated in the SEBI ICDR Regulations, the said shares shall continue to be locked in till the time such amount is paid by the proposed allottee.

The Company confirms that the proposed preferential allotment is in compliance with its conditions of continuous listing.

The consent of the shareholders is being sought pursuant to the Provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956 and in terms of the listing agreement executed by the company with the Stock Exchanges where the equity shares of the Company are listed.

Board believes that the proposed offer will be in the best interest of the Company and its members. The Members are, therefore requested to accord their approval to the proposed resolution set out at Item No. 1 by way of special resolution.

None of the Directors of the company are concerned or interested in the proposed resolution.

BY Order of the Board of Directors
For Steel Strips Wheels Limited

Place: Chandigarh
Dated: 13.12.2010

H.K. Singhal
Director