STEEL STRIPS WHEELS LIMITED - EMPLOYEE STOCK OPTION SCHEME, 2021

1. Short Title and Commencement

This plan is prepared in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter called "The Regulations") in vogue.

This plan is called as "Steel Strips Wheels Limited -Employee Stock Option Scheme, 2021" (hereinafter referred as "ESOS 2021" or "the Scheme").

It shall apply to all present and future, permanent employees of the Company, who has been working in India or outside India and Directors (whether Whole Time Director or not but excluding Independent Directors) of the Company.

The following persons shall not be eligible to participate in the scheme:

a. an employee who is a promoter or a person belonging to the promoter group; or
b. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.

The Board of Directors and/or Employee Compensation Committee may, subject to the compliance with applicable laws, at any time alter, amend or terminate the "ESOS 2021" or "the Scheme".

2. Object of the ESOS 2021

2.1 Employees are considered to be back bone of the organization and for its business activities, more particularly in the increasingly competitive environment, where people are the key resources for success and achievement of corporate goals.

2.2 With the objective to attract, retain and motivate employees as well as to reward employees for their performance and association with the Company and motivate them to contribute to the growth and profitability of the Company, the Board of Directors of your Company have formulated an Employee Stock Option Scheme titled as "Steel Strips Wheels Limited-Employee Stock Option Scheme, 2021" (hereinafter referred as "ESOS 2021" or "the Scheme"), in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and relevant guidelines, rules, regulations, notifications, circulars and other requirements as specified by the SEBI and other appropriate authority (ies).

"ESOS 2021" will enable the Company to align employee's goal and interests with those of the Company and its shareholders and not only to retain best talents but also enable the employees to develop a sense of ownership with the organization.

3. Definitions

In this "ESOS 2021", the following expressions shall have wherever the context permits the following meanings, unless otherwise defined in the Regulations. The words denoting the masculine genders shall include the feminine; words denoting the singular shall include the plural and *vice versa*.

3.1 **"Act"** means The Companies Act, 2013, including any statutory modification (s) or re-enactment (s) thereof and rules and regulations framed thereunder.

3.2 **"Applicable laws"** means every law relating to equity based compensation plan, including without limitation to, the Companies Act, 2013 and includes any statutory

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

modification(s) or re-enactment(s) thereof, Securities and Exchange Board of India Act, 1992, the Insider Trading Regulations, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 , as amended and all relevant regulations, tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which shares are listed or quoted.

3.3 **"Cause"** in relation to termination of employment of the employee, shall mean termination of the employee on one or more of the following grounds:

(i) engaging in (a) willful or gross misconduct as defined in employment rules of the Company or (b) willful or gross neglect of duties owed to the Company;

(ii) repeatedly failing to adhere to the directions of superiors or the Board of Directors of the Company or the written policies and procedures or code of conduct of the Company;

(iii) committing a criminal act or an act of moral turpitude or any crime towards the Company;

(iv) indulging in fraud, insubordination, misappropriation or embezzlement;

(v) being dishonest in the course of fulfilling the employment duties;

(vi) breaching any terms and condition of the employment agreement with the Company;

(vii) engaging in any act detrimental or injurious to the Company;

(viii) the grantee is found to be or becomes of unsound mind;

(ix) the grantee is convicted by court of any offence;

(x) any other act of a similar nature committed by the employee indicating a conduct unbecoming of the employee in terms of Company's business philosophy and work ethics.

3.4 **"Committee/ECC"** means the Employees Compensation Committee constituted in accordance with the Regulations.

3.5 **"Director"** means a member of the Board of Directors of the Company.

3.6 **"Employee Stock Option Scheme or ESOS"** means a scheme under which a Company grants employee stock option to employees directly.

3.7 **"Employee"** means

(i) all present and future, permanent employees of the company who has been working in India or outside India; or
(ii) a director of the company, whether a Whole Time Director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an Independent Director;

but does not include:

a. an employee who is a promoter or a person belonging to the promoter group; or

b. a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.

3.8 **"Eligible Employee"** means employee found eligible under the criteria laid out by the ECC for the scheme.

3.9 **"ESOS Shares"** means shares arising out of exercise of options, granted under "ESOS 2021".

3.10 **"Exercise"** means making of an application by an employee to the Company for issue of shares against vested option(s) in pursuance of the "ESOS 2021".

3.11 **"Exercise Period"** means the time period after vesting within which an employee should exercise his right to apply for shares against the vested option(s) in pursuance of the "ESOS 2021".

3.12 **"Exercise Price"** means the price, if any, payable by an employee for exercising the option(s) granted to him in pursuance of the "ESOS 2021" as may be determined by the Board of Directors/ECC.

3.13 **"Fair Value"** of an option means the fair value calculated in accordance with accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3.14 **"Grant"** means the process by which the Company issues options to the employees under the "ESOS 2021".

3.15 **"Grant date"** means the date on which the Employee Compensation Committee approves the grant.

3.16 **"Independent Director"** means an independent director as determined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

3.17 **"Key Managerial Personnel"** shall have the same meaning as defined under Section 2(51) of the Companies Act, 2013.

3.18 **"Market Price"** of a share means the latest available closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the relevant date. (If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the "Market Price").

3.19 **"Option(s)"** means the option given to an employee which gives him a right to purchase or subscribe at a future date, the shares offered by the Company, directly or indirectly, at a pre-determined price.

3.20 **"Option Grantee"** means an employee having a right but not an obligation to exercise an option in pursuance of "ESOS 2021".

3.21 **"Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an option grantee from performing any specific job, work or task which the said employee was capable of performing immediately before occurrence of such disability, as determined by the ECC based on a certificate of a medical expert identified by the Board of Directors of the Company.

3.22 **"Promoter"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

3.23 **"Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

3.24 **"Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021), including any statutory modification (s) or re-enactment (s) thereof.

STEEL STRIPS WHEELS LIMITED

Capital ... Chandigarh

3.25 **"Relative"** shall have the same meaning as defined under Section 2(77) of the Companies Act, 2013.

3.26 **"Relevant Date"** means:

(i) in the case of grant, the date of the meeting of the Employee Compensation Committee on which the grant is made; or

(ii) in the case of exercise, the date on which the notice of exercise is given to the Company by the Employee.

3.27 **"Scheme"** means Steel Strips Wheels Limited - Employees Stock Option Scheme, 2021 ("ESOS 2021") under which Company grants options to the employee.

3.28 **"Shares"** means equity shares of the Company arising out of the exercise of options granted under the ESOS 2021.

3.29 **"Stock Exchange"** means the National Stock Exchange of India Limited (NSE), BSE Limited (BSE), or any other recognized stock exchanges in India on which the Company's shares are listed.

3.30 **"Subsidiary"** means a subsidiary company of the Company, as defined in the Companies Act, 2013.

3.31 **"The Board"** means the Board of Directors of the Company.

3.32 **"The Company"** means Steel Strips Wheels Limited.

3.33 **"The ESOS 2021 or ESOS 2021 or the Scheme"** means Steel Strips Wheels Limited-Employee Stock Option Scheme, 2021, under which Company grants options to the employees.

3.34 **"Vesting"** means the process by which the employee becomes entitled to receive the benefit of a grant made to him under ESOS 2021.

3.35 **"Vesting Period"** means the period during which the vesting of the option(s) granted under the ESOS 2021 takes place.

Words and expressions used and not defined in this scheme but defined in the Regulations, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, 2013 (18 of 2013) and any statutory modification or re- enactment thereto, shall have the meanings respectively assigned to them in those legislation.

4. Implementation of Scheme

The scheme shall be implemented and administered directly and not through the trust.

5. Eligibility to participate in the ESOS 2021

An employee as defined in para 3.7 of this ESOS 2021 and as determined by the Employee Compensation Committee is eligible to participate in the scheme.

Where such employee is a director nominated by an Institution as its representative on the Board of Directors of the Company-

(i) The Contract or agreement entered into between the Institution nominating its employee as the Director of a Company, and the Director so appointed shall, interalia, specify the following: -

(a) whether the grant by the Company under its scheme can be accepted by the said employee in his capacity as Director of the company;

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

(b) that grant, if made, to the Director, shall not be renounced in favor of the nominating institution; and

(c) the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the Director from the Company.

(ii) The Institution nominating its employee as a Director of a company shall file a copy of the contract or agreement with the company, which shall in turn file the copy with all the Stock Exchanges on which company's shares are listed.

(iii) The Director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the company attended by him after his nomination.

6. Constitution of Employees Compensation Committee ("Committee/ECC")

6.1 The Employee Compensation Committee (ECC) as constituted by the Board of Directors of the Company shall be responsible for administration, implementation and superintendence of the ESOS 2021 as per the Regulations. However, the Employee Compensation Committee shall not provide advisory services to the option grantees in connection with the exercise of options or sale of resulting shares.

The said Committee comprises such members of the Board of Directors of the Company as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

6.2 The Committee is vested with the powers to formulate detailed terms and conditions of the ESOS 2021 which, *interalia*, include:

a) The quantum of options to be offered and granted per employee and in aggregate under the ESOS 2021.

b) The conditions under which the options may vest in employees and may lapse in case of termination of employment for misconduct.

c) The exercise period within which the employee can exercise the option and that options would lapse on failure to exercise the same within the exercise period.

d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee.

e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.

f) The procedure for making a fair and reasonable adjustment to the entitlement including adjustments to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, split or sub-division, merger, sale of division and others. In this regard, the following shall, *inter alia* be taken into consideration by the ECC:

(i) the number and price of options shall be adjusted in a manner such that the total value to the employee of the options under ESOS 2021 remains the same after the said corporate action(s);

(ii) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the eligible Employee (s), who is granted such options.

g) The grant, vesting and exercise of options in case of employees who are on long leave;

h) The procedure for funding the exercise of options;

i) The procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including:

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

(i) permissible sources of financing for buy-back;

(ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and

(iii) limits upon quantum of specified securities that the company may buy-back in a financial year.

6.3 The ECC shall frame suitable policies and procedure to ensure that there is no violation of securities laws, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended from time to time, by the company and its employees.

7. Variation of terms of the schemes

7.1 The Company may by special resolution of its shareholders vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees.

7.2 Notwithstanding the provisions of sub-regulation (1), the company shall be entitled to vary the terms of the schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution.

7.3 The provisions of Regulation 6 of the Regulations shall apply to such variation of terms as they apply to the original grant of option.

7.4 The notice for passing special resolution for variation of terms of the scheme shall disclose full details of the variation, the rationale therefor, and the details of the employees who are beneficiaries of such variation.

7.5 The Company may reprice the options, which are not exercised, whether or not they have been vested, if the scheme was rendered unattractive due to fall in the price of the shares in the stock market:

Provided that the Company ensures that such repricing shall not be detrimental to the interest of the employees and approval of the shareholders by a special resolution has been obtained for such repricing.

8. Non-transferability

8.1 Option granted to an employee under the regulations shall not be transferable to any person.

8.2 No person other than the employee to whom the option is granted shall be entitled to the benefit arising out of such option.

8.3 The option granted to the employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

8.4 In the event of death of the employee while in employment, all the options granted under the scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.

8.5 In case the employee suffers a permanent incapacity while in employment, all the options granted to him/her under a scheme as on the date of permanent incapacitation, shall vest in him/her on that day.

8.6 In the event of resignation or termination of an employee, all the options which are granted and yet not vested as on that day, shall expire:

Provided that an employee shall, subject to the terms and conditions formulated by the ECC under the sub-regulation (3) of Regulation 5 of the Regulations, be entitled to retain all the vested options. However, the cessation of employment due to retirement or superannuation shall not be covered by this sub-regulation, and such options granted to

STEEL STRIPS WHEELS LIMITED

Mas Capital Services Ltd. Chandigarh

an employee would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation in accordance with the company's policies and the applicable laws.

8.7 In the event that an employee, who has been granted benefits under a scheme is, transferred or deputed to an associate Company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.

8.8 In the event that an employee who has been granted benefits under a scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.

9. Listing

Shares so issued upon the exercise of options shall be listed immediately on BSE Limited (BSE) and The National Stock Exchange of India Ltd (NSE). The Company shall ensure the compliance of pre-listing conditions listed out in Regulation 10 & 12(3) of the Regulations.

10. Pricing

The Company granting options to its employees pursuant to ESOS 2021 will have the freedom to determine the exercise price subject to conforming to the accounting policies specified in regulation 15 of the Regulations.

11. Total Number of Options to be offered and granted

The total number of options to be offered and granted under the ESOS 2021 shall not exceed **5,00,000 (Five Lacs Only)** options (or such other adjusted figure after the sub-division of equity shares, if any). Each option is exercisable into equal number of equity shares of the face value of Rs. 10/- each (or such other adjusted figure after the sub-division of equity shares, if any).

The Employee Compensation Committee (ECC) is authorized to determine in its absolute discretion, the number of tranches in which the options shall be granted.

In case of any corporate action like issue of Bonus Shares, Right Shares, any split or sub-division or consolidation of face value of equity shares, or any event of merger, demerger, consolidation, capitalization or other reorganization of the Company, tender offer for equity shares or Sale of Undertaking or any other corporate action or otherwise, the Board /Employee Compensation Committee ("ECC") is authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the ESOS 2021 are passed to the employees. For making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price, in case of aforesaid corporate actions, the Board /Employee Compensation Committee shall take the following into consideration:

(a) the number and price of options under ESOS 2021 shall be adjusted in a manner such that the total value to the employee (s) of the options under ESOS 2021 remains the same after the corporate action;

(b) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options.

12. Vesting of Options

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 4 (four) years from the respective date of grant of options as may be determined by the Employee Compensation Committee. The vesting may happen in one or more tranches.

However, in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest in terms of sub-regulation (4) of regulation 9 of the regulations, on the date of the death or permanent incapacity.

The ECC may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law and in the interest of the option grantee.

The Vesting dates in respect of the options granted under the scheme shall be determined by the "ECC" and may vary from employee to employee or any class thereof and/or in respect of the numbers or percentage (%) of the options granted to an employee. Options shall vest essentially based on continuation of employment and apart from that the "ECC" may prescribe achievement of any performance condition (s).

13. Exercise Period and Exercise Process

13.1 Exercise period would commence from the date of vesting and will expire on completion of 5 years from the respective date of grant or such other shorter period as may be decided by "ECC" from time to time. The Options granted shall be capable of being exercised in one or more tranches. The Options granted to the employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

13.2 The exercise price shall be determined by the ECC in accordance with the scheme. However, in any case the exercise price shall not go below the par value of equity share of the company.

13.3 The options will be exercisable by the employee by a written application to the Company to exercise the options in such a manner, and on execution of such documents, as may be prescribed by the Board /Employee Compensation Committee (ECC) from time to time.

13.4 In the event of death of the employee while in employment, all the options granted under the scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee as the case may be & shall be exercisable within one year thereof or before the expiry of the Exercise Period whichever is earlier. ECC may in its absolute discretion permit the exercise of the Options even beyond the said period. Any vested option not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.

13.5 In case the employee suffers a permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation, shall vest in him on that day and shall be exercisable within one year thereof or before the expiry of the exercise period whichever is earlier. The ECC may in its absolute discretion permit the exercise of the options even beyond the said period. Any vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.

13.6 Where the employee is on long leave, the grant, vesting, exercise of the options will be through a duly constituted attorney of the employee. In case the employee does not name such constituted attorney, grant, vesting and exercise of options will be decided at the discretion of the ECC.

13.7 In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company or where an extension in retirement date is granted, on completion of such extension period, all vested options should be exercisable by the employee immediately thereafter, but in no event later than one year from the date of the employee's retirement or before the expiry of the exercise period whichever is earlier. The ECC may in its absolute discretion permit the exercise of the options even beyond the said period. Any vested options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

13.8 In the event of resignation, all unvested options, on the date of submission of resignation, shall expire and stand terminated with effect from that date unless otherwise determined by the ECC whose determination will be final and binding. However, all vested options as on that date shall be exercisable by the employee within 30 days from the date of resignation or before the expiry of the exercise period, whichever is earlier.

13.9 In the event of the employee ceasing to be in the service of the Company, due to misconduct or violates the terms and conditions of his employment in any manner, all the options (whether granted or vested), outstanding on the date of cessation of his employment, shall stand cancelled forthwith and that the employee shall not be permitted to exercise any right in respect thereof.

13.10 In the event of termination (other than termination due to misconduct), all unvested options, on the date of such termination, shall expire and stand terminated with effect from that date unless otherwise determined by the ECC whose determination will be final and binding. However, all vested options as on that date shall be exercisable by the employee within 30 days from the date of termination or before the expiry of the exercise period, whichever is earlier.

13.11 In the event of abandonment of employment by the employee without the Company's consent, all the options (whether granted or vested) but not exercised at the time of abandonment shall stand cancelled.

13.12 Options not exercised within the specified period will lapse. However, the employee can surrender vested or unvested options, not forfeited by the Company at any time before the expiry of exercise period.

14. Rights of option holder

The employee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits available to a shareholder in respect of an option granted to him/her, till shares are issued to him/her upon exercise of the option.

15. Appraisal Process for determining the Eligibility of Employees to ESOS 2021

The criteria involved in selection of the eligible employees and the number of options to be granted to each of them will be determined by the ECC on the basis of various variables like:

- The performance and / or merit of the employee as indicated by his periodical performance appraisal; or
- The minimum period of service put in by him and his remaining future service; or
- His Cadre/Designation in the Company; or
- His present and potential contribution to the success of the Company; or
- The key functional areas in which the employee is involved; or
- Such other criteria and/or factors as may be deemed relevant and/or appropriate by the ECC.

The decision of the ECC in this regard shall be final and binding on all the employees. The ECC may, in its sole discretion, vary the conditions on the basis of which the grant size shall be determined.

16. Maximum Number of options to be offered and issued per Employee and in aggregate

The maximum number of options that may be granted to any employee, in any financial year under the ESOS 2021 shall not exceed 1% of the Issued Share Capital of the Company at the time of grant of option.

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

17. Confirmation to the Accounting policies

The Company shall conform to the Accounting Policies and related disclosure requirements as specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 i.e. requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

18. Valuation Method

The Company will adopt the fair value method for accounting purposes. Black- Scholes option pricing model will be used for determining the fair value of an option granted under the ESOS 2021.

19. Miscellaneous

19.1 The shares issued upon exercise of the options, when listed, shall rank *pari passu* in all respects with the existing equity shares.

19.2 Each option granted to the employee shall be exercisable into equal number of equity shares of the face value of Rs. 10/- each (or such other adjusted figure after the sub-division of equity shares, if any)

19.3 No amount is payable at the time of grant of options.

19.4 The shares which shall be allotted upon exercise of option, shall not be subject to any Lock-in- period.

19.5 There is no cashless exercise of options, however the Company may grant loan to the employee(s).

19.6 Option granted to the employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

19.7 Subject to the approval of stock exchange, the relevant equity shares on exercise of the options shall be listed on the stock exchange (s).

19.8 The ECC shall have absolute discretion from time to time to interpret, modify or substitute any such terms or if it thinks fit, not to undertake or proceed with the implementation of ESOS 2021 in whole or in part, provided such modifications and alterations are not detrimental to the interest of the employee and consented by the shareholders in the general meeting accordingly.

19.9 If in individual cases or particular circumstances, the provisions of this ESOS 2021 are found to cause hardship or otherwise give rise to difficulty, the ECC is authorized to settle all questions, difficulties or doubts by using their discretion to ensure that such cases and circumstances are dealt with in accordance with the general spirit underlying the ESOS 2021 and reserves the necessary powers for that purpose. The decision of the ECC in such cases shall be final and binding. However, this requires the consent of shareholders in the general meeting in conformity with the Regulations.

20. Bonus Issue

20.1 In the event of bonus issue of equity shares being mooted by the Company during the vesting period, the employee would be entitled to apply for and be allotted higher number of options (Bonus Options) in relation to the unvested options subject however to other terms and conditions except the exercise price. The number of Bonus Options to be granted shall be based on the ratio between the existing equity shares (immediately before bonus issue) and the bonus shares to be issued. The employee shall not be required to pay any sum in respect of Bonus Options at the time of their conversion into equity shares. For the purpose of the Vesting Period and Exercise Period, the Bonus Options will be treated at par with the original options except the

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd.

exercise price. The employee shall be entitled for the underlying bonus shares, only on exercising the original options. As regards vested but unexercised options, the employee would be entitled to immediately exercise the options irrespective of the stipulation, if any. In case the employee does not exercise the vested options 15 days before the record date fixed by the Board of Directors for determining shareholders eligible for bonus shares ("Record Date"), the Employee would not be eligible for the above said bonus shares.

20.2 In the event of bonus issue of equity shares being made by the Company and as on the record date the employee has exercised options but has not been issued shares by the Company, he shall be eligible for allotment of bonus shares in respect of such unissued shares.

20.3 If as a result of allotment of any bonus shares any fractions arise, the Company shall not issue the fractions of the shares to the Employee in respect of the fractional entitlement and sell the shares arising out of consolidation of fractions in the market and distribute the net sale proceeds thereof to the concerned Option Holders in proportion to their fractional entitlements.

21. Rights Issue

21.1 In the event of a rights issue of equity shares being made by the Company during the vesting period, adjustment to the exercise price and/or number of options of the said holder would be done on a pro-rata basis.

21.2 In the event of a rights issue of equity shares being made by the Company and as on the Record Date an employee has exercised options but has not been issued shares by the Company, shall be eligible for allotment of rights equity shares in respect of such unissued shares.

21.3 If as a result of allotment of any rights shares any fractions arise, the Company shall not issue the fractions of the shares to the employee in respect of the fractional entitlements, but shall consolidate the fractions and sell the shares arising out of consolidation of fractions in the market and distribute the net sale proceeds to the concerned option holders in proportion to their fractional entitlements.

22. Validity of the "ESOS 2021"

The ESOS 2021 shall be valid and the options can be issued to the employees under the ESOS 2021 only on the approval of the shareholders by passing a special resolution in the general meeting and it shall continue to be in force until (i) it's termination by the Board of Directors/ECC or (ii) the date on which all the options available for issuance under the ESOS 2021 have been issued and exercised.

23. Surrender of Options

23.1 The employee may surrender his vested/unvested options at any time during his employment with the Company.

23.2 The employee willing to surrender his options shall communicate the same to the administrator in the prescribed form. Thereafter the surrendered options shall expire and stand terminated w.e.f the date of surrender of options.

24. Treatment of Lapsed/forfeited options

In case where options, whether vested or unvested, lapse or expire or are forfeited for any reason, the Employee Compensation Committee may re-issue the options to other eligible employees. The options so issued shall be subject to the terms and conditions of the ESOS 2021.

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

25. Tax Liability

In the event of tax liability arising on account of the issue of options and/or allotment of the shares or disposal of the shares after exercise, to the employee, the liability shall be that of the employee alone.

26. Notwithstanding anything contained above in the ESOS 2021, the ESOS 2021 in entirety is subject to the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in vogue and any amendments made to it from time to time and any changes in the ESOS 2021 warranted on account of amendments to the Regulations made by SEBI or any other regulatory authority shall not require the approval of Shareholders afresh.

27. Applicable Laws

27.1 The issue of options and equity shares would be subject to the applicable provisions of the Income Tax Act, 1961. Accordingly, the employee would accept the options and exercise them subject to the applicable tax provisions from time to time.

27.2 The ESOS 2021 would be subject to all applicable laws at present and those which may become applicable in the future till the validity of the ESOS 2021.

28. Representations

28.1 Neither the Company nor the ECC makes any representation regarding the performance of the Company or the future value of the equity shares. The employee should take his own decision to exercise the options granted to him after considering all the provisions of this ESOS 2021 and other relevant factors.

28.2 This represents the complete scheme for "Steel Strips Wheels Limited- Employees Stock Option Scheme, 2021" ("ESOS 2021").

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

Steel Strips Wheels Limited - Employee Stock Option Scheme, 2021

SCHEME CUM DISCLOSURE DOCUMENT

Part A: Statement of Risks

All investments in shares or options are subject to risk as the value of shares may go down or go up. In addition, options are subject to the following additional risks:

1 Concentration: The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single Company.

2. Leverage: Any change in the value of the share can lead to a significantly larger change in the value of the options.

3. Illiquidity: The options cannot be transferred to anybody, and therefore the employee cannot mitigate their risks by selling the whole or part of their options before they are exercised.

4. Vesting: The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employee is terminated for gross misconduct.

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

Part B: Information about the Company

1. Business of the Company: A description of the business of the Company, History and Main Objects and Present Business of the Company

Steel Strips Wheels Limited, a Public Limited Company, having its registered office at Village Somalheri/Lehli, P.O. Dappar, Tehsil Derabassi, District S.A.S Nagar Mohali, Punjab (India), was incorporated on 28th February, 1985, under the name and style of "PUNJAB WHEELS LIMITED" and subsequently its name was changed to "STEEL STRIPS WHEELS LIMITED" ("SSWL") on 31st August, 1987. It was promoted by Sh. R.K. Garg, a technocrat industrialist.

The Company came out with a public issue of 33,20,000 shares in the year 1989 and presently shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

It is engaged in the manufacturing of Automotive Steel and Alloy Wheel Rims which are used in automotive vehicles. Its product range comprises Steel Wheel Rims for two wheelers, three wheelers, Passenger Cars, Multi-Utility Vehicles (MUVs), Tractors, Light Commercial Vehicles (LCVs), Heavy Commercial Vehicles (HCVs) and Off The Road Vehicles (OTR) and Alloy Wheel Rims for passenger cars. It's existing manufacturing facilities are located at Dappar (Punjab), Oragadam (Chennai), Jamshedpur (Jharkhand), Seraikela (Jharkhand) and Mehsana (Gujarat).

Brief details about the manufacturing capacity of Dappar, Oragadam, Jamshedpur and Mehsana unit of the company for manufacturing of Steel/Alloy Wheel Rims:

The Company had started production in the year 1991 with an initial licensed capacity of 1.00 Million steel wheel rims per annum at Dappar (Punjab) which was further increased to 2.4 Million steel wheel rims per annum in the year 2001-02. The Company continued with the expansion spree and commissioned additional facilities in Jamshedpur, Chennai and Mehsana. Total installed capacity of SSWL is around 22.36 million wheel rims per annum.

Location	Installed capacity for manufacturing of Steel Wheel Rims (p.a.) as at 31st March, 2021	Facilities for
Dappar (Punjab)	10.20 million	Passenger cars, Two and three wheelers, Tractors, MUVs, LCVs, HCVs and OTR
Jamshedpur (Jharkhand)	2.16 million	HCV/LCV both Tube Type/ Tubeless
Oragadam (Tamilnadu)	6.00 million (Car/TW) & 1.50 Million (CV)	Passenger cars
Mehsana (Gujarat)	2.5 Million (Expansion Underway to increase capacity to 3 Million)	Passenger cars
Seraikela (Jharkhand)	Besides above, the company has also set up a specially designed Hot Rolling Mill (HRM) at Seraikela, State of Jharkhand, for rolling of profile bar under the backward integration policy of the company. Profile Bar is the raw material for side ring/lock ring, requiring for the Truck Wheel Rim and OTR.	

SSWL is an IATF 16949, OSHAS 18001:2007, ISO 14001:2015, ISO 9001, ISO14001, ISO 18001, ISO 45001:2018 Certified Company.

SSWL's main OEM customers are:

Two Wheelers/Three Wheelers:

Honda Motorcycle & Scooters India, Piaggio Vehicles Private Limited

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

Passenger Cars: -
Maruti Suzuki India Limited, Honda Siel Cars India Limited, Nissan Motors Company Limited, Mahindra Renault, Volkswagen, Hyundai, Ford, KIA Motors, MG Motors, Mahindra & Mahindra, Tata Motors Limited.

Agricultural Vehicles: -
Punjab Tractors Limited, TAFE Motors & Tractors Limited (Eicher), Mahindra & Mahindra, John Deere, Escorts, New Holland Tractors, Sonalika International Tractors Limited, Indo Farm Tractors.

Light Commercial Vehicles & Heavy Commercial Vehicles: -
Tata Motors Limited, Ashok Leyland, Punjab Tractors Limited.

Off the Highway: -
Case New Holland, Joseph Cyril Bamford (JCB)

SSWL is also exporting steel wheel rims to OEMs for Passenger Cars to Renault, BMW & PSA Peugeot Citroen, Jaguar Landrover, Kubota etc.

SSWL is a reputed manufacturer of steel wheel rims, catering to almost all segments and OEMs across the world. SSWL is having full-fledged R & D center and Tool Room with most modern equipments & technology and software system to design the wheel and develop the required tools.

2. Main Objects:

2.1 To carry on the business of manufacturers, buyers, sellers, importers, exporters and dealer in, wheels, wheel rims crown wheels, steering wheels, pinion sets, cranks, engines, transmission and differential gears used in automotive vehicles, aircarft, vessels, tractors, earth moving machinery, locomotive vehicles, mechanical devices, equipments, apparatus, and spares for industrial appliances.

2.2 To manufacture, produce, process, buy, sell, deal in all kinds of ferrous and non-ferrous forgings and allied products for automotive general engineering industries.

2.3 To manufacture fabricate, process, buy, sell, deal in all kinds of casting and stampings, machinery parts, moulds, press tools, jigs, fixtures, iron and steel product and other metallic products die making die casting automobiles parts, spare parts of all kinds of machinery and to undertake metal press jobs forging jobs and all other engineering job work.

2.4 To manufacture and carry on the business of rolling, re-rolling, welding, extruding, stretching, reducing, forging, pressing, drawing, machining grinding processing working or finishing in any manner of all kinds of metals and alloys.

2.5 To lend, lease, buy, sell, import, export or otherwise deal in technical knowhow and to enter into technical collaboration agreement for the manufacture of wheels, rims and other items mentioned above against consideration of money's worth and/or against royalty, payments receipts of lump sum consideration in money worth.

2.6 To acquire or to set up and run hospitals, clinics nursing homes, maternity and family planning units pathological laboratories opticians shops and schools, college educational institutions coaching centers and academies.

2.7 To purchase take on lease or otherwise acquire for the purpose of the Company any easement or other interest in real estate and to sell let on lease, or otherwise dispose off or grant rights over any real property belonging to the Company.

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

3. **Last 5 years' Financial information of SSWL:**

(Rs. in lac)

Profit and Loss Account	**FOR THE YEAR ENDED**				
	31.03.2021	**31.03.2020**	**31.03.2019**	**31.03.2018**	**31.03.2017**
Sale	1,74,941.53	1,56,334.46	2,04,118.84	1,55,715.80	1,33,166.45
Other Income	1,631.81	2,211.04	1,746.16	1,344.54	1,939.60
Total Income	**1,76,573.34**	**1,58,545.50**	**2,05,865.00**	**1,57,060.34**	**1,35,106.05**
Manufacturing & Other Exp.	1,54,566.08	1,39,215.06	1,79,529.81	1,35,692.47	1,16,747.31
PBIDT	22,007.26	19,330.44	**26,335.19**	**21,367.87**	**18,358.74**
Interest	8,393.14	8,866.53	9,254.44	6,394.07	4,170.84
Cash Profit	**13,614.12**	**10,463.91**	**17,080.75**	**14,973.80**	**14,187.90**
Depreciation & Misc. Exp. W/off	7,231.13	7,193.81	6,192.27	5,257.36	4,790.17
Exceptional Item (Income)	-	-	-	-	116.77
Exceptional Item (expenses)	0.09	0.03	0.02	8.82	3.52
Profit/(Loss) before tax	**6,382.90**	**3,270.07**	**10,888.46**	**9,707.62**	**9,510.98**
Provision for tax payable/FBT	453.52	-	685.73	433.09	1,295.77
Provision for deferred tax	1,004.36	925.13	1,967.14	1,765.39	1,111.65
Profit/(Loss) after tax	**4,925.02**	**2,344.94**	**8,235.59**	**7,509.14**	**7,103.56**
Rate of Dividend declared	20%	-	40%	40%	30%
Balance Sheet					
Sources of Funds					
Share Capital	1,560.95	1,558.97	1,558.97	1,555.63	1,553.35
Share Application Money	-	-	2,178.75	-	-
Reserves & Surplus/Advance	73,368.86	68,235.57	64,431.06	56,872.09	52,581.97
Non-Current Liabilities	63,512.05	69,076.42	65,937.79	63,287.87	54,432.96
Current Liabilities	99,232.46	79,039.56	81,230.99	95,878.51	64,686.45
Total	**2,37,674.32**	**2,17,910.52**	**2,15,337.56**	**2,17,594.10**	**1,73,254.73**

STEEL STRIPS WHEELS LIMITED

Capital Services Ltd.

Application of Funds					
Net Fixed Assets	1,25,737.56	1,30,472.28	1,32,753.50	1,02,693.79	74,482.13
Capital Work in Progress	10,933.90	8,547.00	5,280.33	32,318.45	35,235.84
Intangible Asset under Development	180.26	180.26	165.40	242.96	-
Total	1,36,851.72	1,39,199.54	1,38,199.23	1,35,255.20	1,09,717.97
Non-Current Investments	19.40	19.40	19.40	19.40	21.41
Long Term Loans & Advances and Other Non-current Assets	5,718.30	2,061.93	1,851.60	1,643.34	3,029.64
Current Assets	95084.90	76,629.65	75,267.33	80,676.16	60,485.71
Misc. Expenses	-	-	-	-	-
Total	**2,37,674.32**	**2,17,910.52**	**2,15,337.56**	**2,17,594.10**	**1,73,254.73**

4. **Risk Factors: Management perception of the risk factors of the Company**

The risk associated with the ESOS conversion prices is completely commercial and associated with the business dynamics of the Company. Steel and Aluminum being the primary raw material is the key to Company's profitability. Presently the Company imports some of the raw material and that impacts the profitability due to adverse currency movement. This can impact the stock performance. The Company is already taking steps to indigenize the imported raw material by developing it with Indian vendors and de-risking the business model.

A significant portion of the Company's inflows and outflows are in foreign currency, the exchange rate fluctuations between the Indian rupee and the foreign currency may affect the company's results of operation and this may further impact the stock performance. Therefore, keeping in view the position of rupee vis-à-vis foreign currency, the Company has been assertive in taking forward cover for exports and imports.

The Company deals with Domestic Automobile OEM and have limited customer base and with any increase in risk of a severe slowdown in India, the performance of the Company may suffer. To de-risk this, we are making efforts to increase our market share with domestic OEM via new developments & moving aggressively towards global shores to increase our exports presence and balance the customer portfolio. During the financial year 2020-21, Export sale of the Company comprises of Approx. 15.52% of Net Sale of the Company and we are hopeful that share of the export sale will increase in near future. This will ensure that in wake of any squeeze in domestic auto industry we will be cushioned by exports and will be able to achieve our financial goals of success.

The Company is focused on further de-risking the steel business by its entry in Alloy wheel segment. We expect in FY 2021-22, the segment will contribute close to 20% of the revenue and will be EBIDTA accretive to the consolidated business. The company wants to grow the Alloy business to other parts of the industry and wants to concentrate on light weighting theme in automotive segment and enter newer products in coming years. This will give future growth opportunities to company and will further de-risk the overall steel wheel business of the company.

5. **Continuing disclosure requirement:** The option grantee shall be provided copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of meetings and the accompanying explanatory statements.

STEEL STRIPS WHEELS LIMITED

Capital Services Ltd.

Part C

Salient Features of the Employee Stock Option Scheme

"Steel Strips Wheels Limited - Employees Stock Option Scheme, 2021" (hereinafter referred as "ESOS 2021" or "the Scheme") is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter called as "Regulations"). The salient features of the scheme are as under:

1.	Vesting	All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 4 (four) years from the respective date of grant of options as may be determined by the Employee Compensation Committee (ECC). The vesting may happen in one or more tranches. However, in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest in terms of sub-regulation (4) of regulation 9 of the regulations, on the date of the death or permanent incapacity. The ECC may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law and in the interest of the option grantee. The vesting dates in respect of the options granted under the scheme shall be determined by the ECC and may vary from employee to employee or any class thereof and/or in respect of the numbers or percentage (%) of the options granted to an employee. Options shall vest essentially based on continuation of employment and apart from that the ECC may prescribe achievement of any performance condition (s).
2.	Exercise of options	Exercise period would commence from the date of vesting and will expire on completion of 5 years from the respective date of grant or such other shorter period as may be decided by ECC from time to time. The options granted shall be capable of being exercised in one or more tranches.
3.	Adjustment for corporate actions	In case of any corporate action like issue of bonus shares, right shares, any split or sub-division or consolidation of face value of equity shares, or any event of merger, demerger, consolidation, capitalization or other reorganization of the Company, tender offer for equity shares or Sale of Undertaking or any other corporate action or otherwise, the Board/Employee Compensation Committee ("ECC") is authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the ESOS 2021 are passed to the employees. For making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price, in case of aforesaid corporate actions, the Board/Employee Compensation Committee shall take the following into consideration:

STEEL STRIPS WHEELS LIMITED

Capital Services Ltd.

		(a) the number and price of options under ESOS 2021 shall be adjusted in a manner such that the total value to the employee(s) of the options under ESOS 2021 remains the same after the corporate action; (b) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options.
4.	Forfeiture of vested options	Any vested options not exercised within the specified period shall lapse and stand forfeited at the end of the aforesaid period.
5.	Specify time period within which vested options are to be exercised in the event of Death of Employee.	In the event of death of the employee while in employment, all the options granted under the scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee as the case may be & shall be exercisable within one year thereof or before the expiry of the Exercise Period whichever is earlier. The ECC may in its absolute discretion permit the exercise of the options even beyond the said period. Any vested option not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.
6.	Specify time period within which vested options are to be exercised in the event of permanent incapacity	In case the employee suffers a permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation, shall vest in him on that day and shall be exercisable within one year thereof or before the expiry of the exercise period whichever is earlier. The ECC may in its absolute discretion permit the exercise of the options even beyond the said period. Any vested options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.
7.	Specify time period within which vested options are to be exercised in the event of long leave	Where the employee is on long leave, the grant, vesting, exercise of the options will be through a duly constituted attorney of the employee. In case the employee does not name such constituted attorney, grant, vesting and exercise of options will be decided at the discretion of the ECC.
8.	Specify time period within which vested options are to be exercised in the event of separation from employment for reasons of normal retirement.	In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company or where an extension in retirement date is granted, on completion of such extension period, all vested options should be exercisable by the employee immediately after, but in no event later than one year from the date of the employee's retirement or before the expiry of the Exercise Period whichever is earlier. The ECC may in its absolute discretion permit the exercise of the options even beyond the said period. Any vested options not exercised within this aforesaid period shall lapse and stand

STEEL STRIPS WHEELS LIMITED

Capital Services Ltd.

		forfeited at the end of the aforesaid period.
9.	Specify time period within which vested options are to be exercised in the event of resignation of Employee.	In the event of resignation, all unvested options, on the date of submission of resignation, shall expire and stand terminated with effect from that date unless otherwise determined by the ECC whose determination will be final and binding. However, all vested options as on that date shall be exercisable by the employee within 30 days from the date of resignation or before the expiry of the exercise period, whichever is earlier.
10.	Specify time period within which vested options are to be exercised in the event of the Employee ceasing to be in the service of the Company, due to misconduct or violates the terms and conditions of his employment in any manner.	In the event of the employee ceasing to be in the service of the Company, due to misconduct or violates the terms and conditions of his employment in any manner, all the options (whether granted or vested) outstanding on the date of cessation of his employment, shall stand cancelled forthwith and that the Employee shall not be permitted to exercise any right in respect thereof.
11.	Specify time period within which vested options are to be exercised in the event of termination of Employee.	In the event of termination (other than termination due to misconduct), all unvested options, on the date of such termination, shall expire and stand terminated w.e.f that date unless otherwise determined by the ECC whose determination will be final and binding. However, all vested options as on that date shall be exercisable by the Employee within 30 days from the date of termination or before the expiry of the exercise period, whichever is earlier.
12.	Specify time period within which vested options are to be exercised in the event of abandonment of employment by the employee without the Company's consent	In the event of abandonment of employment by the employee without the Company's consent, all the options whether granted or vested but not exercised at the time of abandonment shall stand cancelled.
13.	Re-issue of lapsed/ forfeited options.	In case where options, whether vested or unvested, lapse or expire or are forfeited for any reason, the Employee Compensation Committee may re-issue the options to other eligible employees. This however, shall be subject to the terms and conditions of the ESOS 2021.
14.	Cashless exercise of option	There is no cashless exercise of options however the Company may grant loan to the employee (s).
15.	Amount paid/ payable at the time of grant of options	No amount is payable at the time of grant of options.
16.	No. of time options can be exercised during the exercise period	The employee can exercise vested options at one time or at various points of time within the exercise period.
17.	Total no. of shares arising out of option	On exercise of option, one option will result into one share.

STEEL STRIPS WHEELS LIMITED

Master Capital Services Ltd. Chandigarh

30/09/21