



**ZF STEERING GEAR (INDIA) LTD.**

**Regd. Office & Works :**

Gat No. 1242/44, Village Vadu Bk., Tal. Shirur, Dist. Pune-412 216 (India)

Tel. : 02137-305100, Fax : 02137-305302

Web : www.zfindia.com, Email Id : enquiry@zfindia.com

Corporate Identity Number (CIN) : L29130PN1981PLC023734



September 29, 2016

**BSE Limited**

25<sup>th</sup> Floor, P. J. Towers,

Dalal Street, Fort,

Mumbai- 400 001

**BSE Scrip Code 505163**

**Sub: Submission of the Annual Report for the Financial Year 2015-16.**

**Ref: Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements),  
Regulations, 2015**

Dear Sir,

We are enclosing herewith, a soft copy of the Annual Report for the Financial Year 2015-16, which has been approved and adopted by the Members in the 36<sup>th</sup> Annual General Meeting held on September 28, 2016.

Please take the above on your record and disseminate the same for the information of Investors.

Thanking you

Yours faithfully,

For **ZF Steering Gear (India) Ltd.**

Company Secretary





# ZF STEERING GEAR (INDIA) LIMITED



36<sup>th</sup>  
Annual Report  
2015-2016

[www.zfindia.com](http://www.zfindia.com)

**Steering Towards Future**



## BOARD OF DIRECTORS

### Chairman & Managing Director

Mr. Dinesh Munot

### Jt. Managing Director

Mr. Jinendra Munot

### Chief Executive Officer

Mr. Utkarsh Munot

### Non-Executive Directors

Mr. Manish Motwani

Mr. Ludwig Rapp

Mr. M. L. Rath

Mr. Shridhar S. Kalmadi

Mr. Ajinkya Arun Firodia

Mr. Jitendra A. Pandit

Mr. S. A. Gundecha

Mrs. Eitika Munot

Mr. Soumitra Bhattacharya

(w.e.f. 04.11.2015)

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Jinendra Jain

### COMPANY SECRETARY

Mr. Satish Mehta

### Audit Committee

Mr. S. A. Gundecha - Chairman

Mr. M. L. Rath

Mr. Jitendra A. Pandit

### Stakeholders Relationship Committee

Mr. Jitendra A. Pandit - Chairman

Mr. M. L. Rath

Mrs. Eitika Munot

### Nomination and Remuneration Committee

Mr. M. L. Rath - Chairman

Mr. Jitendra A. Pandit

Mr. Manish Motwani

### Corporate Social Responsibility Committee

Mr. Dinesh Munot - Chairman

Mr. Jinendra Munot

Mr. Utkarsh Munot

Mr. M. L. Rath

Mrs. Eitika Munot

### AUDITORS M/s. MGM & Co.

Chartered Accountants

### SECRETARIAL AUDITOR

Mr. I. U. Thakur  
Company Secretary

### REGISTERED OFFICE & WORKS

Gat Nos. 1242 & 1244,

Village Vadu Budruk,

Tal. Shirur, Dist. Pune – 412 216

Maharashtra

**CIN: L29130PN1981PLC023734**

Tel: 02137-305100

Fax: 02137- 305302

E-mail Id: [enquiry@zfindia.com](mailto:enquiry@zfindia.com)

Web: [www.zfindia.com](http://www.zfindia.com)

### BANKERS

Kotak Mahindra Bank

Deutsche Bank AG

HDFC Bank

Bank of Maharashtra

Canara Bank

Yes Bank

### SHARE TRANSFERAGENTS

Link Intime India Pvt. Ltd.

Block No. 202, A Wing, 2nd Floor,

Akshay Complex, Off. Dhole Patil Road,

Pune – 411 001

Tel: 020-26160084,

Fax: 020- 26163503

E- mail: [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

## CONTENTS

General Information . . . . .	Above
Notice . . . . .	01
Directors' Report . . . . .	11
Corporate Governance Report and Shareholder Information . . . . .	16
Standalone Financial Statements . . . . .	35
Consolidated Financial Statements . . . . .	59

## NOTICE

Notice is hereby given that the **Thirty-Sixth Annual General Meeting** of the Members of **ZF STEERING GEAR (INDIA) LIMITED** will be held as scheduled below:

Day : Wednesday  
Date : September 28, 2016  
Time : 3.00 p.m.  
Place : Registered Office of the Company,  
Gat Nos. 1242/ 44, Village Vadu Budruk,  
Tal. Shirur, Dist. Pune-412 216.

to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt
  - the (Standalone) Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, together with the Reports of the Directors and the Auditors thereon, and
  - the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Report of the Auditors thereon.
- To confirm the payment of Interim Dividend of Rs. 12.50 per share for the financial year 2015-16.
- To appoint a Director in place of Mr. Ludwig Rapp (DIN: 00700693), who retires by rotation and, being eligible, offers himself for re-appointment.
- To re-appoint M/S. MGM & Company, Chartered Accountants (Firm Registration Number: 117963W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 500,000 plus service tax and out of pocket expenses.

### SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Soumitra Bhattacharya (DIN: 02783243), who was appointed as an Additional Director of the Company, with effect from November 4, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 (**the Act**) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (**the Act**), if any and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and of the Articles of Association of the Company, consent and approval of the Company be and is hereby accorded to the appointment of Mr. Utkarsh Munot (DIN:00049903) as the 'Chief Executive Officer (CEO)' of the Company for a period of five years effective from May 19, 2016 to May 18, 2021, and whose term of office shall be liable to determination by retirement of Director by rotation, on the terms and conditions including remuneration as detailed below, with authority and power, to the Board of Directors to alter, vary or modify the terms and conditions of the said appointment and / remuneration, as it may deem fit and with the acceptance of Mr. Utkarsh Munot and subject to the same not exceeding the limits specified under Schedule V to the Act, as in force from time to time during the said tenure.

- Mr. Utkarsh Munot shall perform his functions under the direct control and superintendence of the Board of Directors.
- Mr. Utkarsh Munot shall be entitled to the following remuneration.
  - Salary:** Rs. 7,00,000 (Rupees Seven lac ) per month, with annual increment of 15%. Increment shall start from April 2017.
  - Commission:** Mr. Utkarsh Munot shall be entitled to an annual performance linked incentive, as may be determined by the Board of Directors/ Nomination and Remuneration Committee of Directors.
  - Perquisites:** In addition to the salary and commission, the following perquisites shall be made available/ paid to Mr. Utkarsh Munot. The perquisites shall be evaluated as per Income Tax Rules, 1962, as applicable.
    - Housing:** 60% of the Salary will be paid to Mr. Utkarsh Munot as House - rent Allowance per month.
    - Stock Option:** Participation to employee stock option scheme as may be evolved by the Company from time to time.
    - Medical Reimbursement:** Reimbursement of medical expenses including hospitalization and surgical charges incurred in India and abroad for Mr. Utkarsh Munot and his family as may be



approved by the Board of Directors or as per the rules of the Company.

- **Leave Travel Concession:** One month's salary as Leave travel concession for Mr. Utkarsh Munot and his family once in a year incurred in accordance with the rules of the Company.
- **Club Fees:** Reimbursement of membership fee up to 2 clubs, including admission and life membership fee.
- **Personal Accident Insurance:** Personal Accident Insurance Policy cover as per the rules of the Company.
- **Hospitalization Insurance:** Hospitalization Insurance for self and family as per the rules of the Company.
- **Provident Fund:** Company's Contribution to Provident Fund/ Special Salary in lieu thereof, in accordance with the rules of the Company.
- **Gratuity:** Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- **Leave:** Leave with full pay or encashment as per the rules of the Company.
- **Free Gas, Electricity and Water** facilities at residence or reimbursement thereof.

c) **Other Perquisites:** Mr. Utkarsh Munot may be given other allowances, benefits and perquisites as the Board of Directors may from time to time decide. Mr. Utkarsh Munot shall be entitled to the following amenities.

- (i) **Provision of Car:** The Company shall provide car/s with chauffeur for official as well as personal purpose.
- (ii) **Communication facilities:** Telephone/ Telefax and other suitable communication facilities at residence.

d) **General:** Mr. Utkarsh Munot shall have such powers, duties and responsibilities, as may be determined by the Board of Directors, from time to time

- The contract can be terminated by giving six months' notice by either party.
- Mr. Utkarsh Munot shall adhere to the Company's Code of Conduct, provisions contained in Section 166 of the Act and in the Articles of Association of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in/ for any financial year, the remuneration payable to Mr. Utkarsh Munot shall be governed by Section II of

Schedule V of the Act and rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors (also deemed to include the Nomination and Remuneration Committee of Director) be and is hereby authorized to do all such acts, deeds, matters and things including the power to settle all questions or difficulties that may arise with regard to the said appointment, as it may deem fit and to execute any agreement/s, document/s etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 203 and Section 14 and any other applicable provisions of the Companies Act, 2013 and the Rules framed there under, the Articles of Association of the Company be and is hereby amended by inserting the following Article as Article 117A after the existing Article 117:

117A: An individual may be appointed or re-appointed as the Chairperson of the Company as well as the Managing Director or the Chief Executive Officer of the Company at the same time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (**the Act**), if any and of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and of the Articles of Association of the Company, consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Dinesh Munot (DIN: 00049801) as the 'Chairman and Managing Director' of the Company for a period of five years effective from July 28, 2016 to July 27, 2021, on the terms and conditions including remuneration as detailed below, with authority and power, to the Board of Directors to alter, vary or modify the terms and conditions of the said appointment and / remuneration, as it may deem fit and with the acceptance of Mr. Dinesh Munot and subject to the same not exceeding the limits specified under Schedule V to the Act, as in force from time to time during the said tenure.

a) Mr. Dinesh Munot shall perform functions related to the overall management and control of the business

of the Company under the superintendence, direction and control of the Board of Directors.

b) Mr. Dinesh Munot shall be entitled to the following remuneration.

(i) **Salary:** Rs. 15 lac per month, with annual increment of 15%. Increment shall start from April 2017.

(ii) **Commission:** Mr. Dinesh Munot shall be entitled to an annual performance linked incentive, as may be determined by the Board of Directors/ Nomination and Remuneration Committee of Directors.

(iii) **Perquisites:** In addition to the salary and commission, the following perquisites shall be made available/ paid to Mr. Dinesh Munot. These perquisites shall be valued as per the Income Tax Rules, 1962, as applicable.

- **Housing:** 60% of the Salary will be paid to Mr. Dinesh Munot as House - rent Allowance per month.
- **Stock Option:** Participation to employee stock option scheme as may be evolved by the Company from time to time.
- **Medical Reimbursement:** Reimbursement of medical expenses including hospitalization and surgical charges incurred in India and abroad for Mr. Dinesh Munot and his family as may be approved by the Board of Directors or as per the rules of the Company.
- **Leave Travel Concession:** One month's salary as Leave Travel Concession for Mr. Dinesh Munot and his family once in a year in accordance with the rules of the Company.
- **Club Fees:** Reimbursement of membership fee up to 2 clubs, including admission and life membership fee.
- **Personal Accident Insurance:** Personal Accident Insurance Policy cover as per the rules of the Company.
- **Hospitalization Insurance:** Hospitalization Insurance for self and family, as per the rules of the Company.
- **Provident Fund:** Company's Contribution to Provident Fund/ Special Salary in lieu thereof, in accordance with the rules of the Company.
- **Gratuity:** Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

- **Leave:** Leave with full pay or encashment as per the rules of the Company.

- **Free Gas, Electricity and Water** facilities at residence or reimbursement thereof.

c) **Other Perquisites:** Mr. Dinesh Munot may be given other allowances, benefits and perquisites as the Board of Directors may from time to time decide. Mr. Dinesh Munot shall be entitled to the following amenities.

(i) Provision of Car: The Company shall provide car/s with chauffeur for official as well as personal purpose.

(ii) Communication facilities: Telephone/ Telefax and other suitable communication facilities at residence.

d) **General:** Mr. Dinesh Munot shall have such powers, duties and responsibilities, as may be determined by the Board of Directors, from time to time

- The contract with him can be terminated by giving six months' notice by either party.

- Mr. Dinesh Munot shall adhere to the Company's Code of Conduct, provisions contained in Section 166 of the Act and in the Articles of Association of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in/ for any financial year, the remuneration payable to Mr. Dinesh Munot shall be governed by Section II of Schedule V of the Act and Rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors (also deemed to include the Nomination and Remuneration Committee of Directors) be and is hereby authorized to do all such acts, deeds, matters and things including the power to settle all questions or difficulties that may arise with regard to the said appointment, as it may deem fit and to execute any agreement/s, document/s etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the approval, being granted by this resolution by the Company, to the appointment of Mr. Dinesh Munot for the term of 5 years shall be deemed to be the approval, as per the provisions of Section 196 of the Act irrespective of his attaining the age of 70 years on December 8, 2017 and the appointment being approved by this special resolution shall remain in force for the full term of 5 years from July 28, 2016."

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, and the Memorandum and the Articles of Association of the Company, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (**the Board**), to mortgage and/ or create charge(s), in addition to the mortgages and charges created/ to be created by the Company, in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any part of the movable and/ or immovable properties of the Company, wherever situate, and/ or the interest held by the Company in all or any of the movable and/ or immovable properties, both present and future, and the whole or substantially the whole of all or any of the undertakings of the Company in favour of one or more banks and/or financial institutions, agents or trustees or others for securing the borrowings of the Company, availed/ to be availed by way of loan(s) and/ or issue of securities (debentures, bonds or other debt instruments) and/ or any banking or financial or other facilities or arrangements made/ to be made, provided that the charges created/ to be created shall be for securing a sum, which shall not exceed the aggregate of the paid up capital of the Company and its free reserves, from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise and execute such documents, deeds, writings, papers, agreements, as may be required and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid.”

By Order of the Board of Directors  
For **ZF Steering Gear (India) Ltd.**

**Satish Mehta**  
Company Secretary  
Membership No. : F3219

**July 28, 2016**

Registered Office:

Gat No. 1242/44, Village Vadu Budruk,

Tal. Shirur, Dist. Pune - 412 216.

CIN: L29130PN1981PLC023734

## Notes:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business mentioned in the Notice is annexed hereto.
- 3) Profiles of the Directors being appointed/ re-appointed, as required by the Corporate Governance Code under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 entered into with the Stock Exchange), are annexed to the Notice.
- 4) Members/ Proxies/ Representatives should bring the enclosed duly filled attendance slip, for attending the Meeting. Copies of the Annual Report or Attendance Slip will not be distributed at the Meeting.

### 5) Voting through electronic means:

- A. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with 'Central Depository Services (India) Limited' (CDSL) to facilitate remote e-voting.

Remote E-voting is optional and members shall have the option to vote either through remote e-voting or by way of poll-paper at the Annual General Meeting. Members who have cast their votes by remote e-voting prior to Meeting, may attend the Meeting, but shall not be entitled to cast their votes again.

The Board of Directors have appointed Mr. I. U. Thakur, Practicing Company Secretary (C. P. No. 1402), who in the opinion of the Company, is a duly qualified person, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.

### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 25, 2016 (9 a.m.) and ends on September 27, 2016 (5 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2016 (End of Day), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) If you are a first time user follow the steps given below:
- (viii) After entering these details appropriately, click on “**SUBMIT**” tab.



- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) **For Members holding shares in physical form**, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **< ZF Steering Gear (India) Limited >** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- B.** In the event, the draft resolution is assented to by the requisite majority of Shareholders by means of electronic voting, the date of declaration of result shall be deemed to be the date of passing of the said resolution at the Annual General Meeting.
- C.** The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2016. Shareholders are requested to notify the change in the address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of Physical shares to the Registrar and Transfer Agent.
- D.** The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting, in the presence of at least two witnesses, not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- The Results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www.zfindia.com](http://www.zfindia.com) and on the website of CDSL. The results shall simultaneously be communicated to the BSE Limited.
- 6) A copy of this notice has been placed on the website of the Company and on the website of CDSL.
- 7) The Register of Members and Share Transfer Books of the Company will be closed from September 26, 2016 to September 28, 2016 (both days inclusive).
- 8) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

- 9) The Register of Contracts or Arrangement in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- 10) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company, so as to reach it at least ten days before the date of the Meeting, so that information can be made available at the Meeting.
- 11) Members holding shares in physical form are requested to intimate the changes, if any, in their registered addresses, to the Company's Registrar & Share Transfer Agents Link Intime India Pvt. Ltd., Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune- 411 001.
- 12) Members are advised that respective bank details and address as furnished by them or by NSDL/ CDSL to the Company, for shares held in physical form and in the dematerialized form respectively, will be printed on their dividend warrants so as to protect against fraudulent encashment.
- 13) To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with 'Link Intime India Pvt. Ltd.', if shares are held in physical mode or with their DPs, if the holding is in electronic mode. The registered e-mail address will be used for sending future communications.
- 14) The route map showing directions to reach venue of the thirty-sixth AGM is annexed.
- 15) Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, (Section 124 of the Companies Act, 2013) the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, unclaimed dividends for the financial years 1995-96 to 2007-08 have been transferred to the IEPF. Unclaimed dividend for F. Y. 2008-09 is due for transfer in August 2016. Unclaimed dividend for financial years 2009-10 and thereafter is still lying with the Company. Shareholders who have not yet encashed the dividend warrants for financial years 2009-10 and thereafter are requested to contact the Company at the earliest since no claim shall lie against the Company or the IEPF after transfer as mentioned above. The details of unclaimed dividends of the aforesaid years are available on the Ministry of Corporate Affairs website at [www.mca.gov.in](http://www.mca.gov.in) and on the website of the Company viz. [www.zfindia.com](http://www.zfindia.com)
- 16) The Annual Report 2015-16 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.zfindia.com](http://www.zfindia.com) and also on the website of the BSE Ltd. (Bombay Stock Exchange) at [www.bseindia.com](http://www.bseindia.com).
- 17) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, Link Intime India Pvt. Ltd.
- 18) Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the 36th Annual General Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
- 19) In this Notice and Annexure thereto, the terms 'Shareholders' and 'Members' are used interchangeably.

#### **Important Communication to Members**

The following are the Company's recommendations to the shareholders/investors:

#### **Open Demat Account and Dematerialize your shares**

Investors should convert their physical holdings of securities into demat holdings. Holding securities in demat form helps investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

#### **Consolidate Multiple Folios**

Investors should consolidate their shareholding held in multiple folios. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

#### **Register NECS Mandate and furnish correct bank account particulars with Company/ Depository Participant (DP)**

Investors holding the shares in physical form should provide the National Electronic Clearing Services (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from Companies and avoid postal delays and loss in transit. Investors must update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.

#### **Submit Nomination Form**

As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in case of physical shares with the Company and in case of dematerialized shares with their DP. Nomination would help the nominees to get the shares transmitted in their favor. Investors must ensure that nomination made is in the prescribed Form and must be witnessed by two witnesses in order to be effective. The Form may be downloaded from the Company's website [www.zfindia.com](http://www.zfindia.com) under the section 'Investor'.

## **Annexure to the Notice**

### **Explanatory Statement in respect of the Special Business pursuant to Section 102(1) of the Companies Act, 2013.**

#### **Item No. 5**

Mr. Soumitra Bhattacharya is a Non-Executive Non-Independent Director of the Company. He was appointed as an Additional Director of the Company by the Board of Directors with effect from November 4, 2015, pursuant to provisions of Section 161 of the Act and the Articles of Association of the Company and holds office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a Member along with a deposit of Rupees one lac, under Section 160 of the Act, proposing his candidature for the office of Director, liable to retire by rotation.

Brief resume of Mr. Soumitra Bhattacharya, along with the particulars stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given herein under and forms part of the Notice.

The Board considers that the continued association of Mr. Soumitra Bhattacharya would be in the interest of the Company and it is desirable to continue to avail of the services of the proposed Director. Accordingly, the Board recommends the Ordinary Resolution set out at the Item No. 5 of the Notice for approval by the Members of the Company.

None of the Directors, Manager or any other key managerial personnel or any of their relatives, is concerned or interested, whether financially or otherwise, in this Resolution except Mr. Soumitra Bhattacharya.

#### **Item No. 6**

Mr. Utkarsh Munot was re-appointed as the 'Executive Director' of the Company for a period of 5 years from November 1, 2011 to October 31, 2016, which appointment was approved by the Members of the Company in their 32nd Annual General Meeting held on July 28, 2012.

Considering his outstanding contribution, capacity to shoulder higher responsibilities and based on the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Utkarsh Munot as the 'Chief Executive Officer (CEO)' of the Company, for a period of five years from May 19, 2016 to May 18, 2021, subject to the approval of the Shareholders at the Annual General Meeting.

Brief resume of Mr. Utkarsh Munot, along with the particulars stipulated under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given herein under and forms part of the Notice.

The terms of employment mentioned in the proposed resolution at item no 6, may be treated as a written memorandum setting out the terms of appointment of Mr. Utkarsh Munot under Section 190 of the Act.

The Board of Directors recommends the Ordinary Resolution for approval of the Members of the Company, subject to the necessary permission, if required, as laid down in the item no. 6.

None of the Directors or any other key managerial personnel of the Company or relatives thereof, except Mrs. Eitika Munot and Mr. Dinesh Munot, being relatives of Mr. Utkarsh Munot and Mr. Utkarsh Munot, himself, is concerned or interested, whether financially or otherwise, in this resolution.

#### **Item No. 7**

Pursuant to the Proviso to Section 203(1) of the Companies Act, 2013, an individual shall not be appointed or re-appointed as the

chairperson of a company, in pursuance of the articles of the company, as well as the managing director or Chief Executive Officer of the company at the same time, after the date of commencement of Companies Act, 2013, unless (a) the articles of such a company provide otherwise; or (b) the company does not carry multiple businesses.

The resolution at Item No. 7 of the Notice, to be passed as special resolution, is to amend the Articles of Association of the Company and grant approval/ permission for appointment of an individual simultaneously as the Chairperson of the Company and as the Managing Director or the Chief Executive Officer of the Company.

A copy of the Articles of Association of the Company together with the proposed alteration would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or any other key managerial personnel of the Company or relatives thereof, except Mr. Jinendra Munot, Mr. Utkarsh Munot and Mrs. Eitika Munot, being relatives of Mr. Dinesh Munot and Mr. Dinesh Munot, himself, is concerned or interested, whether financially or otherwise, in this Resolution.

#### **Item No. 8**

Mr. Dinesh Munot was re-appointed as the 'Chairman and Managing Director' of the Company for a period of 5 years with effect from December 14, 2011 to December 13, 2016, which appointment was approved by the Members of the Company in their 32nd Annual General Meeting held on July 28, 2012.

As per the requirement of the Schedule V Part I (c) of the Act, if a Managing or Whole Time Director has attained the age of 70 years, then his appointment/ continuation needs to be approved by a special resolution passed by the Company in General Meeting, no further approval of the Central Government shall be necessary for such appointment.

Mr. Dinesh Munot is a graduate in Electrical Engineering from M.I.E. He has over 42 years' experience in the Automotive Industry. He has been the driving force behind the Company and has successfully steered the Company's operations since 1986. In the year 2010, he was appointed as Chairman and Managing Director of ZF Steering Gear (India) Limited. He was elected as 'President' of Automotive Components Manufacturers Association of India (ACMA). He was bestowed with 'Lifetime Achievement Award' by the Nagar Road Industry Chamber of Commerce, Pune. Keeping in view that Mr. Dinesh Munot has rich and varied experience in the Industry and has been thoroughly involved in the day-to-day operations of the Company, over a long period of time, it would be in the best interest of the Company to continue Mr. Dinesh Munot as the Chairman and Managing Director.

Mr. Dinesh Munot will attain the age of 70 years on December 8, 2017.

Based on the recommendation of the Nomination and Remuneration Committee of Directors, the Board re-appointed Mr. Dinesh Munot as the 'Chairman and Managing Director' of the Company, for a period of five years from July 28, 2016 to July 27, 2021, subject to the approval of the Members at the Annual General Meeting including approval as envisaged by the provisions of section 196(3) of the Act. Considering experience, expertise and in-depth knowledge of Mr. Dinesh Munot regarding the business of the Company and the products being manufactured by the Company; the Board of Directors and the Nomination and Remuneration Committee of Directors thought it fit to renew the contract of employment with Mr. Dinesh Munot for a further period of 5 years and revise his remuneration, considering the industry standards. Accordingly, it is recommended that the Members of the Company should consider and approve this proposal.

Brief resume of Mr. Dinesh Munot, along with the particulars stipulated under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given herein under and forms part of the Notice.

The terms of employment mentioned in the proposed resolution at item no 8, may be treated as a written memorandum setting out the terms of appointment of Mr. Dinesh Munot under Section 190 of the Act.

The Board of Directors recommends the Special Resolution for approval of the Members of the Company, subject to the necessary permission, if required, as laid down in item no. 8.

None of the Directors or any other key managerial personnel of the Company or relatives thereof, except Mr. Jinendra Munot, Mr. Utkarsh Munot and Mrs. Eitika Munot, being relatives of Mr. Dinesh Munot and Mr. Dinesh Munot, himself, is concerned or interested, whether financially or otherwise, in this Resolution.

#### Item No. 9

The Company may require to borrow or arrange loans/ credit facilities in future from various sources to meet expenditure on its projects, to augment its working capital needs, to repay/ prepay high cost debts or other purposes in the course of its business. The Company may be required to create charges over its assets, properties etc. by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders, for the purpose of securing the such loan/ credit facilities.

As per the provisions of the Section 180(1) (a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking/s, unless approval of the Members is obtained by way of a special resolution.

Accordingly, the Board recommends the special resolution set forth in item no. 9 of the notice, for approval of the Members.

None of the Directors, key managerial personnel and their relatives is in any way concerned or interested in this resolution.

#### Profile of the Directors being appointed/ re-appointed as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India.

Particulars	Mr. Ludwig Rapp	Mr. Soumitra Bhattacharya	Mr. Utkarsh Munot	Mr. Dinesh Munot
<b>DIN</b>	00700693	02783243	00049903	00049801
<b>Type</b>	Non-Executive Non- Independent	Non-Executive Non- Independent	Chief Executive Officer (CEO)	Chairman and Managing Director
<b>Age</b>	59 years	56 years	36 years	68 years
<b>Date of Appointment</b>	July 17, 2003	November 4, 2015	October 31, 2006	November 8, 1986
<b>Qualification</b>	Degree in Engineering and Economics.	Chartered Accountant (ICAI)	B.E. (Mech. & Mfg. Engg.) U.S.A.	Diploma in Business Admin. U.S.A., B.E. (Ele.) M.I.E
<b>Expertise in Specific Functional areas</b>	Mr. Rapp has Rich experience in field of Engineering and Logistics.  He is Vice-President-Commercial Vehicles Steering Systems at Robert Bosch Automotive Steering, GmbH, Germany.  He has worked in the position of General Manager at Elring Klinger- Plant Dettingen. He has also worked for Standard Lorenz AG, Mannheim.	Mr. Soumitra Bhattacharya has a rich experience in the areas of Systems, Materials, Finance, Accounts, Human Resource Development and Taxation.  He is presently the Joint Managing Director and Chief Financial Officer of the Bosch Limited, Bangalore.  Earlier, he served Bosch Limited as Vice President responsible for Commercial functions of their Nashik and Jaipur Plants and in charge of Corporate Planning & Controlling.  Mr. Bhattacharya has also served as Commercial Director of Robert Bosch Turkey and General Manager at the Feuerbach Plant.	Mr. Utkarsh Munot is currently fully responsible for entire works management, including materials management, spare parts, Marketing and after sales service, logistics, Human Resources, New Product Development etc.	Mr. Dinesh Munot is Professional Engineer, having over 42 years' experience in the Automotive Industry.  In the year 2010, he took charge as the Chairman and Managing Director of ZF Steering Gear (India) Limited.



Particulars	Mr. Ludwig Rapp	Mr. Soumitra Bhattacharya	Mr. Utkarsh Munot	Mr. Dinesh Munot
<b>Other Directorships held in India</b>	Nil	<ul style="list-style-type: none"> <li>- Bosch Limited</li> <li>- Bosch Electrical Drives India Private Ltd.</li> <li>- MICO Trading Private Ltd.</li> <li>- Robert Bosch Automotive Steering Private Ltd.</li> <li>- Automotive Component Manufacturers Association of India.</li> <li>- Automotive Component Manufacturers Association of India.</li> </ul>	<ul style="list-style-type: none"> <li>- Emtech Solutions Pvt. Ltd.</li> <li>- Devashree Pvt. Ltd.</li> <li>- DM South India Hospitality Pvt. Ltd.</li> <li>- Yelben Engineering Pvt. Ltd.</li> <li>- B U Bhandari M &amp; M Realtors Pvt. Ltd.</li> <li>- Spiral EHL Engineering Private Limited.</li> </ul>	<ul style="list-style-type: none"> <li>- Sanghvi Movers Ltd.</li> <li>- Robert Bosch Automotive Steering Pvt. Ltd</li> <li>- Emtech Solutions Pvt. Ltd.</li> <li>- DM South India Hospitality Pvt. Ltd.</li> <li>- B U Bhandari M &amp; M Realtors Pvt. Ltd.</li> <li>- Yelben Engineering Pvt. Ltd.</li> <li>- Spiral EHL Engineering Pvt. Ltd.</li> </ul>
<b>Membership of Committees (in the Company)</b>	Nil	Nil	Corporate Social Responsibility (CSR) Committee	Corporate Social Responsibility Committee (CSR)
<b>Membership of Committees (Others)</b>	Nil	<ul style="list-style-type: none"> <li>In Bosch Limited-</li> <li>- CSR Committee</li> <li>- Risk Management Committee – Chairman</li> <li>- Executive Committee of Automotive Component Manufacturers Association of India (ACMA).</li> </ul>	Nil	Audit Committee – Member of Sanghvi Movers Ltd.
<b>No. of Equity Shares held in the Company</b>	Nil	Nil	1,191,494 equity shares of Rs. 10 each	9,49,290 equity shares of Rs. 10 each
<b>Relationship between directors/ Managers/ KMP inter-se</b>	None	None	Mr. Utkarsh Munot is husband of Mrs. Eitika Munot and son of Mr. Dinesh Munot, Directors of the Company.	Mr. Dinesh Munot is brother of Mr. Jinendra Munot, father of Mr. Utkarsh Munot and father-in- law of Mrs. Eitika Munot, Directors of the Company.
<b>Number of Board Meetings attended during the financial year 2015-16</b>	Two out of Five	Two out of Three	Four out of Five	Five out of Five

By Order of the Board of Directors  
For ZF Steering Gear (India) Ltd.

**Satish Mehta**  
Company Secretary  
Membership No. : F3219

July 28, 2016  
Registered Office:  
Gat No. 1242/44, Village Vadu Budruk,  
Tal. Shirur, Dist. Pune - 412 216.  
CIN: L29130PN1981PLC023734

## Directors' Report

To the Members,

The Directors have pleasure in presenting the 36th Annual Report and the Company's Financial Statement for the financial year ended March 31, 2016.

### Financial Results

(Rs. in Million)

	2015-2016	2014-15
<b>Sales (net) and other Income</b>	<b>3872.6</b>	3395.6
Profit before depreciation and tax	830.0	662.1
Depreciation and amortization expenses	247.4	234.4
Profit before Tax (PBT)	582.6	427.6
Tax Expense	132.0	72.0
Profit for the year (PAT)	450.6	355.6
Balance Brought Forward from		
Previous year	14.0	18.8
Amount available for appropriation	<u>464.6</u>	<u>374.4</u>
<b>APPROPRIATIONS</b>		
General Reserve	--	240.4
Dividend and Tax thereon	136.5	109.2
Contribution to 'Prime Minister National Relief Fund'	--	10.8
Balance Carried Forward	328.1	14.0
	<u>464.6</u>	<u>374.4</u>

### Dividend

An Interim Dividend of Rs. 12.50 per share was declared and paid in March 2016. Your Directors do not recommend any further dividend for the financial year ended March 31, 2016.

### Management Discussion and Analysis

While World trade remains subdued, the Indian economy has held its ground firmly. A lot of confidence and hope continues to be built around India. The International Monetary Fund has hailed India as a 'bright spot' and has confirmed Indian economy as the world's fastest growing major economy. The Government has announced various measures aimed at providing an impetus to domestic manufacturing and enhancing ease of doing business and has increased budgetary allocation to infrastructure. Indian Economy has registered five-year high growth of around 7.6% in the Financial Year (F.Y.) 2015-16 (Source: Indian Statistical Office (CSO) of India data).

### Industry structure and developments

The recovery started in Medium and Heavy Commercial Vehicle sales post October 2014, gathered further momentum and witnessed 28% growth in sales, however, the Light Commercial

Vehicles sales were up just by 2.6%. Overall Commercial Vehicles segment registered growth of 12.2% for the year. (Source: SIAM - Society of Indian Automobile Manufacturers)

Your Company supplies its Mechanical Steering Gears to the Tractor industry. Deficient monsoon, drought like conditions and freak weather impacted agriculture and thereby tractor sales. Total Tractor sales for the F.Y. 2015-16 were down to 571,249 numbers (626,839 numbers in F.Y. 2014-15).

### Review of Operations and the State of Company's Affairs

#### Operations and Financial Performance of the Company

#### Auto Components

Comparative quantitative figures of Sales are as under:

(Numbers)

Type	2015-16	2014-15	Growth
Power Steering	246,647	206,107	20%
Mechanical Steering	116,245	136,717	-15%

Sales, in value terms, was up by 15.6%.

#### Renewable Energy-

##### Solar Energy

Your Company's 5 MW Solar Power Project at Gujarat Solar Park, Charnka Village, District Patan (Kutch) Gujarat generated 8.45 million Units of Electricity with sales-revenue of Rs. 94.5 million in the F.Y. 2015-16. The entire electricity is purchased by Gujarat Urja Vikas Nigam Limited (GUVNL), a Government of Gujarat Company.

##### Wind Energy

Seven Wind Turbine Machines, owned and operated by the Company, located in districts of Satara and Ahmednagar, having aggregate capacity of 6.7 MW, generated a total of 7.89 million units in the F.Y. 2015-16. All the units generated were used as captive consumption, which accounted for approximately 60.5% of the energy-consumption of the Company's factory at Village Vadu Budruk.

##### Other Income

During the financial year, Income received on financial-investments, held by the Company, was Rs. 36.71 million, lower compared to Rs. 60.95 million for the F.Y. 2014-15, due to lower divestments owing to lackluster financial markets.

##### Finance

Finance cost of the Company was Rs. 17.7 million against Rs. 8.5 million, in view of higher working capital requirement.

##### Investments

Total Investments went up by Rs. 272 million, from Rs. 1373.5 million at March 31, 2015 to Rs. 1645.8 million at March 31, 2016. Major portion of this Rs. 272 million was allocated towards the additional investment in the capital of the Joint Venture Company.

### Credit Rating

ICRA, the Credit Rating Agency, has reaffirmed the A+ and A1+ rating for long and short term borrowing of the Company.

### Profitability

Profit for the year jumped impressively from Rs. 355.6 million to Rs.450.6 million. Earnings Per Share is Rs. 49.67 for the year ended March 31, 2016.

### Outlook, Opportunities and Threat

The Indian auto industry (the industry) is one of the largest and one of the most competitive in the world. The industry is expected to perform better in the financial year 2016-17 in view of the improving macros – the Seventh Central Pay Commission bounty, softening interest rates, lower fuel cost and inflation. Steady replacement demand from large fleet operators will support sales growth in Medium and Heavy Commercial Vehicles and higher consumption demand will lead to higher sales of Light Commercial Vehicles. The Indian Commercial Vehicle Industry is witnessing sizeable investments by Original Equipment Manufacturers (OEMs) towards upgrading their product portfolio, introducing new models and expanding manufacturing capacities.

Government of India aims to make automobile manufacturing the main driver of 'Make in India' initiative and has set up a separate independent Department for Transport, comprising of experts from the automobile sector. Investments in road projects is expected to grow at a healthy pace during the next five years, led by the government's focus on the sector.

The main driver of the demand for tractors is monsoon. Indian Meteorological Department (I.M.D) has forecasted 'above-average' monsoon in the current year. This should boost the tractors sales.

Sustained economic growth of Indian economy continues to drive power demand in India. The Government of India's focus to attain 'Power For All' has accelerated capacity addition in the country. Solar as well as Wind energy market are expected to grow at a rapid pace.

### Subsidiaries, Associates and Joint Ventures

#### Consolidated Financial Statements

The Company does not have any subsidiary. However, the Company has a Joint-Venture with 'Robert Bosch Automotive Steering, GmbH' in the name of 'Robert Bosch Automotive Steering Private Limited'. It also becomes an Associate Company, since your Company's holding in the Joint-Venture exceeds 20%. This necessitates presentation of Consolidated Financial Statement of the Company with its Joint Venture/ Associate Company, in addition to its stand-alone Financial Statement, as per the provisions of the Companies Act, 2013.

The Annual Audited Consolidated Financial Statement together with the Report of the Auditors thereon forms part of this Annual Report.

### Joint Venture (JV)/ Associate Company

#### 'Robert Bosch Automotive Steering Private Limited'

The JV Company was incorporated in the year 2007. In April 2012, it started an assembly and manufacture of Steering Gears for Commercial Vehicles. Subsequently, in Financial Year 2013-14, the JV Company set-up a state of the art assembly line for of Electronic Power Steering Systems (EPS) for Passenger Cars; wherein series production has started and regular supplies are made for Tata Motors and Ford Passenger Cars. Further, the JV Company is in a process of installing a new assembly line for manual steering gears for Ford Passenger Cars. The Start of the production for the same has been planned in December 2016. All the above facilities are situated at Village Phulgaon, Alandi-Markal Road, Dist. Pune.

Additional capital, by way of Rights issues, has been raised by the JV Company. Consequently, the paid-up share-capital of the JV Company presently stands at Rs. 4,045 million and your Company holds 26% of the total paid up share-capital of the JV Company, as per the contractual and regulatory obligations. Total investment of the Company in the JV Company as of date stands at Rs. 1051.7 million. The Company, as per its obligations, continues to support the JV Company and has invested the additional equity capital in the JV Company. The JV Company plans to further raise additional capital, by way of Rights issue, in the current financial year.

The JV Company has reported a turnover of Rs. 1833 million and incurred a loss of Rs. 757.38 million for Financial Year 2015-16. The major contributor to the sales-revenue is EPS for passenger-cars.

A statement, pursuant to Section 129(3) of the Companies Act, 2013 (**the Act**) read with Rule 5 of the Companies (Accounts) Rules, 2014, containing the salient features of the financial statement of the JV Company is appended with the financial statement.

### Expansion and Capital Expenditure

#### Steering Gear Systems

The installed capacity of Power Steering has been enhanced from 3 lac units to 3.75 lac units per annum during the current Financial Year at Vadu Budruk Plant. The installed capacity of Mechanical Steering remains at 2 lac units per annum.

The Company is in a process to acquire an industrial plot at Pithampur, Madhya Pradesh, in order to expand the installed capacity and to have advantage of proximity with some of its major customers.

### Internal Control System and its Adequacy

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit is decided by the Audit Committee and the Board. There is an internal audit department which checks all the vouchers, financial reports, registers etc. To maintain its objectivity and independence, the Board has also appointed an external Auditor, which reports to the Audit Committee of the Board on a periodic basis.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies for various functions of the Company. Based on the report of Internal Auditor, process owners undertake corrective action wherever required in their respective areas and thereby strengthen the controls further. Audit observations and actions taken thereof are presented to the Audit Committee of the Board.

The Company's Audit Committee regularly reviews the financial management reports and data, and interacts with the External and Internal Auditors for ascertaining the adequacy of internal controls.

### Human Resources/ Industrial Relations

The industrial relations remained cordial during the year. As at end of March 31, 2016, the Company had 565 permanent employees on its roll.

### Cautionary statement

The above 'Management Discussion and Analysis Report' is a forward looking Statement based on the Company's projections, estimates and perceptions. These statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Actual results may vary materially from those projected here.

### Conservation of Energy, Research and Development, Technology Absorption and Innovation, Foreign Exchange Earnings and Outgo:

The details as required under the Companies (Accounts) Rules, 2014 are given in Annexure - I to this Report.

### Directors and Key Managerial Personnel

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 89 of the Articles of Association of the Company, the Board of Directors of your Company, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Soumitra Bhattacharya as an Additional Director (non-executive Non-independent Director) of the Company, with effect from November 4, 2015 and he shall hold office up to the date of the forthcoming 36th Annual General Meeting and is eligible for appointment. A notice, as per the provisions of Section 160 of the Act has been received from a member signifying his intention to propose the appointment of Mr. Bhattacharya as Director of the Company.

At the ensuing Annual General Meeting, Mr. Ludwig Rapp, retires by rotation and being eligible, offers himself for re-appointment.

Mr. Utkarsh Munot's tenure as 'Executive Director' was due for renewal on or before October 31, 2016. Considering his outstanding performance, capacity to shoulder higher responsibilities and based on the recommendation of the Nomination & Remuneration Committee, the Board decided to promote Mr. Utkarsh Munot to the position of 'Chief Executive Officer (CEO)' of the Company, with effect from May 19, 2016, with the revised terms of appointment. Similarly, Mr. Dinesh Munot has been re-appointed as Chairman and Managing Director for a Period of five years with effect from July 28, 2016.

The resolutions for the above appointments/ re-appointments along with brief Profiles of Mr. Soumitra Bhattacharya, Mr. Ludwig Rapp, Mr. Utkarsh Munot and Mr. Dinesh Munot as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Notice of the 36th Annual General Meeting. The Board recommends these resolutions.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence, as prescribed both under the Act and under the Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(the Listing Regulations)**.

The Company has devised a Policy, for performance evaluation of Independent Directors, Board, Committees and other individual Executive/ Non-Executive Directors. The Policy includes criteria for performance evaluation. The criteria are based upon age, experience, quality of participation in Board/ Committee proceedings, attendance at meetings, contribution by strategic inputs and others. The criteria along with additional requirements prescribed by Section 149 of the Act are used for selection of Independent Directors. The Company carried out the performance evaluation during the year.

During the period, there was no change in the Key Managerial Personnel of the Company, except the change in the designation of Mr. Utkarsh Munot.

### Directors' Responsibility Statement

Your Directors state that:

- i) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- ii) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a 'going concern' basis.
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



## Corporate Governance Report

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is given in Annexure - II along with the Auditors' Certificate on its compliance, which forms part of this report.

### Particulars of Loans given, Investments made, Guarantees given and Securities provided

The Company has not given any loan or guarantee or provided any security in connection with any loan covered under the provisions of Section 186 of the Act.

During the year, as stated above, the Company invested a sum of Rs. 176.80 million in the equity shares of the JV Company. The Company liquidated some of its investments and also made some fresh investments. The details of the investments, including as of April 1, 2015, changes during the year and held as on March 31, 2016, are disclosed in the Note no. 11 to the financial statement.

### Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company with related parties during the financial year were on an arm's length basis and were in the ordinary course of business. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Considering the provisions of Section 134 of the Act, as all transactions with related parties referred to sub-section (1) of Section 188 of the Act and exemption is available only from the procedural compliance for transactions, which are in ordinary course of business and based on arm's length prices, the disclosure in the prescribed Form AOC – 2, including part 2 thereof is attached as Annexure III to this Report.

### Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Act and as per the Companies (Corporate Social Responsibility) Rules, 2014, read with various clarifications issued by the Ministry of Corporate Affairs, the Company has framed a CSR Policy, which is available on the Company's website [www.zfindia.com](http://www.zfindia.com). The Company has undertaken activities as per the CSR Policy. The Annual Report on CSR activities is annexed herewith marked as Annexure IV.

### Risk Management

The Audit Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, legal, information technology, Regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company manages monitors and reports on the major risks and uncertainties, those can impact its ability to achieve its strategic objectives. The Company has introduced several

improvements in internal control management to drive a common integrated view of risks, optimal risk mitigation, responses and efficient management of internal control and assurance activities.

### Auditors and Auditors' Report

#### Statutory Auditors

M/s. MGM and Company, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed (i) their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits prescribed under the Act, (ii) that they are not disqualified for re-appointment and (iii) they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### Secretarial Auditor

The Board had appointed Mr. I. U. Thakur (PCS Registration No. 1402), Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the same is annexed herewith as Annexure V. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### Disclosures

#### Meetings of the Board

Five meetings of the Board of Directors were held during the financial year. Detailed information is given in the Report on Corporate Governance, forming part of this Annual Report.

#### Committees of the Board

##### Audit Committee

The Audit Committee comprises Independent Directors namely Mr. S. A. Gundecha (Chairman), Mr. M. L. Rathi and Mr. Jitendra A. Pandit as other members. All the recommendations made by the Audit Committee were accepted by the Board.

The details of all committees and its terms of reference are set out in the Corporate Governance Report.

##### Remuneration Policy

The Board, has on the recommendation of the Nomination & Remuneration Committee, approved a policy for selection, appointment and remuneration of directors and senior management. The detailed Remuneration Policy is placed on the Company's website [www.zfindia.com](http://www.zfindia.com).

##### Vigil Mechanism/ Whistle Blower Policy

The Vigil Mechanism of the Company also incorporates a whistle blower policy, in terms of the Listing Agreement. Protected disclosures can be made by a whistle blower through an e-mail/ telephone/ letter to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and Whistle Blower may be accessed on the website of the Company at [www.zfindia.com](http://www.zfindia.com).

## Extract of the Annual Return

Extract of the Annual Return of the Company in Form MGT 9 is annexed herewith as Annexure VI to this Report.

## Particulars of Employees and related disclosures

Considering the provisions of Section 197(12) of the Act read with the relevant rules and having referred to provisions of the First Proviso to Section 136(1) of the Act, the Annual Report is being sent to the members of the Company, excluding details of particulars of employees and related disclosures. The said information/ details are available for inspection at the Registered Office of the Company during working hours, on any working day. Any Member interested in obtaining this information may write to the Company Secretary and this information would be provided on request.

### Disclosure – Policy on Prevention of Sexual Harassment at Workplace

The Company has in place, a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013' and the Rules framed thereunder. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, temporary, trainee etc.) are covered under this Policy. During the year, no complaint with allegation of sexual harassment was received by the Company.

### General

1. The Company held no deposits at the beginning of the year, nor accepted any deposits during the year under report.
2. All equity shares issued by the Company rank pari- passu in respect of right to receive dividend, voting rights or otherwise.

## Annexure I to the Directors' Report 2015-16

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo** (pursuant to Rule 8(3) of The Companies (Accounts) Rules, 2014)

### A. Conservation of Energy

- Automatic power factor controller installed for entire factory to maintain power factor at unity.
- Factory shop floor's 250 W and 150 W overhead lamps replaced by 48W LED lamps, which provide better illumination and save energy.
- Waste-water treated and recycled for gardening.
- LPG consumption reduced from 22 tons to 13 tons by adding efficient furnaces.

### Wind Energy

Seven Windmills, of aggregate 6.7 MW capacities, generated 7.89 million units of electricity in F.Y. 2015-16, which was captively consumed in the Company's plant at Vadu Budruk. This covered 60.5% of total power consumption of that plant for the year.

### Solar Energy

The Company's Solar Energy Plant generated 8.55 million units of electricity in FY 2015-16. These units were sold to GUVNL (Gujarat Urja Vikas Nigam Limited), as per the PPA (Power Purchase Agreement) signed with Government of Gujarat.

### B. Technology Absorption, Research And Development

#### 1) Efforts made towards Technology Absorption

- a. Process/ equipment developments – New test-rigs for functional-test made operational
- b. Value engineering and value analysis (VEVA) – Double-barrel power steering gear productionised.
- c. Up-gradation of existing products to the need of customers PAS for Tractors introduced.
- d. Modernization and automation of the plant to produce and test the products to its accuracy.

3. During the year under report, no shares were issued as sweat equity to any of the employees or others.
4. As the Company does not have any subsidiary, no remuneration was received by any Whole-time Director of the Company from a subsidiary.
5. During the year under report, no strictures or material orders were passed by any Regulator or a Court or a Tribunal, which may impact on the going concern status of the Company or its operations in future.
6. There are no material changes or commitment affecting the financial position of the Company from March 31, 2016 till date of this Report.
7. There has been no instance of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

## Acknowledgement

The Board of Directors takes this opportunity to thank its Customers, Members, Suppliers, Bankers, Business partners/ Associates and the Government Authorities for the Support and co-operation received to the Company. The Board also acknowledges the understanding and support of all Company's employees.

**For and on behalf of the Board of Directors**

**Pune**  
**July 28, 2016**

**Dinesh Munot**  
**Chairman & Managing Director**

- e. Import substitutes – Developed 'Valve Block' and 'Radial Piston Pump' for customers.

#### 2) Benefits derived as a result of the above efforts

- a. Product quality and cost reduction
- b. Improvement in market share
- c. Indigenization of various components
- d. Reduction in foreign exchange outgo
- e. Conveyorise movement of material from assembly, painting and to dispatch eliminates non value adding man power.
- f. Improvements in Manufacturing methods and quality standards.
- g. Aiming towards self sufficiency in engineering skills for manufacturing range of steering gears and connected products.
- h. Development of cost effective, high performance engineering products.

#### 3) Imported Technology in last three years - Nil

#### 4) Expenditure on R & D

The Company has so far incurred Capital-expenditure of Rs. 45.66 million on R & D.

#### C. Foreign Exchange Earnings and Outgo

- |  |                    |
|--|--------------------|
| a. Earnings in Foreign Exchange              | Rs. 56.79 million  |
| b. Expenditure in Foreign Exchange           | Rs. 10.45 million  |
| c. Value of Imports calculated on CIF basis- |                    |
| - Raw Material, Components etc               | Rs. 211.03 million |
| - Capital Goods                              | Rs. 114.63 million |

**For and on behalf of the Board of Directors**

**Pune**  
**July 28, 2016**

**Dinesh Munot**  
**Chairman & Managing Director**

## Annexure II to the Directors' Report

### Corporate Governance Report

#### 1. Company's Philosophy on Corporate Governance:

The Company is fully committed to attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its shareholders, employees, suppliers, customers and the government.

The Company believes that all its operations and actions must serve the underlying goals of achieving business excellence and increasing long-term shareholder value.

#### Ethics/ Governance Policies:

The Company employees and the Board adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. The Company has adopted various codes and policies to carry out the functions/ duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Policy on Determination of Materiality for Disclosure of Events or information
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Policy on Corporate Social Responsibility
- Policy for Selection of Directors and determining Directors Independence
- Remuneration policy for Directors, Key Managerial Personnel and other Employees.

#### 2. Board of Directors:

As on March 31, 2016, the Company's Board comprised 12 Directors (out of which more than half of the Directors are Independent Directors) with Mr. Dinesh Munot as the Chairman & Managing Director.

The Board evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

#### Independent Directors:

The Company has appointed Independent Directors who are renowned persons having expertise/ experience in their respective fields/ professions. None of the Independent Directors is Promoter or related to Promoters. They do not have pecuniary relationship with the Company

and further do not hold two percent or more of the total voting power of the Company. None of the Independent Directors of the Company serves as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies. All the Independent Directors hold office for five consecutive years from the date of their respective appointment. The Company has issued letter of appointment to all the Independent Directors, as per Schedule IV to the Companies Act, 2013 (the Act), containing the terms and conditions of their appointment.

#### Familiarization Programs

The Board members are provided with necessary documents, reports, updates on statutory changes and internal policies to enable them to familiarize with the Company's procedures and practices.

With a view to familiarizing the independent directors with the Company's operations, as required under the (erstwhile) Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the Company has held various familiarization programs for the independent directors. The details of familiarization programs are placed on the Company's website [www.zfindia.com](http://www.zfindia.com).

#### Board Meetings and Board-Committee Meetings

As on March 31, 2016, the Board has four Committees, namely the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility (CSR) Committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on business needs.

#### Number of Board Meetings held with dates

The Board Meetings dates are normally pre-determined. During the year ended on March 31, 2016, the Board of Directors had 5 meetings. These were held on May 7, 2015, July 28, 2015, November 4, 2015, February 4, 2016 and March 10, 2016.

The information including as specified in the (erstwhile) Listing Agreement/ the Listing Regulations is regularly made available to the Board, whenever applicable and materially significant, for discussion and consideration. The Company's Board/ Committees are presented with detailed notes, along with agenda papers, well in advance of the meetings. The Agendas for the Board/ Committee Meetings is set by the Company Secretary in consultation with the respective Chairman.

Details of Composition of the Board, category, attendance of Directors, number of other committee memberships are given below:

Sr. No.	Name of the Director	Category of Directorship	Attendance Particulars		No. of other directorship and committee membership/ chairmanship		
			Board Meetings during the F.Y. 2015-16	Last AGM Held on September 23, 2015	Other Directorship #	Committee Membership	Committee Chairmanship
1	Mr. Dinesh Munot (Chairman & Managing Director)	Executive (promoter)	5	Yes	7	1	-
2	Mr. Jinendra Munot (Jt. Managing Director)	Executive (promoter)	5	Yes	5	1	-
3	Mr. Utkarsh Munot (Chief Executive Officer)	Executive (promoter)	4	Yes	5	-	-
4	Mr. Manish Motwani	Non-Executive, Independent	5	-	11	-	-
5	Mr. Ludwig Rapp	Non-Executive (promoter)	2	-	-	-	-
6	Mr. M. L. Rathi	Non-Executive, Independent	4	Yes	11	5	3
7	Mr. Shridhar S. Kalmadi	Non-Executive, Independent	5	Yes	4	-	-
8	Mr. Ajinkya Arun Firodia	Non-Executive, Independent	3	-	7	-	-
9	Mr. Jitendra A. Pandit	Non-Executive, Independent	4	Yes	-	-	-
10	Mr. S. A. Gundecha	Non-Executive, Independent	4	-	1	-	-
11	Mrs. Eitika Munot	Non-Executive, (promoter)	4	Yes	-	-	-
12	Mr. Soumitra Bhattacharya (appointed w.e.f November 4, 2015)	Non-Executive, (promoter)	2	N.A.	5	1	1

# Includes Directorship in Private Companies.

#### Relationship between Directors Inter-se

1. Mr. Dinesh Munot and Mr. Jinendra Munot are brothers.
2. Mr. Dinesh Munot is father of Mr. Utkarsh Munot.
3. Mrs. Eitika Munot is wife of Mr. Utkarsh Munot.

#### Meetings of Board, Committees held during the year and Directors' attendance:

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility (CSR) Committee	Independent Directors Meeting
Meetings held	4	2	2	1	1
<b>Directors' Attendance</b>					
Mr. Dinesh Munot	4	N.A.	N.A.	1	N.A.
Mr. Jinendra Munot	N.A.	N.A.	N.A.	1	N.A.
Mr. Utkarsh Munot	4	N.A.	N.A.	-	N.A.
Mr. Manish Motwani	N.A.	2	N.A.	N.A.	1
Mr. M. L. Rathi	4	2	1	1	1
Mr. Ajinkya Arun Firodia	N.A.	N.A.	N.A.	N.A.	1
Mr. Shridhar S. Kalmadi	N.A.	N.A.	N.A.	N.A.	1
Mr. Jitendra A. Pandit	3	1	2	N.A.	1
Mr. S. A. Gundecha	4	N.A.	N.A.	N.A.	1
Mrs. Eitika Munot	N.A.	N.A.	2	*	N.A.

N.A. - Not a member of the Committee

\* - No CSR Committee Meeting has been held after Mrs. Eitika Munot became Member of the CSR Committee.



### 3. Audit Committee:

During the year under review, the following Directors were the members of the Audit Committee (**the Committee**). Members: Mr. S. A. Gundecha– Chairman, Mr. M. L. Rathi and Mr. Jitendra A.Pandit. All the members of the Committee are Non-Executive Independent Directors. The role, powers and functions of the Audit Committee meet with requirements of Section 177 of the Act as well as the (erstwhile) Listing Agreement/ the Listing Regulations. During the year, the Board entrusted the functions of the Risk Management Committee of the Company to the Audit Committee and the Risk Management Committee was dissolved. The Audit Committee regularly reviews the risk management strategy of the Company to ensure the effectiveness of the risk management policies and procedures.

In addition to the members of the Committee, these meetings were attended by the Chairman & Managing Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Internal Auditor and the Statutory Auditors of the Company, as the permanent invitees. The Company Secretary acted as the Secretary to the Committee.

The Committee reviews the financial statements before they are placed before the Board.

During the period under review, the Committee met 4 times on May 2, 2015, July 28, 2015, November 4, 2015 and February 4, 2016. The attendance record of the members of the Committee is given above (under Point No. 2) in tabular form.

The Minutes of the Committee Meetings are noted by the Board of Directors at the Board Meetings.

### 4. Nomination and Remuneration Committee (earlier 'Remuneration Committee'):

During the year under review, following Directors were the members of the Nomination and Remuneration Committee (**the Committee**). Members: Mr. M. L. Rathi- Chairman, Mr. Manish Motwani and Mr. Jitendra A. Pandit. The Company Secretary acted as the Secretary to the Committee.

Terms of Reference of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board
- To devise a policy on Board diversity
- To recommend/ review remuneration of the Executive Directors based on their performance and defined assessment criteria

The Minutes of the Committee Meetings are noted by the Board of Directors at the Board Meetings.

During the financial year, the Committee met on July 28, 2015 and November 4, 2015. The attendance record of the members of the Committee is given above (under Point No. 2) in tabular form.

The Chairman of the Nomination and Remuneration Committee was present at the 35th Annual General Meeting of the Company held on September 23, 2015.

#### Remuneration Policy

The Nomination and remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The policy is in consonance with the existing industry practice. The

detailed Remuneration Policy is placed on the Company's website [www.zfindia.com](http://www.zfindia.com).

#### Performance Evaluation:

The Committee lays down the criteria for performance evaluation of Independent directors and other directors, Board of Directors and Committees of the Board of Directors. The Criteria for performance evaluation covers the areas relevant to their functioning as independent directors or other directors, member of Board or Committees of the Board. The criteria are placed on the Company's website [www.zfindia.com](http://www.zfindia.com).

#### Policy on Board Diversity:

The Committee devises the policy on Board diversity to provide for having a broad experience and diversity on the Board.

#### Details of remuneration paid/ payable to the Whole-time Directors for the year ended March 31, 2016 are as under:

(Amount in Rs.)

	Mr. Dinesh Munot	Mr. Jinendra Munot	Mr. Utkarsh Munot
Salary	24,601,522	13,593,978	7,569,699
Perquisites	1,951,349	2,365,998	1,647,518
Commission	Nil	Nil	5,000,000*
<b>Total</b>	<b>26,552,871</b>	<b>15,959,976</b>	<b>14,217,217</b>
<b>Tenure</b>			
From	28.07.2016	01.04.2013	19.05.2016
To	27.07.2021	31.03.2018	18.05.2021

\* Payable after approval of Financial Statements by Members at the forthcoming Annual General Meeting to be held on September 28, 2016

#### Details of remuneration paid to Non-Executive Directors for the year ended March 31, 2016 are as under:

The Company pays sitting fees to all the Non-Executive Directors at the rate of Rs. 20,000 for each Board Meeting and Committee meeting attended.

Name	Sitting Fees		Total Fees (Rs.)
	Board Meeting Fees (Rs.)	Committee Meeting Fees (Rs.)	
Mr. Manish Motwani	100,000	60,000	160,000
Mr. Ludwig Rapp*	Nil	Nil	Nil
Mr. M. L. Rathi	80,000	200,000	280,000
Mr. Shridhar S. Kalmadi	100,000	20,000	120,000
Mr. Ajinkya Arun Firodia	60,000	20,000	80,000
Mr. Jitendra A. Pandit	80,000	160,000	240,000
Mr. S. A. Gundecha	80,000	120,000	200,000
Mrs. Eitika Munot	80,000	40,000	120,000
Mr. Soumitra Bhattacharya	40,000	Nil	40,000

\* Opted not to accept any sitting fees.

None of the Non-Executive Directors was paid any incentive or commission during the year. There was no other pecuniary relationship or transaction with any Non-Executive Director of the Company, during the year.

None of the Non-Executive Directors, except Mr. S. A. Gundecha, who holds 1,250 shares of the Company, holds any share in the Share capital of the Company.

## 5. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee' (**the Committee**) is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' grievances. The Committee looks into redressing of shareholders' complaints like transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc. and recommends measures for overall improvement in the quality of investor services.

The Committee's composition and the terms of reference meet with the requirements of the (erstwhile) Listing Agreement/ the Listing Regulations and provisions of the Act.

During the year under review, following Directors were the members of the Committee. Members: Mr. Jitendra A. Pandit - Chairman, Mr. M. L. Rathi and Mrs. Eitika Munot. The Company Secretary acted as the Secretary to the Committee.

During the financial year, the Committee met on May 7, 2015 and November 4, 2015. The attendance record of the members of the Committee is given above (under Point No. 2) in tabular form.

The Company has an efficient system of dealing with investors' grievances. The Chairman & the Managing Director of the Company takes personal interest in all matters of concern for investors. Mr. Satish Mehta - Company Secretary, being the Compliance Officer, carefully looks into each issue and reports the same to the Committee.

The total number of complaints received and resolved to the satisfaction of shareholders, during the year under review, was five. All the complaints were redressed to the satisfaction of the shareholders.

## 6. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility Committee (**the Committee**) is primarily responsible for formulating and recommending to the Board a Corporate Social Responsibility (CSR) policy and reviews/ monitors the Corporate Social Responsibility(CSR) projects and expenditure undertaken by the Company.

The Committee's constitution and terms of reference meet with the requirements of the Act.

During the year under review, the following Directors were the members of the Committee. Members: Mr. Dinesh Munot- Chairman and Managing Director, Mr. Jinendra Munot- Jt. Managing Director, Mr. Utkarsh Munot- Chief Executive Officer and Mr. M. L. Rathi – Independent Director. The Board at its meeting held on March 10, 2016 inducted Mrs. Eitika Munot- Non Executive Non Independent Director, as a member in the Corporate Social Responsibility Committee. The Company Secretary acted as the Secretary to the Committee.

During the financial year, the Committee met on March 10, 2016. The attendance record of the members of the Committee is given above (under Point No. 2) in tabular form.

## 7. Separate meeting of the Independent Directors

The Independent Directors met on March 10, 2016, without the presence of Non Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

## 8. General Body Meetings:

Location and time for last 3 years' General Meetings were as:

Year	AGMs	Location	Dates	Time	Special Resolutions Passed
2012-13	33rd AGM	<b>Registered. Office:</b> Gat No. 1242/ 44, Village- Vadu- Budruk, Tal . Shirur, Dist- Pune- 412216	28.07.2013	4.00 p.m.	Special Resolution under Section 314 of the Companies Act, 1956 was passed.
2013-14	34th AGM		30.07.2014	4.00 p.m.	No Special Resolution was passed.
2014-15	EGM		27.03.2015	4.00 p.m.	No Special Resolution was passed.
2014-15	35th AGM		23.09.2015	4.00 p.m.	No Special Resolution was passed.

## Postal Ballot:

During the year, no special resolution was passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing of Special Resolution through postal ballot.

## 9. Disclosures:

- Transactions with related parties, as per requirements of Accounting Standard 18 (AS 18), are disclosed in the Notes annexed to Audited Financial Statements and in Form AOC-2 (as applicable) forming part of Director's Report.
- The Company has not entered into any transaction of a material nature, with any of the Related Parties, that may have a potential conflict with the interests of the Company at large. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The Policy is also available on the website of the Company ([www.zfindia.com](http://www.zfindia.com)).
- With regard to matters related to capital markets, the Company has complied with all requirements of the (erstwhile) Listing Agreement/ the Listing Regulations as well as the other regulations and guidelines of SEBI. No penalties were imposed or strictures passed against the Company by SEBI, BSE Limited or any other statutory authority during the last three years in this regard.
- Disclosures have also been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, there were no such transactions during the financial year 2015-16 having potential conflict with the interest of the Company at large.

## 10. Risk Management Framework:

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

## 11. Code of Conduct

The updated Code of Conduct (**the Code**) includes duties of Independent Directors. The Code is available on the website of the Company [www.zfindia.com](http://www.zfindia.com).

Pursuant to the provisions under the (erstwhile) Listing Agreement/ the Listing Regulations, a Confirmation from the Chairman & Managing Director regarding compliance with the Code by all the Directors and Senior Management forms part of this Report.

## 12. Code of Conduct for Prevention of Insider Trading:

During the Financial Year under review, SEBI revised the regulations pertaining to (Prohibition of Insider Trading) Regulations, 2015 by repealing the earlier regulations in this regard. In accordance with the

revised regulations, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading (the Code) duly approved by the Board of Directors of the Company with effect from May 15, 2015. Mr. Satish Mehta, Company Secretary, is the Compliance Officer for the purpose of this Code.

### 13. Whistle Blower Policy:

The Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors and employees to report unethical behavior, actual or suspected fraud or violation of applicable laws and regulations and the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Directors(s)/ employee(s).

The Company hereby affirms that no Director/ employee was denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Whistle Blower Policy has been disclosed on the Company's website- [www.zfindia.com](http://www.zfindia.com).

### 14. Means of Communication:

Quarterly Financial Results: The Quarterly Financial Results of the Company are published in the following leading 'Business Standard' (English newspaper) and 'Prabhat' (Marathi newspaper) and are also displayed on the Company's website, [www.zfindia.com](http://www.zfindia.com). The Results are also electronically filed on 'BSE Corp Filing'[www.corpfiling.co.in](http://www.corpfiling.co.in) and on 'BSE Listing Centre'.

News, Press Releases etc.: They are sent to BSE Limited as well as uploaded on the Company's website.

Presentations to Institutional Investors/ Analysts: During the year, no such presentations have been made.

Website: The Company's website [www.zfindia.com](http://www.zfindia.com) contains a separate section 'Investors' where all important public domain information including information mandated to be provided pursuant to the Act and the (erstwhile) Listing Agreement/ Listing Regulations can be accessed. The Company's Annual Report (in a downloaded form), Quarterly Financial Results, Quarterly Shareholding Pattern, Chairman's Speech etc. are available on the site.

### General Shareholder Information:

#### 36th Annual General Meeting:

<b>Day, date and time</b>	<b>Wednesday, September 28, 2016 at 3 p.m.</b>
<b>Venue</b>	Registered. Office: Gat No. 1242/1244, Village – Vadu Budruk, Tal. Shirur, Pune- 412 216.

#### Financial Calendar (tentative):

The Company follows the period of April 1 to March 31, as the Financial Year. For the Financial Year 2016-17:

Adoption of Quarterly Results for	
Quarter ending	In the Month of
June 30, 2016	July 2016
September 30, 2016	November 2016
December 31, 2016	January 2017
Annual Accounts	May 2017
37th Annual General Meeting	July 2017

**Book Closure:** September 26, 2016 to September 28, 2016 (both days inclusive).

#### Dividend and Dividend Payment Date:

The Company, for the financial year 2015-16 (**the year**), declared and paid Interim Dividend @ Rs.12.50 per share in March 2016. The Board has not recommended any further dividend for the year.

### Unclaimed Dividend

Unclaimed dividend for the years prior to and including the FY 2007-08 has been transferred to the General Revenue Account/ the Investor Education and Protection Fund (**IEPF**), set up by the Central Government, as applicable. The shareholders who have not encashed their dividend drafts for the financial year 2009-10 are requested to claim the amount from the Company. As per the relevant provisions, any dividend remaining unclaimed for a period of seven years shall be transferred to IEPF. No claims shall lie against the Company in respect of amount so transferred. Unclaimed Dividend for FY 2008-09 is due for transfer in August 2016.

**Listing on Stock Exchange:** The Company's Equity Shares are listed on BSE Limited, Phiroze Jeejebhoy Towers, Dalal Street, Mumbai 400 001. The Company has paid the annual Listing fees up to the financial year 2016-17.

#### Stock Code/ Symbol:

BSE	505163
International Securities Identification Number (ISIN)	INE116C01012
Corporate identity Number (CIN)- allotted by Ministry of Corporate Affairs	L29130PN1981PLC023734

#### Custodial Fees to Depositories:

Annual Custody/ Issuer fee up to the financial year 2016-17 has been paid by the Company to NSDL and CDSL.

#### Stock Market Data:

Market Price of Company's Share at BSE			BSE SENSEX		VOLUME
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	Number of Shares
APRIL 2015	1,370.00	975.00	29,094.61	26,897.54	169,263
MAY 2015	1,150.00	1025.00	28,071.16	26,423.99	77,312
JUNE 2015	1,120.00	1000.50	27,968.75	26,307.07	66,951
JULY 2015	1,595.25	1050.00	28,578.33	27,416.39	229,030
AUG 2015	2,118.00	1243.50	28,417.59	25,298.42	496,482
SEPT 2015	1,345.00	1110.00	26,471.82	24,833.54	128,222
OCT 2015	1,549.00	1250.00	27,618.14	26,168.71	124,020
NOV 2015	1,760.00	1315.00	26,824.30	25,451.42	227,817
DEC 2015	1,698.75	1440.00	26,256.42	24,867.73	104,729
JAN 2016	1,614.00	1173.75	26,197.27	23,839.76	74,300
FEB 2016	1,450.00	1045.00	25,002.32	22,494.61	111,584
MAR 2016	1,600.00	1133.00	25,479.62	23,133.18	146,759

#### Stock Performance:

Share Price Performance in comparison to broad based indices- BSE Sensex as on March 31, 2016.

	(% Change)	
	ZF India	BSE Sensex
FY 2015-16	44.6	-9.4
2 years	432.5	13.2
3 years	588.1	34.5
5 years	366.9	30.3

**Registrar and Transfer Agents:**

Link Intime India Pvt. Ltd.(website :www.linkintime.com) (email: pune@linkintime.co.in )	
<b>Pune Office</b> Block No. 202, Akshay Complex, Near Ganesh Temple, Pune- 411001 Phone No. (020) 2616 1629/ 26160084 Fax No. (020) 2616 3503	<b>Mumbai Office</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai- 400078 Phone No. (022) 2596 3838 Fax No. (022) 2594 6969

**Share Transfer System:**

Share-transfers are processed by Link Intime India Pvt. Ltd. and share-certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the shares to the Chairman & Managing Director and/ or Company Secretary. A summary of transfer/ transmissions so approved is placed at every Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly Certificate of Compliance with the Share-transfer formalities as required under the (erstwhile) Listing Agreement/ the Listing Regulations and files a copy of the said Certificate with BSE Limited.

**Shareholding Pattern as on March 31, 2016:**

Category	No. of Shares of Rs. 10 each	Percentage of shareholding
Indian Promoters (Munot Family)	4,343,139	47.87
Foreign Promoter (Robert Bosch Automotive Steering, GmbH)	2,340,155	25.79
Banks, Financial Institutions, Insurance Companies	1,650	0.02
Mutual Funds	80,664	0.89
Foreign Portfolio Investors	18,134	0.20
Private Corporate Bodies	174,397	1.92
Indian Public	2,074,643	22.86
NRIs/ OCBs	40,518	0.45
<b>Total</b>	<b>9,073,300</b>	<b>100.00</b>
<b>No. of Shareholders as on March 31</b>	<b>2016</b>	<b>2015</b>
	10,381	7,677

**Distribution of Shareholding as on March 31, 2016**

No. of Shares held (Face Value of Rs. 10 each)	No. of Shareholders	% to total No. of shareholders	No. of Shares held	% to total No. of Shares
1- 500	9,569	92.18	880,652	9.71
501- 1000	447	4.31	336,710	3.71
1001-5000	307	2.96	636,576	7.02
5001-10000	20	0.19	128,362	1.41
10001 & above	38	0.36	7,091,000	78.15
<b>Total</b>	<b>10,381</b>	<b>100.00</b>	<b>9,073,300</b>	<b>100.00</b>

**Dematerialization of Shares & Liquidity:**

The details of Equity shares dematerialized and those held in physical form as on March 31, 2016 are given hereunder:

Particulars of Equity Shares	Equity shares of Rs. 10 each		Shareholders	
	Number	% of total	Number	% of total
<b>Dematerialized form</b>				
NSDL	7,641,590	84.22	5,935	57.17
CDSL	1,069,377	11.79	3,099	29.85
<b>Sub-total</b>	<b>8,710,967</b>	<b>96.01</b>	<b>9,034</b>	<b>87.02</b>
Physical Form	362,333	3.99	1,347	12.98
<b>Total</b>	<b>9,073,300</b>	<b>100.00</b>	<b>10,381</b>	<b>100.00</b>

Considering the advantages of dealing in securities in electronic/ dematerialized form, shareholders still holding shares in physical form are requested to dematerialize their Shares at the earliest. For further information/ clarification/ assistance in this regard, please contact Link Intime India Pvt. Ltd., Registrar and Share Transfer Agents.

As per the directions of SEBI, Equity Shares of the Company can be traded by all the investors only in dematerialized form. The Company's Shares are traded on BSE Limited.

**Dividend Declared for the last 10 Years**

Financial Year	Dividend Per Share*
2006-07	8.00
2007-08	8.00
2008-09	7.00
2009-10 (Interim)	3.50
2009-10 (Final)	5.00
2010-11 (Interim)	5.00
2010-11 (Final)	5.00
2011-12 (Interim)	5.00
2011-12 (Final)	5.00
2012-13	8.00
2013-14	7.00
2014-15	10.00
2015-16 (Interim)	12.50

\*Share of paid-up value of Rs. 10 per share

**Outstanding GDR, ADR or Warrants:**

The Company has not issued so far any GDR, ADR or any Convertible instrument pending Conversion or any other instrument likely to impact the equity share capital of the Company.



**Disclosure with respect to Equity Shares lying in Suspense Account:**

Particulars	Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	216	17,254
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	1	50
Number of shareholders to whom shares were transferred from suspense account during the year	1	50
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	215	17,204

The voting rights on the shares lying in suspense account are frozen till the rightful owners of above shares claim the shares.

**Adoption of Mandatory and Non-Mandatory Requirements of the (erstwhile) Listing Agreement/ the Listing Regulations:**

The Company has complied with all mandatory requirements of the (erstwhile) Listing Agreement/ the Listing Regulations. The Company has adopted following non-mandatory requirements of the (erstwhile) Listing Agreement/ Listing Regulations:

1. The Company is in the regime of unqualified financial statements.
2. The Internal Auditor directly reports to the Audit Committee.

**Plant Locations:**

Segment	Address
Auto Components	Gat No. 1242/ 44, Village Vadu Budruk, Tal. Shirur, Dist: Pune- 412 216. (Maharashtra)
Solar Power Project	Plot No. 45 & 46, Survey No. 152/1, Charanka, Santalpur, Patan (Gujarat)
Wind Power Projects	1. Supa Site- At Post- Kavadya Dongar, Supa, Tal. Parner, Dist. Ahmednagar (Maharashtra) 2. Satara Site- At Post- Vankusavade, Tal. Patan, Dist. Satara (Maharashtra) 3. Sadawaghapur Site- At Post- Sadawaghapur. Tal. Sadawaghapur, Dist. Satara (Maharashtra)

**Address for Investor Correspondence:**

- **For transfer/ dematerialization of shares**  
**Link Intime India Pvt. Ltd.**  
202 A-Wing, Second Floor, Akshay Complex, Off Dhole Patil Road, Pune- 411 001  
Phone- (020) 26161629/ 26163503/ 26160084 • E-mail- pune@linkintime.co.in
- **For payment of dividend and other correspondence**  
**Secretarial Department:**  
**ZF Steering Gear (India) Ltd.**  
Corporate Identity Number (CIN)-L29130PN1981PLC023734  
6th Floor, Eden Hall, Model Colony, Pune- 411 016  
E-Mail: satish.mehta@zfindia.com Phone- (020) 25676754/ 55  
Website- www.zfindia.com

**For and on behalf of the Board of Directors**

**Pune**  
**July 28, 2016**

**Dinesh Munot**  
**Chairman and Managing Director**

**Certificate on Compliance with Code of Conduct:**

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2015-16.

**For and on behalf of the Board of Directors**

**Pune**  
**July 28, 2016**

**Dinesh Munot**  
**Chairman & Managing Director**

**CEO/ CFO Certification**

The CEO and the CFO have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Pune**  
**July 28, 2016**

**Utkarsh Munot**  
**Chief Executive Officer**

**Jinendra Jain**  
**Chief Financial Officer**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members,  
**ZF Steering Gear (India) Limited,**

We have examined the compliance of the conditions of Corporate Governance by ZF STEERING GEAR (INDIA) LIMITED (the Company) for the year ended March 31, 2016, as stipulated in Clause 49 of the (erstwhile) Listing Agreement and as laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. MGM & Co.**  
**Chartered Accountants**  
**Firm Registration No. 117963W**

**Mangesh Katariya**  
**Partner**  
**Membership No. 104633**

**Pune**  
**May 19, 2016**

## ANNEXURE –III

### Form AOC-2

Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 (the Act) including certain arm's length transaction under third proviso thereto:

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sr. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Nil
b)	Nature of contracts/ arrangements/ transaction	Nil
c)	Duration of the Contracts/ arrangements/ transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Not Applicable
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	Not Applicable

#### 2. Details of material (\*) contracts or arrangements or transactions at Arm's length basis

Sr. No.	Particulars	Details				
		Varsha Forgings Ltd.	Robert Bosch Automotive Steering Pvt. Ltd.	KCTR Varsha Forgings Ltd.	Varsha Forgings Ltd.	Corona Bus Manufacturers Pvt. Ltd.
a)	Name(s) of the related party	Varsha Forgings Ltd.	Robert Bosch Automotive Steering Pvt. Ltd.	KCTR Varsha Forgings Ltd.	Varsha Forgings Ltd.	Corona Bus Manufacturers Pvt. Ltd.
b)	Nature of Relationship	One of the Directors is interested	Associate Company	One of the Directors is interested	One of the Directors is interested	One of the Directors is interested
c)	Nature of contracts/ arrangements/ transactions	Purchase of Components			Sale of Machine Tools	Sale of Steering Gear & Components
d)	Duration of the contracts/ arrangements/ transactions	01.04.2015 to 31.03.2016				
e)	Salient terms of the contracts or arrangements or transaction	45 Days of credit	60 Days of credit	45 Days of credit	Receipt of Advance Payment	Receipt of Advance Payment
f)	Date of approval by the Board, if any	Not Applicable in view of the third proviso to sub-section (1) of Section 188 of the Act.				
g)	Value of the transactions (Rs. in million)	173.93	147.56	0.01	0.34	3.85

\*Note: There are no Material Contracts/ Arrangements/ Transactions as defined under the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

Pune  
July 28, 2016

Dinesh Munot  
Chairman and Managing Director

## ANNEXURE –IV

### Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2015-16

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**  
 The Company's CSR Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare and sustainable development of the community at large.  
 A detailed CSR Policy has been framed by the Company with approval of CSR Committee and the Board of Directors. The Policy, inter- alia covers the Philosophy, Scope, List of CSR activities, Modalities of execution of projects/ programs and Monitoring and Assessment thereof.  
 The CSR Policy is placed on the Company's website www.zfindia.com.
2. **The Composition of the CSR Committee**  
 Mr. Dinesh Munot - Chairman  
 Mr. M. L. Rathi - Member  
 Mr. Jinendra Munot - Member  
 Mr. Utkarsh Munot - Member  
 Mrs. Eitika Munot - Member (w.e.f. March 10, 2016)
3. **Average net profit of the Company for last three financial years** Rs. 439.27 million
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)** Rs. 8.79 million.
5. **Details of CSR spent during the financial year:**
  - a) Total amount to be spent for the financial year - **Rs. 8.79 million**
  - b) Amount unspent, if any - **Nil**
  - c) Manner in which the amount spent during the financial year is detailed below:

#### Details of Amount Spent on CSR Activities during the financial year 2015-16

Sr. No.	CSR Project / activity / beneficiary	Sector in which the projects is covered	Location of the project/ program	Amount outlay (Budget) project or program wise (Rs. in million)	Amount spent on the Projects or Programs	Cumulative Expenditure upto the reporting period i.e F.Y. 2015-2016 (Rs. in million)	Amount spent Direct or through Implementing Agency
1	Care, treatment and rehabilitation of individuals suffering from Mental Illness	Promotion of Mental Healthcare	Mumbai	1.20	1.20	1.20	Through 'Manav Foundation'
2	Construction of building, education of the underprivileged gifted children	Promotion of Education	Pune	1.20	1.20	1.20	Through 'Kaveri Gifted Education Centre' (initiated by Kannada Sangha Pune)
3	Women Empowerment	Promoting Sanitation	Mumbai and Surrounding areas	2.00	2.00	2.00	Through 'Gramin Initiative for Women '
4	Toilet blocks for school	Promoting Sanitation	Pune	1.20	1.20	1.20	Through 'Prajnanabodhini'
5	Water purifiers/ toilets etc. in schools	Promoting Sanitation	Pune	1.20	1.20	1.20	Through 'Mukul Madhav Foundation'
6	Scientific Research in Healthcare	Promoting Healthcare including preventive healthcare	Pune	2.00	2.00	2.00	Through 'K E M Hospital Research Centre'
		<b>Total</b>		<b>8.80</b>	<b>8.80</b>	<b>8.80</b>	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report**

The Company has spent two per cent of the average net profit of the last three financial years; hence this clause is **Not Applicable**.

7. **Responsibility Statement**

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.'

Sd/-

**Pune**  
**July 28, 2016**

**Dinesh Munot**  
**Chairman & Managing Director**  
**Chairman - CSR Committee**

**Annexure V**  
**I. U. Thakur**  
**Company Secretary**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**ZF STEERING GEAR (INDIA) LIMITED**  
Pune

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZF STEERING GEAR (INDIA) LIMITED** (CIN: L29130PN1981PLC023734) (hereinafter called **the Company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the ZF STEERING GEAR (INDIA) LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – **Not applicable** to the Company during the Audit Period
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable** to the Company during the Audit Period
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable** to the Company during the Audit Period
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not applicable** to the Company during the Audit Period

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. On the basis of the information provided by the Company, following laws are also complied with:

**A) ENVIRONMENTAL LAWS:**

1. The Air (Prevention and Control of Pollution) Act, 1981 & The Air (Prevention and Control of Pollution) Rules 1982
2. The Water (Prevention and Control of Pollution) Act, 1974 & The Water (Prevention and Control of Pollution) Rules 1975
3. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

**B) LABOUR LAWS:**

4. The Factories Act, 1948
5. The Employees' Compensation Act, 1923 (Earlier known as Workmen's Compensation Act, 1923)
6. The Minimum Wages Act, 1948
7. The Payment of Wages Act, 1936



8. The Employees Provident Fund and Miscellaneous Provisions Act, 1956 and the schemes made thereunder – Maintained electronically
9. The Payment of Bonus Act, 1965
10. The Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through, while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the period under review an open offer was made to Shareholders of the Company by Robert Bosch GmbH along with Robert Bosch Automotive Steering GmbH pursuant to Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 to acquire 23,59,058 equity shares of Company having face value of Rs. 10/- each representing 26% of total equity share capital of Company. However, 155 equity shares of the Company were acquired by Robert Bosch GmbH along with Robert Bosch Automotive Steering GmbH. The Company had complied with the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011.

Further the following event has occurred during the period under review:

The Company further invested Rs. 176.80 million by way of equity participation in its Joint-Venture Company – 'Robert Bosch Automotive Steering Private Limited'.

**Sd/-**

**Name of Company Secretary in practice: I U Thakur  
FCS: 2298 C.P. No.: 1402**

**Place: Pune  
Date: 16.05.2016**

## ANNEXURE –VI

### Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2016 of **ZF STEERING GEAR (INDIA) LIMITED** [Pursuant to Section 92(1) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and other details

CIN	L29130PN1981PLC023734
Registration Date	21.01.1981
Name of the Company	ZF Steering Gear (India) Limited
Category/ Sub-Category of the Company	Company having share capital
Address of the Registered Office and contact details	Regd. Office & Work: Gat No. 1242/44, Village Vadu Budruk, Tal. Shirur, Dist. Pune - 412 216 Tel: 02137 305100
Whether listed Company	Yes
Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any.	M/s. Link Intime India Private Limited Block No. 202, A Wing, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune- 411001 Tel: 020 26161629

#### II. Principal Business Activities of the Company

Sr. No.	Name and Description of main products/ Service	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Auto Component (Mfg. of Steering Gear )	29301	96.68 %
2.	Renewable Energy (Solar and Wind power)	35106	3.32 %

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary Associate	% of shares held	Applicable Section of Companies Act, 2013
1.	Robert Bosch Automotive Steering Private Limited. Global Raisonni Industrial Park, Gate No. 184, Post -Phulgaon, Alandi-Markal Road, Tal. Haveli, Pune – 412 216	U29130PN2007PTC130749	Associate	26%	2(6)

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/ HUF	4,343,139	-	4,343,139	47.87	4,343,139	-	4,343,139	47.87	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>4,343,139</b>	<b>-</b>	<b>4,343,139</b>	<b>47.87</b>	<b>4,343,139</b>	<b>-</b>	<b>4,343,139</b>	<b>47.87</b>	<b>0.00</b>
<b>2) Foreign</b>									
a) NRIs- Individual	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	2,340,000	-	2,340,000	25.79	2,340,155	-	2,340,155	25.79	0.00
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>2,340,000</b>	<b>-</b>	<b>2,340,000</b>	<b>25.79</b>	<b>2,340,155</b>	<b>-</b>	<b>2,340,155</b>	<b>25.79</b>	<b>0.00</b>
<b>Total Share holding Promoter (A) =(A)(1)+(A)(2)</b>	<b>6,683,139</b>	<b>-</b>	<b>6,683,139</b>	<b>73.66</b>	<b>6,683,294</b>	<b>-</b>	<b>6,683,294</b>	<b>73.66</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	106,826	-	106,826	1.18	80,664	-	80,664	0.89	-0.29
b) Banks / FI	400	1,250	1,650	0.02	400	1,250	1,650	0.02	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt( s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	19,170	-	19,170	0.21	18,134	-	18,134	0.20	-0.01
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	<b>126,396</b>	<b>1,250</b>	<b>127,646</b>	<b>1.41</b>	<b>99,198</b>	<b>1,250</b>	<b>100,448</b>	<b>1.11</b>	<b>-0.30</b>

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>2) Non- Institutional</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	167,508	30,200	197,708	2.18	144,197	30,200	174,397	1.92	-0.26
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individuals shareholders holding nominal share capital up to Rs. 1 lac.	1,426,464	303,185	1,729,649	19.06	1,574,504	278,283	1,852,787	20.42	1.36
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lac.	227,411	75,060	302,471	3.33	171,756	50,100	221,856	2.45	-0.88
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Custodians/ Clearing member	-	-	-	-	-	-	-	-	-
NRIs	30,187	2,500	32,687	0.36	38,018	2,500	40,518	0.44	0.08
<b>Sub-total(b) (2)</b>	<b>1,851,570</b>	<b>410,945</b>	<b>2,262,515</b>	<b>24.93</b>	<b>1,928,475</b>	<b>361,083</b>	<b>2,289,558</b>	<b>25.23</b>	<b>0.29</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,977,966</b>	<b>412,195</b>	<b>2,390,161</b>	<b>26.34</b>	<b>2,027,673</b>	<b>362,333</b>	<b>2,390,006</b>	<b>26.34</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A)+(B)+(C)</b>	<b>8,661,105</b>	<b>412,195</b>	<b>9,073,300</b>	<b>100%</b>	<b>8,710,967</b>	<b>362,333</b>	<b>9,073,300</b>	<b>100%</b>	<b>0.00</b>



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged/encumbered to total shares	
1	Mr. Dinesh Munot	949,290	10.46	0.00	949,290	10.46	0.00	0.00
2	Mr. Utkarsh Munot	1,191,494	13.13	0.00	1,191,494	13.13	0.00	0.00
3	Mrs. Nandini D Munot	321,474	3.54	0.00	321,474	3.54	0.00	0.00
4	Mrs. Pragati D Bothra	115,623	1.27	0.00	115,623	1.27	0.00	0.00
5	Mrs. Trupti S Gupta	123,496	1.36	0.00	123,496	1.36	0.00	0.00
6	Mr. Jinendra Munot	259,659	2.87	0.00	259,659	2.87	0.00	0.00
7	Mrs. Amita Munot	152,457	1.68	0.00	152,457	1.68	0.00	0.00
8	Mr. Piyush J Munot	122,804	1.35	0.00	122,804	1.35	0.00	0.00
9	Mr. Yash J Munot	123,053	1.36	0.00	123,053	1.36	0.00	0.00
10	Mr. Ramesh Munot	172,239	1.90	0.00	172,239	1.90	0.00	0.00
11	Mr. Manik Munot	58,382	0.64	0.00	58,382	0.64	0.00	0.00
12	Mr. Ashish Munot	130,250	1.44	0.00	130,250	1.44	0.00	0.00
13	Mr. Manish Munot	162,760	1.79	0.00	162,760	1.79	0.00	0.00
14	Ms. Priti M. Munot	410	0.00	0.00	410	0.00	0.00	0.00
15	Mr. Harish Munot	269,500	2.98	0.00	269,500	2.98	0.00	0.00
16	Mr. Hitesh Munot	43,495	0.48	0.00	43,495	0.48	0.00	0.00
17	Mr. Amol Munot	122,753	1.35	0.00	122,753	1.35	0.00	0.00
18	Mrs. Pramila A Munot	24,000	0.26	0.00	24,000	0.26	0.00	0.00
19	Robert Bosch Automotive Steering GmbH	2,340,000	25.79	0.00	2,340,155	25.79	0.00	0.00
	<b>Total</b>	<b>6,683,139</b>	<b>73.66</b>	<b>0.00</b>	<b>6,683,294</b>	<b>73.66</b>	<b>0.00</b>	<b>0.00</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>At the beginning of the year</b>	6,683,139	73.66	6,683,294	73.66
	Data wise Increase/ Decrease in Promoters Share holding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat/ equity etc.)	*	*	*	*
	<b>At the end of year</b>	6,683,139	73.66	6,683,294	73.66

\* Note: There is a change in the total shareholding of promoters of 155 shares due to transfer between 01.04.2015 and 31.03.2016

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Urmil Mahasukh Gopani	135821	1.50	135802	1.50
2.	Canara Robeco Mutual Fund	106776	1.18	41336	0.46
3.	Sundaram Mutual Fund*	Nil	Nil	39278	0.43
4.	Jatinder Agarwal	35146	0.39	35500	0.39
5.	Sangeeta Nirmal Bang *	Nil	Nil	31390	0.35
6.	Prasanna Holdings Pvt. Ltd.	30100	0.33	30100	0.33
7.	Kishan Gopan Mohta	26000	0.29	26000	0.29
8.	Vilaskumar Shankarlal Munot	24960	0.28	24960	0.28
9.	Rashi Fincorp Ltd.*	Nil	Nil	23500	0.26
10.	Jayeshkumar C Shah	15500	0.17	15834	0.17

\*Not in the list of Top 10 shareholders as on 01.04.2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Shareholding of Directors:</b>				
	Mr. Dinesh Munot				
	At the beginning of the year	949,290	10.46	949,290	10.46
	At the end of the year	949,290	10.46	949,290	10.46
2	Mr. Utkarsh Munot				
	At the beginning of the year	1,191,494	13.13	1,191,494	13.13
	At the end of the year	1,191,494	13.13	1,191,494	13.13
3	Mr. Jinendra Munot				
	At the beginning of the year	259,659	2.86	259,659	2.86
	At the end of the year	259,659	2.86	259,659	2.86
4	Mr. S. A. Gundecha				
	At the beginning of the year	1,250	0.01	1,250	0.01
	At the end of the year	1,250	0.01	1,250	0.01
5	<b>Shareholding of Key Managerial Personnel:</b>				
	Mr. Jinendra Jain				
	At the beginning of the year	1	0.00	1	0.00
	At the end of the year	1	0.00	1	0.00
6	Mr. Satish Mehta				
	At the beginning of the year	1	0.00	1	0.00
	At the end of the year	1	0.00	1	0.00

V. Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Rs. in million)

	Secured loans excluding deposits	Unsecured loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	101.26	102.36	-	203.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>101.26</b>	<b>102.36</b>	<b>-</b>	<b>203.62</b>
<b>Change in indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	(10.72)	(22.95)	-	(33.67)
<b>Net change</b>	<b>90.54</b>	<b>79.41</b>	<b>-</b>	<b>169.95</b>
<b>Indebtedness at the end of the financial year</b>				
iv) Principal Amount	90.54	79.41	-	169.95
v) Interest due but not paid	-	-	-	-
vi) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>90.54</b>	<b>79.41</b>	<b>-</b>	<b>169.95</b>

**VI. Remuneration of Directors and KEY Managerial Personnel**
**A. Remuneration to Managing Director, whole-time Directors and/ or Manager**

(Rs. in million)

Sr.No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Dinesh Munot (CMD)	Jinendra Munot (WTD)	Utkarsh Munot (CEO)	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24.60	13.59	7.57	45.76
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.95	2.37	1.65	5.97
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	• As % of profit	-	-	5.0	5.0
	• Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	26.55	15.96	14.22	56.73
	Ceiling as per the Act				61.84

**B. Remuneration to other directors**

(Rs. in million)

Sr. No.	Particulars of Remuneration	Names of Directors						Total Amount
		Manish Motwani	M. L. Rathi	Ajinkya Arun Firodiya	Jitendra A. Pandit	Shridhar S. Kalmadi	S. A. Gundecha	
1	Independent Directors							
	• Fee for attending board/ committee meetings	0.16	0.28	0.08	0.24	0.12	0.20	1.08
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.16</b>	<b>0.28</b>	<b>0.08</b>	<b>0.24</b>	<b>0.12</b>	<b>0.20</b>	<b>1.08</b>
		Ludwig Rapp	Mrs. Eitika Munot	Soumitra Bhattacharya				
2	Other Non- Executive Directors							
	• Fee for attending board/ committee meetings	-	0.12	0.04	-	-	-	0.16
	• Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>0.12</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.16</b>
	<b>Total (B)=(1+2)</b>							<b>1.24</b>
	<b>Overall Ceiling as per the Act.</b>							<b>6.18</b>



**C. Remuneration to key Managerial Personnel other than MD/Manager/ WTD**

(Rs. in million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO (Jinendra Jain)	Company Secretary (Satish Mehta)	
1	Gross Salary	Not Applicable			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		1.82	1.65	3.47
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		0.09	-	0.09
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission				
	• As % of profit		-	-	-
	• Others, specify		-	-	-
5	Others, please specify		-	-	-
	Total (A)	1.91	1.65	3.56	
	Ceiling as per the Act	Not Applicable			

**VII. Penalties/ punishment/ compounding of offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. Company</b> Penalty Punishment Compounding					
<b>B. Directors</b> Penalty Punishment Compounding					
<b>c. Other Officers in default</b> Penalty Punishment Compounding					

NIL

For and on behalf of the Board of Directors

 Pune  
July 28, 2016

 Dinesh Munot  
Chairman and Managing Director

## INDEPENDENT AUDITORS' REPORT

To,  
The Members

ZF Steering Gears (India) Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ZF Steering Gear (India) Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in the aforesaid financial statements – Refer Note 34 to the financial statements;

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **MGM and Company**  
Chartered Accountants  
FRN: 117963W

**CA. Mangesh Katariya**  
Partner  
Membership No. 104633

Pune  
May 19, 2016

**“ANNEXURE A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ZF STEERING GEAR (INDIA) LIMITED**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. a) The inventory has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit have been verified by the management with reference to the confirmations received from them and/or subsequent receipt of goods. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material considering the operations of the Company and have been properly dealt with in the books of account.
3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
6. According to the information and explanations given to us, the Central Government under sub-section (1) of Section 148 of the Act has not prescribed maintenance of cost records in respect of the activities carried out by the company.

7. a) According to the information and explanations given to us and on the basis of our examination, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Financial Year	Amount (Rs.in Million)
MVAT Act 2002 & CST Act.	Assessed VAT dues by AO	Dy. Commissioner of Sales Tax	F.Y.-2010-11	3.19

8. Based on the information and explanations given to us by the management, the company has not raised term loan during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **MGM and Company**  
Chartered Accountants  
FRN: 117963W

**CA. Mangesh Katariya**  
Partner  
Membership No. 104633

Pune  
May 19, 2016

**“ANNEXURE B” REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ZF STEERING GEAR (INDIA) LTD.**

**Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of ZF Steering Gear (India) Ltd. (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MGM and Co.  
Chartered Accountants  
Firm Registration No. 117963W**

**Mangesh Katariya  
Partner  
Membership No. 104633**

**Pune  
May 19, 2016**

## Balance Sheet as at 31st March, 2016

Rupees in Million

	Particulars	Note No.		As at 31st March, 2016	As at 31st March, 2015
<b>(I)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>(1)</b>	<b>Shareholders' Funds</b>				
	(a) Share Capital	1	90.73		90.73
	(b) Reserves and Surplus	2	2,704.85		2,390.72
				<b>2,795.58</b>	2,481.45
<b>(2)</b>	<b>Non-Current Liabilities</b>				
	(a) Long-term borrowings	3	79.41		101.00
	(b) Deferred tax liabilities (Net)	4	27.18		58.16
	(c) Long term provisions	5	22.31		20.12
				<b>128.90</b>	179.28
<b>(3)</b>	<b>Current Liabilities</b>				
	(a) Short-term borrowings	6	246.13		101.26
	(b) Trade payables	7	397.80		393.02
	(c) Other current liabilities	8	131.03		63.03
	(d) Short-term provisions	9	53.77		143.76
				<b>828.73</b>	701.07
	<b>Total</b>			<b>3,753.21</b>	3,361.80
<b>II</b>	<b>ASSETS</b>				
<b>(1)</b>	<b>Non-current assets</b>				
	<b>(a) Fixed assets</b>				
	(i) Tangible assets	10	1,038.75		988.02
	(ii) Intangible assets		19.40		17.15
	(iii) Capital work-in-progress		6.55		5.70
				<b>1,064.70</b>	1,010.87
	(b) Non-current investments	11	1,645.84		1,373.49
	(c) Long term loans and advances	12	135.48		104.82
				<b>1,781.32</b>	1,478.31
<b>(2)</b>	<b>Current assets</b>				
	(a) Inventories	13	231.73		248.42
	(b) Trade receivables	14	543.77		523.50
	(c) Cash and Cash Equivalents	15	17.78		29.07
	(d) Short-term loans and advances	16	50.21		35.33
	(e) Other current assets	17	63.70		36.30
				<b>907.19</b>	872.62
	<b>Total</b>			<b>3,753.21</b>	3,361.80

SEE ACCOMPANYING NOTES TO THE FINANCIALS STATEMENTS

As per our Report of even date attached.

For and on behalf of the Board of Directors

For **MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

Chairman & Managing Director  
Jt. Managing Director  
Chief Executive Officer

**Mangesh Katariya**  
Partner  
Membership No.104633

**Manish Motwani**  
**M. L. Rathi**  
**Jitendra Pandit**  
**S. A. Gundecha**  
**Mrs. Eitika Munot**  
**Soumitra Bhattacharya**

Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, May 19, 2016

Pune, May 19, 2016



## Statement of Profit and Loss for the year ended 31st March, 2016

Rupees in Million

	Particulars	Note No.		For the year ended 31st March, 2016	For the year ended 31st March, 2015
I.	<b>Revenue from operations- Gross</b>		<b>4277.32</b>		3701.28
	<b>Less: Excise Duty</b>		<b>464.20</b>		396.76
	Revenue from operations- Net	18		<b>3,813.12</b>	3,304.52
II.	<b>Other Income</b>	19		<b>59.45</b>	91.06
III.	<b>Total Revenue (I +II)</b>			<b>3,872.57</b>	3,395.58
IV.	<b>Expenses:</b>				
	Cost of raw materials and components consumed (including purchase of traded goods)	20		<b>2,295.50</b>	2,133.68
	Changes in inventories of finished goods and work-in-progress	21		<b>7.17</b>	(9.44)
	Employee benefit expense	22		<b>427.23</b>	360.82
	Other expenses	24		<b>295.00</b>	239.91
	<b>Total (IV)</b>			<b>3,024.90</b>	2,724.97
V.	<b>Profit before Interest, tax, depreciation and amortization and exceptional item (EBITDA) (III - IV)</b>			<b>847.67</b>	670.61
VI.	<b>Finance costs</b>	23		<b>17.68</b>	8.52
VII.	<b>Depreciation and amortization expense</b>	10		<b>247.36</b>	234.45
VIII.	<b>Profit before exceptional items and tax (V - VI-VII)</b>			<b>582.63</b>	427.64
IX.	<b>Exceptional Items</b>			-	-
X.	<b>Profit before tax ( VIII+IX)</b>			<b>582.63</b>	427.64
XI.	<b>Tax expense:</b>				
	(1) Current tax			<b>162.30</b>	95.74
	(2) Deferred tax			<b>(30.98)</b>	(15.48)
	(3) Taxation of earlier year(s)			<b>(0.69)</b>	(8.26)
	(4) Defferal sales tax loan of earlier year(s)			<b>1.36</b>	-
				<b>131.99</b>	72.00
XII.	<b>Profit for the Year (X-XI)</b>			<b>450.64</b>	355.64
XIII.	<b>Earning per equity share</b> (Face Value per share Rs. 10):				
	(1) Basic			<b>49.67</b>	39.20
	(2) Diluted			<b>49.67</b>	39.20

SEE ACCOMPANYING NOTE TO THE FINANCIALS STATEMENTS

As per our Report of even date attached.

**For and on behalf of the Board of Directors**

For **MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

Chairman & Managing Director  
Jt. Managing Director  
Chief Executive Officer

**Mangesh Katariya**  
**Partner**  
Membership No.104633

**Manish Motwani**  
**M. L. Rathi**  
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**Mrs. Eitika Munot**  
**Soumitra Bhattacharya**

Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, May 19, 2016

Pune, May 19, 2016

## Cash Flow Statement for the year ended 31st March, 2016

Rupees in Million

		Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Profit/(Loss) before tax:		582.63		427.64
	Adjustment for:				
	Depreciation/Amortisation	247.36		234.45	
	Finance Costs	17.68		8.52	
	(Profit)/ Loss on sale of fixed assets	0.59		0.16	
	(Profit)/ Loss on sale of investments	(21.78)		(44.83)	
	Interest income	(4.09)		(4.19)	
	Dividend Income	(10.84)		(11.93)	
			228.92		182.18
	<b>Operating profit before Working Capital changes</b>		811.55		609.82
	Adjustments for changes in Working capital				
	Long term Loans and advances	0.47		5.62	
	Other non-current assets	-		0.20	
	Inventories	16.69		11.72	
Trade Receivables	(20.27)		(49.69)		
Short term Loans and advances	(14.88)		(0.55)		
Other current assets	(27.40)		(13.60)		
Long term Provisions	2.19		3.41		
Trade Payables	4.81		1.70		
Other current liabilities	34.14		(2.60)		
Short term Provisions	9.75		9.51	(34.28)	
<b>Cash generated from operations</b>		817.05		575.54	
Income taxes paid (including wealth tax)		(150.43)		(93.84)	
<b>Net Cash from Operating activities</b>		666.62		481.70	
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Fixed Assets:				
	Purchase	(303.09)		(260.39)	
	Sale	1.88		6.47	
	Investments:				
	Purchase	(314.62)		(529.70)	
	Sale	63.48		194.95	
	Interest received	4.09		4.19	
	Dividend received	10.84		11.93	
	Net Cash from/used in investing activities		(537.42)		(572.55)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from Long term borrowings	-		-	
	Sales Tax deferral	(22.95)		(23.47)	
	Proceeds from Short term borrowings	144.87		99.20	
	Interest paid	(17.68)		(8.52)	
	Payment for CSR activity shown in appropriation	-		(10.80)	
	Dividend paid	(244.73)		(73.95)	
Net Cash from/used in financing activities		(140.49)		(17.54)	
<b>D</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(11.29)		(108.39)
	Cash and Cash Equivalents (Opening balance)		29.07		137.46
	Cash and Cash Equivalents (Closing balance)		17.78		29.07
	<b>Notes</b>				
	1. Figures in brackets represent outflows of cash and cash equivalents 2. Cash and Cash equivalents of				
		<b>As at</b>	<b>As at</b>	<b>As at</b>	
		<b>31st March, 2016</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>	
a.	Cash on hand	0.10	0.04	0.30	
b.	Balances with Banks:				
	- In Current Account and Fixed Deposits	17.68	(0.97)	32.16	
c.	- Others	0.00	30.00	105.00	
		17.78	29.07	137.46	

### SEE ACCOMPANYING NOTE TO THE FINANCIALS STATEMENTS

As per our Report of even date attached.

For and on behalf of the Board of Directors

For **MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

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Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, May 19, 2016

Pune, May 19, 2016

## Notes forming part of the Financial Statements (Contd....)

### NOTE 25 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### A) Corporate Information :-

ZF Steering Gear India Limited (“the Company”) is a Listed Company domiciled in India and was incorporated on 1980 under the provision of the Companies Act, 1956. The company is primarily engaged in the business of production & assembling of steering systems for vehicles, buses and tractors. The Company has plant at Vadu Budruk, Near pune for production and assembling of steering systems and accessories.

#### B) Basis of Preparation of Financial Statements :-

- (i) The financial statements are prepared under the Historical Cost Convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013
- (ii) Estimates and Assumptions used in preparation of the Financial Statements are based upon Management's evaluations of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

#### C) Fixed Assets and Depreciation :

- (i) Fixed Assets :  
Fixed Assets are stated at cost (net of Cenvat and sales tax credit) of acquisition or construction or at manufacturing cost in case of Company manufactured assets, less accumulated depreciation (except on free hold land). The cost includes freight, duties, taxes, and incidental expenses related to acquisition, installation, erection and commissioning.
- (ii) Depreciation :
  - a) Depreciation is provided as per the Written Down Value (W.D.V.) method for three shift as per useful life specified in Schedule II to the Companies Act, 2013 except ERP Software which is charged off in three equal installments from the date of capitalisation. Tangible assets residual value is kept at 5%, of fixed asset.
  - b) Leasehold land 's value is written off on the basis of the tenure of the Lease.
  - c) Depreciation is provided on pro-rata basis on additions / deductions during the year.

#### D) Investments :

Long term Investments are stated at cost. Provision is made to recognise any diminution in the value, other than temporary, in the carrying amount of any long term investments.

Current Investments are carried at lower of cost and market value determined on an individual investment basis.

#### Investment in Immovable Property

Immovable Properties that are not intended to be occupied substantially for self use by or in the operations of the Company, have been classified as investment Properties. Investment properties are carried at cost less accumulated depreciation .

#### E) Inventories :

Inventories are valued at the lower of cost (Value of cost is computed on a weighted average basis) and estimated net realisable value. Finished goods and Carbon Credit & Renewable Energy Certificate and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods inventory.

Goods-in-transit are stated at actual cost incurred upto the date of balance sheet .

Scrap is valued at net realisable value .

Carbon Credit and Renewable Energy Certificates ( REC ) are valued at Cost or estimated net realisable value, whichever is lower .

#### F) Revenue Recognition

Sale of goods is recognised when the significant risks and rewards of ownership of goods have passed on to the customers, which is generally on despatch of goods. Gross Sales include excise duty but excludes sales tax and are net of trade discounts.

#### G) Employees Retirement Benefits :

Defined Contribution plans: The Company makes specified monthly contributions towards employee provident fund. Defined benefit plans: The Company's gratuity and leave encashment are defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows.

## Notes forming part of the Financial Statements (Contd....)

The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account in the year in which they relate .

### H) Foreign Currency Transactions :

Transactions in foreign currency are accounted at exchange rates prevailing at the time of the transaction. All exchange gains/losses arising out of such transactions are taken to Profit and Loss account. Foreign currency monetary assets and liabilities are translated at the exchange rates prevailing on the last working day of the accounting year. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### I) Taxation :

Provision is made for income tax liability which may arise on the results for the year at the current rate of tax in accordance with the Income-tax Act, 1961.

The deferred tax for timing differences between the book profit and tax profits for the year is accounted for using the tax rates enacted as of the Balance Sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

### J) Segment Reporting

#### a) Identification of Segments

The Company's operating business are organised and managed separately according to the nature of activity, with each segment representing a strategic business unit that offers different activity.

#### b) Unallocated items

Corporate assets and liabilities, income and expenses which relate to the Company as a whole and are not allocable to segments, have been included under unallocated items.

### K) Impairment of Assets :

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognised in the Profit

and Loss Account to the extent the carrying amount exceeds recoverable amount. During the year there was no impairment of assets.

### L) Provisions and Contingent Liabilities

a) Provisions in respect of present obligation arising out of past events are made in the accounts when reliable estimates can be made about the amount of obligation.

b) Contingent Liabilities are disclosed when there is a possible obligation that may, but probably will not, require an outflow of resources.

### M) Earnings per Share

Basic and diluted earning per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

### N) Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

### O) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that [i] the Company will comply with the conditions attached to them, and [ii] the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to Statement of Profit and Loss over the periods and in the proportions in which depreciation on those assets is charged .

## Notes forming part of the Financial Statements

Rupees in Million

	As at 31st March, 2016		As at 31st March, 2015	
<b>NOTE 1 - SHARE CAPITAL</b>				
<b>Authorised:</b>				
10,000,000 (Previous period 10,000,000 ) equity shares of Rs. 10 each.				
		100.00	100.00	
		100.00	100.00	
<b>Issued, Subscribed and Paid up:</b>				
9,073,300 (Previous period 9,073,300) equity shares of Rs. 10 each.				
		90.73	90.73	
		90.73	90.73	
<b>Reconciliation of the No. of shares outstanding at the beginning and at the end of the year:</b>				
	As at 31st March, 2016 No of shares	As at 31st March, 2016 Rs. In Million	As at 31st March, 2015 No of shares	As at 31st March, 2015 Rs. In Million
No of shares outstanding at the beginning of the year				
- Equity shares	9,073,300	90.73	9,073,300	90.73
Add: Additional shares issued during the year				
- Equity shares	-	-	-	-
Less: Shares forfeited / Bought back during the year				
- Equity shares	-	-	-	-
No of shares outstanding at the end of the year	9,073,300	90.73	9,073,300	90.73
- Equity shares				
<b>Notes:</b>				
i) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:				
<b>Particulars</b>	<b>as at 31st March, 2016</b>		<b>as at 31st March, 2015</b>	
	<b>No. of shares</b>	<b>% holding</b>	<b>No. of shares</b>	<b>% holding</b>
Equity Shares:				
Robert Bosch Automotive Steering GmbH	2,340,155	25.79	2,340,000	25.79
Mr. Utkarsh Munot	1,191,494	13.13	1,191,494	13.13
Mr. Dinesh Munot	949,290	10.46	949,290	10.46
ii) Terms/Rights attached to Equity Shares				
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend recommended by the Board of Directors is subject to approval of the members at the ensuing Annual General Meeting.				
During the Year ended on 31st March, 2016, the amount of per share dividend paid as distribution to equity shareholders is Rs. 12.50 (P.Y. 10). In the event of liquidation of the Company, the holders of each equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.				
The distribution will be in proportion to the number of equity shares held by shareholders.				
<b>NOTE 2 - RESERVES AND SURPLUS</b>				
<b>Capital Reserve:</b>				
As per last Balance Sheet				
		3.50	3.50	
Additions during the year				
		-	-	
		3.50	3.50	
<b>Securities Premium Account:</b>				
As per last Balance Sheet				
		23.23	23.23	
Additions on shares issued during the year				
		-	-	
		23.23	23.23	
<b>General Reserve:</b>				
As per last Balance Sheet				
		2,350.00	2,120.00	
Less :Impact due to change in Depreciation amount as per schedule II of the Company Act, 2013				
		-	(15.81)	
Add: Deferred Tax - On depreciation of earlier year's				
		-	5.36	
Add: Transfer from Profit & Loss Account				
		-	240.45	
		2,350.00	2,350.00	



## Notes forming part of the Financial Statements (Contd....)

Rs. in Million

		As at 31st March, 2016	As at 31st March, 2015			
<b>Surplus i.e. Balance in Profit and Loss statement</b>						
As per last Balance Sheet		13.99	18.80			
Add: Profit for the Year		450.64	355.64			
Less: Appropriations						
Payment to Prime Minister National relief Funds		-	10.80			
Transfer to reserves		-	240.45			
Interim / Proposed dividend		113.42	90.73			
Tax on Interim / Proposed Dividend		23.09	18.47			
<b>Total</b>		<b>328.12</b>	<b>13.99</b>			
		<b>2,704.85</b>	<b>2,390.72</b>			
<b>NOTE 3 - LONG TERM BORROWINGS</b>						
<b>Loans and Advances from other than related parties:</b>						
Deferred payment liabilities Unsecured (Note No.3a) (Sales Tax Deferral under Package Schemes of Incentives)		79.41	101.00			
<b>Total</b>		<b>79.41</b>	<b>101.00</b>			
<b>NOTE 3a :</b>						
<b>Repayment Schedule</b>						
Year	Package Scheme of incentives 1993 (I) EC-3305	Package Scheme of incentives 1993 (I) EC-4206	Additional Incentives under Package Scheme 1988/ EC-1499	Incentive under 1998 Power Generation Policy (0.70 MW)	Incentive under 1998 Power Generation Policy (1.00 MW)	Total Amount (Rs.)
2016-17	1.81	9.81	-	4.66	6.67	22.95
2017-18	-	8.90	-	5.82	8.33	23.05
2018-19	-	6.50	1.07	5.71	8.33	21.61
2019-20	-	2.62	1.07	4.54	6.67	14.90
2020-21	-	-	1.07	3.38	5.00	9.45
2021-22	-	-	1.07	2.21	3.33	6.61
2022-23	-	-	1.07	1.05	1.67	3.79
	<b>1.81</b>	<b>27.83</b>	<b>5.35</b>	<b>27.37</b>	<b>40.00</b>	<b>102.36</b>

## Notes forming part of the Financial Statements (Contd....)

Part I of 1988/ Package Scheme of Incentives -	}	Sales Tax incentive scheme of Govt. of Maharashtra, by way of deferment of Sales Tax liability, for expansion carried out by the Company, being eligible unit under the scheme, implemented then through SICOM (The State Industrial and Investment Corporation Of Maharashtra Limited)
Part I of 1993/ Package Scheme of Incentives -		
Additional Incentives under Package Scheme 1988		Additional Incentives Scheme of Govt. of Maharashtra, by way of deferment of Sales Tax liability, as per Govt. Circular No. IDL-1005/(C.R.354)/ IND-8 Dated 06.11.2006.
1998 Power Generation promotion policy-		Sales Tax incentive scheme of Govt. of Maharashtra, by way of deferment of Sales Tax liability, for achieving required Power Load Factor (PLF) for the Company's Wind Farm project, implemented through MEDA (Maharashtra Energy Development Agency)

Rupees in Million		
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 4 - DEFERRED TAX LIABILITY</b>		
(i) Break up of deferred tax liability as at year end :		
<b>Nature of timing difference</b>		
Provision for Depreciation	61.74	93.24
Less : Deferred tax of earlier year's depreciation	-	(5.36)
	61.74	87.88
(ii) Break up of deferred tax asset as at year end:		
Provision for Employee Benefits	34.56	29.72
	34.56	29.72
(iii) Deferred tax (asset)/liability net:	27.18	58.16
<b>NOTE 5 - LONG- TERM PROVISIONS</b>		
Provision for Employee Benefits	22.31	20.12
	22.31	20.12
<b>NOTE 6 - SHORT TERM BORROWINGS</b>		
<b>Loans and Advances from other than related parties:</b>		
Loans repayable on demand (Secured)		
- Cash Credit Facilities	9.67	15.22
(Above loans from banks are Secured by Hypothecation of Stocks and Book Debts and Second Charge on Plant and Machinery at Factory)		
- Over Draft Facilities		
Against pledge of certain Financial asset of the Company (Refer Note No : 11)	236.46	86.04
	246.13	101.26
<b>NOTE 7 - TRADE PAYABLES</b>		
Trade payables ( Refer note no. 38 )	397.80	393.02
	397.80	393.02
<b>NOTE 8 - OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Refer Note No: 3a)	22.95	23.47
Unpaid dividends	6.20	5.22
Other payables		
(i) Payable for capital goods	40.49	7.61
(ii) Advance from customers	13.29	7.54
(iii) Statutory obligations	48.10	19.19
	131.03	63.03
<b>NOTE 9 - SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	39.02	28.79
<b>Provision-Others:</b>		
Provision for Warranty	2.85	3.33
Proposed Dividend	-	90.73
Tax on proposed dividend	-	18.47
Other Provisions	11.90	2.44
(Including provision for Taxation net of Advance Tax Payments)	53.77	143.76

## NOTE 10 - FIXED ASSETS FOR FINANCIAL YEAR 2015-16

Rupees in Million

	Gross Block at Cost				Depreciation / Amortization / Impairment					Net Block		
	As at 1st April 2015	Additions during the year	Disposals during the year/written back	* Other Adjustments	As at 31st March, 2016	Upto 31st March, 2015	For the year	On Disposals/written back	* Other Adjustments	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>(I) TANGIBLE ASSETS</b>												
Land	3.30	-	-	-	3.30	-	-	-	-	-	3.30	3.30
Leasehold Land	78.26	-	-	-	78.26	9.54	2.61	-	-	12.15	66.11	68.72
Buildings	153.38	1.21	0.05	-	154.54	77.76	6.50	-	-	84.26	70.28	75.62
Plant & Equipment	1,417.92	253.73	31.17	-	1,640.48	997.63	142.26	29.61	-	1,110.28	530.20	420.29
Plant & Equipment ( R & D)	37.35	8.31	-	-	45.66	31.56	2.28	-	-	33.84	11.82	5.79
Furniture & Fixtures	38.37	0.82	-	-	39.19	20.17	5.09	-	-	25.26	13.93	18.20
Vehicles	77.54	18.52	5.49	-	90.57	55.21	9.74	4.64	-	60.31	30.26	22.33
Office Equipment	25.84	5.10	0.33	-	30.61	19.38	4.27	0.32	-	23.33	7.28	6.46
Electrical Installation	23.61	1.94	-	-	25.55	11.48	3.36	-	-	14.84	10.71	12.13
ETP/STP Plant	5.40	-	-	-	5.40	2.59	0.95	-	-	3.54	1.86	2.81
Wind Mills	321.76	-	-	-	321.76	259.05	5.22	-	-	264.27	57.49	62.71
Solar Power Plant	491.98	-	-	-	491.98	202.32	54.15	-	-	256.47	235.51	289.66
<b>Total</b>	<b>2,674.71</b>	<b>289.63</b>	<b>37.04</b>	<b>-</b>	<b>2,927.30</b>	<b>1,686.69</b>	<b>236.43</b>	<b>34.57</b>	<b>-</b>	<b>1,888.55</b>	<b>1,038.75</b>	<b>988.02</b>
<b>(II) INTANGIBLE ASSETS</b>												
Computer Software	34.47	12.18	-	-	46.65	17.33	10.36	-	-	27.69	18.96	17.14
Technical know how fees	0.86	-	-	-	0.86	0.85	-	-	-	0.85	0.01	0.01
Patent	-	0.44	-	-	0.44	-	0.01	-	-	0.01	0.43	-
<b>Total</b>	<b>35.33</b>	<b>12.62</b>	<b>-</b>	<b>-</b>	<b>47.95</b>	<b>18.18</b>	<b>10.37</b>	<b>-</b>	<b>-</b>	<b>28.55</b>	<b>19.40</b>	<b>17.15</b>
<b>TOTAL (I)+(II)</b>	<b>2,710.04</b>	<b>302.25</b>	<b>37.04</b>	<b>-</b>	<b>2,975.25</b>	<b>1,704.87</b>	<b>246.80</b>	<b>34.57</b>	<b>-</b>	<b>1,917.10</b>	<b>1,058.15</b>	<b>1,005.17</b>
<b>CAPITAL WORK IN PROGRESS</b>											<b>6.55</b>	<b>5.70</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>												

**NOTE 10 - FIXED ASSETS FOR FINANCIAL YEAR 2014-15**

Rupees in Million

	Gross Block at Cost				Depreciation / Amortization / Impairment					Net Block		
	As at 1st April 2014	Additions during the year	Disposals during the year/written back	* Other Adjustments	As at 31st March, 2015	Upto 31st March, 2014	For the year	On Disposals/written back	* Other Adjustments	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>(I) TANGIBLE ASSETS</b>												
Land	3.30	-	-	-	3.30	-	-	-	-	-	3.30	3.30
Leasehold Land	78.26	-	-	-	78.26	6.93	2.61	-	-	9.54	68.72	71.33
Buildings	139.28	14.10	-	-	153.38	64.56	6.23	-	6.97	77.76	75.62	74.72
Plant & Equipment	1,151.81	266.37	0.26	-	1,417.92	878.49	112.60	0.24	6.78	997.63	420.29	273.32
Plant & Equipment ( R & D)	34.48	2.87	-	-	37.35	29.84	1.72	-	-	31.56	5.79	4.64
Furniture & Fixtures	38.37	-	-	-	38.37	13.09	7.06	-	0.02	20.17	18.20	25.28
Vehicles	81.45	7.90	11.81	-	77.54	48.86	11.52	5.20	0.03	55.21	22.33	32.59
Office Equipment	23.04	2.80	-	-	25.84	10.76	6.71	-	1.91	19.38	6.46	12.28
Electrical Installation	20.61	3.00	-	-	23.61	7.14	4.24	-	0.10	11.48	12.13	13.47
ETP/STP Plant	5.40	-	-	-	5.40	1.15	1.44	-	-	2.59	2.81	4.25
Wind Mills	321.76	-	-	-	321.76	255.97	3.08	-	-	259.05	62.71	65.79
Solar Power Plant	491.98	-	-	-	491.98	135.72	66.60	-	-	202.32	289.66	356.26
<b>Total</b>	<b>2,389.74</b>	<b>297.04</b>	<b>12.07</b>	<b>-</b>	<b>2,674.71</b>	<b>1,452.51</b>	<b>223.81</b>	<b>5.44</b>	<b>15.81</b>	<b>1,686.69</b>	<b>988.02</b>	<b>937.23</b>
<b>(II) INTANGIBLE ASSETS</b>												
Computer Software	29.90	4.57	-	-	34.47	7.27	10.06	-	-	17.33	17.14	22.63
Technical know how fees	0.86	-	-	-	0.86	0.85	-	-	-	0.85	0.01	0.01
<b>Total</b>	<b>30.76</b>	<b>4.57</b>	<b>-</b>	<b>-</b>	<b>35.33</b>	<b>8.12</b>	<b>10.06</b>	<b>-</b>	<b>-</b>	<b>18.18</b>	<b>17.15</b>	<b>22.64</b>
<b>TOTAL(I)+(II)</b>	<b>2,420.50</b>	<b>301.61</b>	<b>12.07</b>	<b>-</b>	<b>2,710.04</b>	<b>1,460.63</b>	<b>233.87</b>	<b>5.44</b>	<b>15.81</b>	<b>1,704.87</b>	<b>1,005.17</b>	<b>959.87</b>
<b>CAPITAL WORK IN PROGRESS</b>											<b>5.70</b>	<b>44.99</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>												<b>-</b>

## Notes forming part of the Financial Statements (Contd....)

Rupees in Million

			As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 11 a. INVESTMENT PROPERTY (At cost less accumulated depreciation)</b>				
Cost of land and in building given on operating lease			18.18	18.18
Less: Accumulated depreciation ( Current year depreciation 0.56 million )			7.12	6.56
<b>Total (A)</b>			<b>11.06</b>	<b>11.62</b>
<b>b. INVESTMENTS ( Non-Trade, Long Term )</b>				
<b>AT COST:</b>				
<b>In Mutual Fund Units (Units of Rs. 10 each) - Unquoted</b>				
4,963,912	(4,963,912)	<b>HDFC Corporate Debt Opportunities Fund - Growth</b>	<b>50.00</b>	50.00
3,459,403	(3,459,403)	<b>Reliance Dynamic Bond Fund</b>	<b>57.50</b>	57.50
5,000,000	(5,000,000)	<b>Axis Fixed Income Opportunities Fund - Growth</b>	<b>50.00</b>	50.00
4,113,515	(4,113,515)	<b>Reliance Income Fund - Growth Plan - Bonus</b>	<b>44.07</b>	44.07
1,000,000	(1,000,000)	Sundaram SMILE Fund - Dividend	10.00	10.00
1,191,838	(1,191,838)	Sundaram Select Midcap Fund - Dividend	20.00	20.00
-	(466,843)	HDFC Top 200 Fund - Dividend	-	20.00
-	(896,032)	Reliance Regular Savings Fund-Equity - Dividend	-	20.00
1,339,104	(1,339,104)	<b>L &amp; T Triple Ace Bond Fund</b>	<b>16.67</b>	16.67
792,290	(792,290)	SBI Magnum Balanced Fund - Dividend	20.00	20.00
4,363,506	(3,904,654)	<b>Reliance Medium Term Fund - Growth</b>	<b>130.00</b>	112.50
1,602,800	(-)	Motilal Oswal MOST Focused 25 Fund - Dividend	25.00	-
1,369,076	(-)	Motilal Oswal Most Focused 25 Funds	25.00	-
4,829,191	(-)	<b>BOI AXA Corporate Credit Spectrum Fund</b>	<b>50.00</b>	-
125,209	(-)	Tata Balance Funds - Dividend	10.00	-
		<b>Total (B)</b>	<b>508.24</b>	420.74
<b>In Tax-Free Secured Redeemable Non-Convertible Bonds of Face Value Rs. 1,000 each - Quoted, fully paid-up :</b>				
24,724	(24,724)	<b>National Highway Authority of India (NHAI)</b>	<b>24.38</b>	24.38
19,935	(19,935)	<b>Power Finance Corporation Ltd. (PFC)</b>	<b>19.59</b>	19.59
		<b>Total (C)</b>	<b>43.97</b>	43.97
<b>In Equity Shares - Quoted, fully paid-up :</b>				
71,295	(71,295)	ICICI Bank Ltd. (Face Value of Rs. 2 each)	13.40	13.40
12,216	(12,216)	Tata Consultancy Services Ltd. (Face Value of Re. 1/- each)	2.60	2.60
-	(4,000)	Cummins India Ltd. (Face Value of Rs. 2/- each)	-	1.70
60,000	(60,000)	KPIT- Cummins India Ltd. (Face Value of Rs. 2/- each)	4.56	4.56
6,000	(-)	Bharat Electronics Limited (Face Value of Rs. 10 each)	7.38	-
3,000	(-)	Infosys Limited (Face Value of Rs. 5 each)	2.93	-
		<b>Total (D)</b>	<b>30.87</b>	22.26
<b>In Equity Shares - Unquoted, fully paid up (In JV):</b>				
105,170,000	(87,490,000)	Robert Bosch Automotive steering Private Limited. (26% holding) of Rs. 10/-each	1,051.70	874.90
		<b>Total (E)</b>	<b>1,051.70</b>	874.90
		<b>Total (A+B+C+D+E)</b>	<b>1,645.84</b>	1,373.49
<b>LONG TERM INVESTMENTS : AGGREGATE VALUE OF :</b> Quoted Govt. Securities Quoted shares Unquoted Investments			<b>As at 31st March, 2016</b>	
			<b>Book Value</b>	<b>Market Value</b>
			43.97	51.17
			30.87	67.50
			<b>1,559.94</b>	
<b>Note : Investment which are pledged with the bank are shown in bold (Refer Note No : 6)</b>				



## Notes forming part of the Financial Statements (Contd....)

Rupees in Million

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 12 - LONG TERM LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated) Loans and Advances to other than related parties:		
Capital Advances	83.85	50.99
Security deposits	3.26	3.20
Other Loans and Advances (including loans to employees, Income taxes net of provisions)	48.37	50.63
	<b>135.48</b>	104.82
<b>NOTE 13 - INVENTORIES</b> (at cost or net realisable value whichever is lower)		
Raw materials (including Goods in Transit Rs. 4.62 million (Previous year Rs. 10.46 million))	85.24	94.76
Work - in - Progress	145.18	152.28
Finished Goods	0.57	0.85
Carbon Credit & Renewable Energy Certificate	0.74	0.53
	<b>231.73</b>	248.42
<b>NOTE 14 - TRADE RECEIVABLES</b> (Unsecured, considered good unless otherwise stated)		
1) Trade Receivables Outstanding for a period exceeding six months	0.97	0.53
2) Other Trade Receivables	542.80	522.97
	<b>543.77</b>	523.50
<b>NOTE 15 - CASH AND CASH EQUIVALENTS</b>		
Balances with Bank		
- On Current Account	17.03	(1.62)
- In Fixed Deposits	0.65	0.65
Cash on hand	0.10	0.04
Others:		
- Investments in Debt Mutual funds	-	30.00
	<b>17.78</b>	29.07
<b>NOTE 16 - SHORT TERM LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated)		
Balance in Cenvat Credit Account	23.34	18.29
Others (including advance to suppliers, prepaid expenses etc.)	26.87	17.04
	<b>50.21</b>	35.33
<b>NOTE 17 - OTHER CURRENT ASSETS</b>		
Other Bank Balances:		
Balances with banks in		
- On Unpaid Dividend Account	6.20	5.22
Other current assets	55.26	28.70
Interest on Fixed Deposit/others	2.24	2.18
Voluntary Retirement Scheme	-	0.20
	<b>63.70</b>	36.30
<b>NOTE 18 - REVENUE FROM OPERATIONS - NET</b>		
Sale of products	4,164.21	3,584.90
Income from Jobwork	0.63	0.72
Sale of Solar Power	94.53	95.59
Royalty	0.40	0.15
Scrap Sales	17.55	19.92
Gross Revenue from Operations	<b>4,277.32</b>	3,701.28
Less: Excise Duty	464.20	396.76
	<b>3,813.12</b>	3,304.52

## Notes forming part of the Financial Statements (Contd....)

Rupees in Million

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 19 - OTHER INCOME</b>		
Interest Income	4.09	4.19
Dividend Income from long term investments	10.84	11.93
Net gain on sale of investments-long term	21.78	44.83
Net gain on foreign currency transaction and translation	(3.47)	9.62
Other non-operating income (net of expenses directly attributable to such income)	25.24	18.43
Government grant under PSI scheme *	0.97	2.06
*The Company obtained and recognized as income a government grant of 0.97 (31st March 2015 -2.06), for Industrial Promotion Subsidy [IPS] under Packaged Scheme of Incentive [PSI] 2007.		
	59.45	91.06
<b>NOTE 20 - COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed (including purchase of traded goods)	2,214.80	2,059.77
Fabrication and Processing charges	48.88	41.62
Packing Material Consumed	31.82	32.29
	2,295.50	2,133.68
<b>NOTE 21 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK - IN - PROGRESS</b>		
Opening stock(A)		
Work - in - progress	152.28	143.17
Finished goods and Carbon Credit & Renewable Energy Certificate	1.38	1.05
	153.66	144.22
Closing stock(B)		
Work - in - progress	145.18	152.28
Finished goods and Carbon Credit & Renewable Energy Certificate	1.31	1.38
	146.49	153.66
	7.17	(9.44)
<b>NOTE 22 - EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	376.00	317.91
Contribution to provident and other funds	14.15	11.09
Staff welfare expenses	37.08	31.82
	427.23	360.82
<b>NOTE 23 - FINANCE COSTS</b>		
Interest Expense	9.03	1.89
Other Borrowing Costs	8.65	6.63
	17.68	8.52
<b>NOTE 24 - OTHER EXPENSES</b>		
Power and Fuel (Net of Credit for Windmill Income of Rs. 51.53 Million (P.Y. Rs. 43.23 Million) captively consumed)	85.43	52.59
Repairs and Maintenance -		
Buildings	6.49	2.89
Machinery	43.60	34.11
Others	5.19	5.09
	55.28	42.09
Insurance	3.98	3.31
Rates & Taxes (excluding taxes on income)	0.90	1.17
Excise Duty -		
Relating to changes in inventories of finished goods	0.07	0.10
Loss on sale/write off of fixed assets (net)	0.59	0.16
Selling and Distribution Expenses	60.14	45.76
Windmill Energy Generation Expenses	9.26	24.17
Solar Energy Generation Expenses	6.74	7.73
CSR expenditure	8.80	-
Payment to Auditors (Net of Service Tax) -		
Audit Fees	0.41	0.35
Tax Audit Fees	0.10	0.10
VAT Audit Fees	0.07	0.06
For Certification and other related work	0.04	0.01
Limited Review	0.12	0.09
	0.74	0.61
Miscellaneous expenses	63.07	62.22
	295.00	239.91

## Notes forming part of the Financial Statements (Contd....)

### NOTE 26 - THE NET EXCHANGE DIFFERENCES ARISING DURING THE YEAR:

Recognised appropriately in the profit and loss account - net loss - Rs. in Million 3.47  
(31st March, 2015 - net gain - Rs. in Million 9.62)

### NOTE 27 - DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY THE ACCOUNTING STANDARD 15 (REVISED) EMPLOYEES BENEFITS ARE AS UNDER

#### (A) Defined Contribution Plan

Amount recognized as an expense in the Profit and Loss Account in respect of Defined Contribution Plans is Rs. Million 12.76.

#### (B) Defined Benefit Plan

- i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit & Loss Account.
- ii) The Defined Benefit Plans comprise of Gratuity and Leave Encashment. Gratuity is funded. Gratuity is a benefit to an employee based on 15 days (depending on the grade/ category of employee and completed year of services) last drawn salary of each year.

Rs. in Million

Particulars	Gratuity		Leave Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>(C) Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :</b>				
1 Present Value of Defined Benefit Obligation at the beginning of the year	91.70	76.47	27.30	23.29
2 Current Service cost	6.32	5.86	3.46	3.21
3 Interest Cost	6.97	6.93	2.11	2.11
4 Losses (gains) on Curtailment	-	-	-	-
5 Liabilities extinguished on settlements	-	-	-	-
6 Plan amendments	-	-	-	-
7 Actuarial (gains) / losses	8.87	4.72	(1.39)	(0.60)
8 Benefits paid	(4.68)	(2.28)	(0.53)	(0.71)
9 Present value of Defined Benefit Obligation as on 31.03.16	109.18	91.70	30.95	27.30
<b>(D) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :</b>				
1 Fair value of Plan assets at the beginning of the year	70.09	63.34	-	-
2 Expected return on plan assets	6.08	5.76	-	-
3 Actuarial gains and losses	(0.27)	(0.45)	-	-
4 Actual contributions by employer	2.90	2.90	-	-
5 Benefits paid	-	(1.46)	-	-
6 Plan assets as on 31st March, 2016	78.80	70.09	-	-
<b>(E) Analysis of Defined Benefit Obligation :</b>				
1 Defined Benefit Obligation as at 31st March, 2016	109.18	91.70	30.95	27.30
2 Fair Value of Plan assets at the end of the year	78.80	70.09	-	-
3 Net (Asset)/Liability recognized in the Balance Sheet.	30.38	21.61	30.95	27.30
<b>(F) Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :</b>				
1 Present value of Defined Benefit Obligation	109.18	91.70	30.95	27.30
2 Fair value of plan assets	78.80	70.09	-	-
3 Funded status [Surplus/(Deficit)]	(30.38)	(21.61)	(30.95)	(27.30)
4 Unrecognized Past Service Costs	-	-	-	-
5 Net asset/(Liability) recognized in Balance Sheet	(30.38)	(21.61)	(30.95)	(27.30)

## Notes forming part of the Financial Statements (Contd....)

Rs. in Million

Particulars	Gratuity		Leave Encashment		
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	
<b>(G) Components of employer expenses recognized .</b>					
1 Current Service cost	6.32	5.86	3.46	3.21	
2 Interest cost	6.97	6.93	2.11	2.11	
3 Expected return on plan assets	(6.08)	(5.76)	-	-	
4 Curtailment cost/(credit)	-	-	-	-	
5 Settlement cost/(credit)	-	-	-	-	
6 Past Service cost	-	-	-	-	
7 Actuarial Losses/(Gains)	9.15	5.17	(1.39)	(0.60)	
8 Total expense recognised in the Statement of P & L	16.36	12.20	4.18	4.72	
<b>(H) In respect of Funded Benefits with respect to gratuity and superannuation, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"</b>					
<b>(I) Principal Actuarial Assumptions :</b>					
1 Discount Rate (%)	7.60%	7.80%	7.60%	7.80%	
2 Expected Return on plan assets (%)	8.50%	9.00%	0.00	0.00	
3 Salary Escalation (%)	12.00%	12.00%	12.00%	12.00%	
4 Expected Average remaining working lives of employees (years)	10.44	10.72	10.33	10.62	
a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.					
b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations					
c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors					
	<b>31.03.2012</b>	<b>31.03.2013</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2016</b>
<b>(J) Experience History*</b>					
1 Present Value of Obligation	60.12	73.14	76.47	91.70	109.18
2 Plan Assets	15.75	55.84	63.34	70.09	78.80
3 Surplus (Deficit)	(44.37)	(17.30)	(13.13)	(21.61)	(30.38)
4 Experience adjustments on plan liabilities (loss)/gain	(7.65)	1.01	0.97	(2.76)	7.55
5 Experience adjustments on plan assets (loss)/gain	(1.51)	0.43	0.04	(0.45)	0.08
* The same needs to be disclosed for 5 years					
Particulars	Gratuity		Leave Encashment		
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	
<b>(K) Actual return on plan assets:</b>					
1 Expected Return on plan assets	6.08	5.76	-	-	
2 Actuarial gains and (losses)	(9.15)	(5.17)	-	-	
3 Actual return on plan assets	(3.07)	0.59	-	-	
<b>(L) Contributions expected to be paid to the plan during the next financial year Rs 2.5 Million .</b>					
<b>NOTE 28 -</b>					
Amount of borrowing costs capitalised during the year Rs. In Million - NIL (31st March, 2015 - Rs. In Million - NIL)					

## Notes forming part of the Financial Statements (Contd....)

### NOTE 29 - RELATED PARTY DISCLOSURES:

#### A) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
<b>Robert Bosch Automotive Steering GmbH</b>  <b>ZF Shanghai Steering Co.Ltd., China</b> <b>ZF Sistemas De Direcao Ltd, Brazil</b> <b>ZF Steering Jincheng (Nanjing),China</b>  <b>Varsha Forgings Ltd.</b> <b>KCTR Varsha Automotive Pvt. Ltd.</b>  <b>Robert Bosch Automotive Steering Private Limited</b> <b>(Company has 26% stake in the company)</b>	Foreign Collaborator :  Associated Companies of Robert Bosch Automotive Steering GmbH  Director's interested company  Joint venture company
<b>Mr. Dinesh Munot - Chairman &amp; Managing Director</b> <b>Mr. Jinendra Munot - Jt. Managing Director</b> <b>Mr. Utkarsh Munot - Chief Executive officer</b>	Key Managerial Personnel
<b>Mrs. Eitika Munot</b>	Relative of Key Managerial Personnel

#### B) Related Party Transactions:

Rs. in Million

Name of Related Party	Description of Relationship	Nature of Transactions	Amount of Transactions 2015-16	Amount Outstanding at the end of year 31-03-2016		Amount of Transactions 2014-15	Amount Outstanding at the end of year 31-03-2015	
				Credit	Debit		Credit	Debit
Robert Bosch Automotive Steering GmbH	Foreign Collaborator	Purchase of Raw materials & components Dividend paid during the year	147.56 52.65	20.05		155.15 16.38	10.49	-
Other related parties: Varsha Forgings Ltd. KCTR Varsha Automotive Pvt. Ltd.	Director's Interested Company Director's Interested Company	Sale of Goods	0.34	-		-	-	-
Varsha Forgings Ltd. KCTR Varsha Automotive Pvt. Ltd.	Director's Interested Company Director's Interested Company	Purchase of Raw materials & components	173.93 0.01	39.34 -		217.22 0.01	35.87 -	
Mr. Dinesh Munot	Key Managerial Personnel	Remuneration	26.55	0.98		21.90	1.19	
Mr. Jinendra Munot	Key Managerial Personnel	Remuneration	15.96	0.59		12.50	0.59	
Mr. Utkarsh Munot	Key Managerial Personnel	Remuneration	14.22	5.55		7.81	0.08	
Mrs.Eitika U Munot	Relative of Key Managerial Personnel	Remuneration	-	-		0.48	-	



## Notes forming part of the Financial Statements (Contd....)

### NOTE 30 - EARNINGS PER SHARE

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the net profit after tax for the year disclosed in the Profit and Loss Statement.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 9,073,300

**NOTE 31-** Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (Accounting Standard-29)

Particulars	Rs. In Million	
	As at 31st March, 2016	As at 31st March, 2015
	Warranty	Warranty
Carrying Amount at the beginning of the year	3.30	2.90
Additional Provision made during the year	3.66	4.14
Amounts Used during the year	4.11	3.74
Unused amounts reversed during the year	-	-
Carrying Amounts at the end of the year	2.85	3.30

**Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :**

#### Warranty Provision :

Warranty cost are accrued at the time of products are sold, based on past experience. The provision is discharged over the warranty period of 18 months from the date of sale.

### NOTE 32 - VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND PACKING MATERIAL CONSUMED

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value (Rs. In Million)	Percentage (%)	Value (Rs. In Million)	Percentage (%)
Imported	158.86	6.90	244.50	11.51
Indigenous	2,143.81	93.10	1,879.74	88.49
<b>Total</b>	<b>2,302.67</b>	<b>100.00</b>	<b>2,124.24</b>	<b>100.00</b>

### NOTE 33 - CIF VALUE OF IMPORTS

Particulars	For the year ended 31st March, 2016 Rs. In Million	For the year ended 31st March, 2015 Rs. In Million
Raw materials, Components and consumables	211.03	290.61
Capital Goods	114.63	108.24
<b>Total</b>	<b>325.66</b>	<b>398.85</b>

### NOTE 34 - CONTINGENT LIABILITY

Particulars	As at 31st March, 2016 Rs. In Million	As at 31st March, 2015 Rs. In Million
Income Tax matters in dispute in respect of penalty matters pending before CIT (Appeal), Pune	32.63	32.63
Income Tax matters in dispute in respect of Assessment dues (A.Y.2013-14) before CIT (Appeal), Pune	4.45	-
Co-acceptance of Import bills by the bankers	13.22	6.31
Bill discounted	336.85	254.89
Bank Guarantees by the Company	19.23	15.26
Any other matter (vat/cst) Sales tax liability under dispute	3.19	3.19
<b>Total</b>	<b>409.57</b>	<b>312.28</b>

## Notes forming part of the Financial Statements (Contd....)

### NOTE 35 - COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. In Million - 68.58 (31st March 2015 - Rs. In Million - 26.68 ).
- b) The Company has deferred payment of certain Sales tax Liability under various Package Scheme of Incentives of Government of Maharashtra. The Company is required to comply with conditions of above package Schemes of Incentives, the various Eligibility Certificates granted under such Schemes, stipulations or undertaking as per the Agreements entered into in connection with the grant of incentive under the said Schemes or on the Eligibility Certificates.

### NOTE 36- DETAILS OF FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE

Particulars	Amount in foreign currency		Equivalent amount Rs. in Million	
	Current Year	Previous Year	Current Year	Previous Year
Sundry creditors USD	0.02	0.035	1.25	2.19
Sundry creditors EURO	0.28	0.17	20.78	11.41
Sundry debtors USD	0.17	0.05	11.51	2.98

**NOTE 37 -** Interim Dividend amount paid to Shareholders Rs. 12.50 (P. Y. Rs. 10) per share.

**NOTE 38 -** Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosure are required to be made for enterprises which are covered under the Act. Since the Company is in a process of compiling relevant information from its suppliers about their coverage under the said Act, no disclosures have been made. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

### NOTE 39 - EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended 31st March, 2016 Rs. in Million	For the year ended 31st March, 2015 Rs. in Million
FOB Value of exports	56.79	31.27
<b>Total</b>	<b>56.79</b>	<b>31.27</b>

### NOTE 40 - REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	Paid in Current year	Paid in Previous Year
	Final	Final
(a) Year to which dividend relates	<b>2015-2016</b>	<b>2014-2015</b>
(b) Number of non-resident shareholders to whom remittance was made	1	1
(c) Number of shares on which remittance was made	2,340,155	2,340,000
(i) 23,40,000 - for last year dividend (Final)		
(ii) 23,40,155 - for current year interim dividend		
(d) Amount remitted (Rs. In Million)	52.65	16.38

### NOTE 41 - EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended 31st March, 2016 Rs. In Million	For the year ended 31st March, 2015 Rs. In Million
Travelling and other expenses	10.45	10.26
<b>Total</b>	<b>10.45</b>	<b>10.26</b>

**NOTE 42 -** In Previous year's provision for current taxes includes provision for wealth tax of Rs. In Millions - 0.3

**NOTE 43 -** The Company has 26% joint venture interest in Robert Bosch Steering Automotive Private Limited, a company incorporated in India.

As on March 31, 2016 the Company has further invested Rs.176.80 Million (previous year Rs. 317.20 Million) in the share capital of this Joint Venture.

## Notes forming part of the Financial Statements (Contd....)

The Company's share of each of the assets, liabilities, income and expenses (each without elimination of the effect of transaction between the Company and the Joint Venture), related to its interest in the joint venture as per AS 27 on 'Financial Reporting of interest in Joint Ventures' (Based on the unaudited accounts of the joint venture for the year ended March 31, 2016) are as under.

Particulars	As at March 31st, 2016 Rs. In Million	As at March 31st, 2015 Rs. In Million
Assets	658.05	687.85
Liabilities	169.24	174.03
Particulars	For the year 2015-2016	For the year 2014-2015
Income	429.11	216.95
Expenditure	630.93	365.28

### NOTE 44- ACTUAL PRODUCTION, OPENING STOCK, CLOSING STOCK AND SALES

Class of Goods	Opening Stock		Closing Stock		Sales	
	Qty. No.	Value Rs. in Million	Qty. No.	Value Rs. in Million	Qty. No.	Value Rs. in Million
Hydraulic Power Steering Gears including components/ spares	113	0.84	39	0.56	246,647 (206,107)	3,731.29 (3,074.19)
Mechanical Steering Gears including components/ spares	4	0.01	2	0.01	116,245 (136,717)	432.92 (510.71)
	117	0.85	41	0.57	362,892	4,164.21
	(96)	(0.57)	(117)	(0.85)	(342,824)	(3,584.90)

None of the Company's Raw Material and Components are greater than 10 percent of total sales and consumption of raw material and hence the disclosure under Broad Heads of Materials has not given.  
The above figures are inclusive of Excise duty and Education Cess.

### NOTE 45 - SEGMENT REPORTING

Rs. in Million

Sr. No.	Particulars	31.03.2016	31.03.2015
1	<b>Segment Revenue</b>		
	a Auto Component	3,778.05	3,299.99
	b Renewable Energy	146.06	138.82
	<b>Less: inter segment sale</b>	<b>51.54</b>	43.23
	<b>Total Income</b>	<b>3,872.57</b>	3,395.58
2	<b>Segment results</b>		
	Profit( + ) / Loss ( - ) before tax and interest from each segment		
	a Auto Component	532.82	404.81
	b Renewable Energy	67.49	31.35
	<b>Total</b>	<b>600.31</b>	436.16
	Less : Interest	17.68	8.52
	<b>Total profit before Tax</b>	<b>582.63</b>	427.64
	Less : Tax Expenses	131.99	72.00
	<b>Net Profit</b>	<b>450.64</b>	355.64
3	<b>Total carrying amount of segment assets</b>		
	a Auto Component	3,320.58	2,866.35
	b Renewable Energy	387.22	448.32
	Unallocable segment	45.41	46.80
	<b>Total segment assets</b>	<b>3,753.21</b>	3,361.47

**NOTE 45 - SEGMENT REPORTING (contd.)**
**Rs. in Million**

	Particulars	31.03.2016	31.03.2015
<b>4</b>	<b>Total amount of segment liabilities</b>		
	a Auto Component	943.02	871.08
	b Renewable Energy	2.71	6.50
	c unallocable segment	11.90	2.44
	<b>Total segment liabilities</b>	<b>957.63</b>	<b>880.02</b>
<b>5</b>	<b>Capital Employed</b> (Segment assets - Segment liabilities)		
	a Auto Component	2,377.56	1,995.27
	b Renewable Energy	384.51	441.82
	c Unallocable segment	33.51	44.36
	<b>Total capital employed in the company</b>	<b>2,795.58</b>	<b>2,481.45</b>
<b>6</b>	<b>Capital Expenditure incurred during the year</b>		
	a Auto component	302.25	301.61
	b Renewable Energy	-	-
<b>7</b>	<b>Depreciation</b>		
	a Auto component	184.78	158.87
	b Renewable Energy	62.58	75.58

**NOTE 46 -** During the year, the Company has spent Rs. 8.80 million towards corporate social responsibility (CSR) under section 135 of the Companies Act, 2013 and rules thereon. The Company has contributed to various NGO's (Non-Government Organisation)

**NOTE 47 -** Earlier years, the Company used to charge cost of consumables items to the Profit & Loss Account on issuance to shop floor. With effect from 1st April 2015, such consumable items are charged on actual consumption basis. Had the Company followed the previous method, profit would have been lower by Rs. 12.71 Million.

**NOTE 48 -** Corresponding Figures of the previous year have been regrouped/ recast, wherever necessary, so as to confirm with the current year's presentation.

As per our Report of even date attached.

**For MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Mangesh Katariya**  
Partner  
Membership No.104633

Pune, May 19, 2016

**For and on behalf of the Board of Directors**

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

**Manish Motwani**  
**M. L. Rathi**  
**Jitendra Pandit**  
**S. A. Gundecha**  
**Mrs. Eitika Munot**  
**Soumitra Bhattacharya**

**Jinendra Jain**  
**Satish Mehta**

Pune, May 19, 2016

Chairman & Managing Director  
Jt. Managing Director  
Chief Executive Officer

Directors

Chief Financial Officer  
Company Secretary

## Notes forming part of the Financial Statements (Contd....)

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 (the Act) related to Associate AOC-1

Rs. in Million

SR No.	Name of the Associate/ Joint Venture	1. Latest audited Balance sheet date	2. shares of associates/ Joint Ventures held by the Company on the year end			3. Description of how there is significant influence	4. Reason why the associate/Joint venture is not consolidated	5. Networth attributable to shareholding as per latest audited Balance sheet	6. Profit/ (Loss) for the year	
			Number	Amount of Investment in Associate/ Joint Venture	Extend of Holding %				I. Considered in Consolidation	I. Not Considered in Consolidation
1	Robert Bosch Automotive steering Private Limited	# 31.03.2015	87,490,000	874.90	26%	(i) The Company's holding of 26% of total share-capital in the Associate/ Joint-Venture Company is higher than specified under Section 2(6) of the Act, for the purpose of 'significant influence'. (ii) The Company enjoys 'Special Rights' under the Articles of Association of the Associate/ JV Company.	It is exempted for Financial year 2014-2015	513.82	It is exempted for Financial year 2014-2015	

Note : # Audited figures for 31.03.2016 are not yet available.

As per our Report of even date attached.

For **MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Mangesh Katariya**  
Partner  
Membership No.104633

Pune, May 19, 2016

**For and on behalf of the Board of Directors**

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

**Manish Motwani**  
**M. L. Rathi**  
**Jitendra Pandit**  
**S. A. Gundecha**  
**Mrs. Eitika Munot**  
**Soumitra Bhattacharya**

**Jinendra Jain**  
**Satish Mehta**

Pune, May 19, 2016

Chairman & Managing Director  
Jt. Managing Director  
Chief Executive Officer

Directors

Chief Financial Officer  
Company Secretary



# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,  
The Members of  
ZF Steering Gear (India) Ltd.

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ZF Steering Gear (India) Limited (“the Holding Company”)** and its jointly controlled entity, which comprises of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (“**the Act**”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and Jointly Controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence by us and the audit evidence obtained by the other auditors referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its Jointly controlled entity as at March 31, 2016; and their consolidated profits and their Cash Flows for the year ended on that date.

## Other Matters

We did not audit the financial statements of the jointly controlled entity, whose financial statements reflect total assets of Rs. 669.96 millions as at March 31, 2016, total revenues of Rs. 429.26 millions and net cash flows amounting to Rs. (229.17) millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to the preparation of the consolidated financial statements, have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the company as on March 31, 2016 taken on record by the Board of Directors of the company and the reports of the statutory auditor of its jointly controlled entity, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the Auditors' Report of the company and its Jointly Controlled Entity.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its consolidated financial position in the aforesaid consolidated financial statements. – Refer Note 34 to the consolidated financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For MGM and Company  
Chartered Accountants  
Firm Registration No. 117963W**

**Mangesh Katariya  
Partner**

**Pune  
July 28, 2016**

**Membership No. 104633**

**"ANNEXURE A" REFERRED TO IN PARAGRAPH 2(f)  
UNDER THE HEADING "REPORT ON OTHER LEGAL AND  
REGULATORY REQUIREMENTS" OF OUR REPORT OF  
EVEN DATE TO THE MEMBERS OF ZF STEERING GEAR  
(INDIA) LTD.**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company for the year ended on March 31, 2016, we have audited the internal financial controls over financial reporting of ZF Steering Gear (India) Ltd. ("the Holding Company") and its jointly controlled entity, which are incorporated in India, as on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its jointly controlled companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of

Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of its Jointly Controlled entity, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised

acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion to the best of our information and according to the explanation given to us, the Holding Company and its Jointly Controlled entity, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company and its Jointly Controlled entity considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to jointly controlled company, is based on the corresponding report of the auditor of the Jointly Controlled entity.

**For MGM and Company  
Chartered Accountants  
Firm Registration No. 117963W**

**Pune  
July 28, 2016**

**Mangesh Katariya  
Partner  
Membership No. 104633**

## Consolidated Balance Sheet as at 31st March, 2016

Rupees in Million

	Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>(I)</b>	<b>EQUITY AND LIABILITIES</b>			
<b>(1)</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	1	90.73	90.73
	(b) Reserves and Surplus	2	2,146.86	2,029.64
			<b>2,237.59</b>	2,120.37
<b>(2)</b>	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	3	79.41	101.00
	(b) Deferred tax liabilities (Net)	4	27.18	65.30
	(c) Long term provisions	5	25.14	21.20
			<b>131.73</b>	187.50
<b>(3)</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowings	6	246.13	101.26
	(b) Trade payables	7	525.55	464.71
	(c) Other current liabilities	8	173.85	155.96
	(d) Short-term provisions	9	56.63	144.94
			<b>1,002.16</b>	866.87
	<b>Total</b>		<b>3,371.48</b>	3,174.74
<b>II</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current assets</b>			
	(a) Fixed assets	10		
	(i) Tangible assets		1,263.35	1,235.31
	(ii) Intangible assets		20.25	17.72
	(iii) Capital work-in-progress		72.48	43.23
			<b>1,356.08</b>	1,296.26
	(b) Non-current investments	11	594.14	498.59
	(c) Long term loans and advances	12	196.57	121.75
	(d) Other non-current assets	13	18.30	30.77
			<b>809.01</b>	651.11
<b>(2)</b>	<b>Current assets</b>			
	(a) Inventories	14	294.02	329.23
	(b) Trade receivables	15	653.08	590.88
	(c) Cash and Cash Equivalents	16	71.73	135.37
	(d) Short-term loans and advances	17	117.71	127.63
	(e) Other current assets	18	69.85	44.26
			<b>1,206.39</b>	1,227.37
	<b>Total</b>		<b>3,371.48</b>	3,174.74

SEE ACCOMPANYING NOTES TO ABRIDGED CONSOLIDATED FINANCIALS STATEMENTS

As per our Report of even date attached.

For **MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Mangesh Katariya**  
Partner  
Membership No.104633

For and on behalf of the Board of Directors

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

Chairman & Managing Director  
Jt. Managing Director  
Chief Executive Officer

**Manish Motwani**  
**M. L. Rathi**  
**Jitendra Pandit**  
**Shridhar Kalmadi**  
**Ludwig Rapp**  
**Ajinkya Arun Firodia**  
**S. A. Gundecha**  
**Mrs. Eitika Munot**

Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, July 28, 2016

Pune, July 28, 2016

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

Rupees in Million

	Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I.	<b>Revenue from operations- Gross</b>		<b>4,754.05</b>	3932.37
	Less: Excise Duty		<b>514.26</b>	419.61
	Revenue from operations- Net	19	<b>4,239.79</b>	3,512.76
II.	<b>Other Income</b>	20	<b>62.03</b>	99.70
III.	<b>Total Revenue (I +II)</b>		<b>4,301.82</b>	3,612.46
IV.	<b>Expenses:</b>			
	Cost of raw materials and components consumed (including purchase of traded goods)	21	<b>2,739.96</b>	2,366.61
	Changes in inventories of finished goods and work-in-progress	22	<b>11.80</b>	(21.32)
	Employee benefit expenses	23	<b>466.42</b>	393.55
	Other expenses	25	<b>387.61</b>	312.04
	<b>Total (IV)</b>		<b>3,605.79</b>	3,050.88
V.	<b>Profit before Interest, tax, depreciation and amortization and exceptional item (EBITDA) (III - IV)</b>		<b>696.03</b>	561.58
VI.	<b>Finance costs</b>	24	<b>17.68</b>	8.52
VII.	<b>Depreciation and amortization expenses</b>	10, 11	<b>299.77</b>	273.79
VIII.	<b>Profit before exceptional items and tax (V - VI-VII)</b>		<b>378.58</b>	279.27
IX.	<b>Profit before tax ( VIII)</b>		<b>378.58</b>	279.27
X.	<b>Tax expense:</b>			
	(1) Current tax		<b>162.30</b>	95.74
	(2) Deferred tax		<b>(38.12)</b>	(14.87)
	(3) Taxation of earlier year(s)		<b>(0.69)</b>	(8.26)
	(4) Defferal sales tax loan of earlier year(s)		<b>1.36</b>	-
			<b>124.85</b>	72.61
XI.	<b>Profit(Loss) for the period (IX-X)</b>		<b>253.73</b>	206.66
XII.	<b>Earning per equity share (Face Value per share Rs. 10):</b>			
	(1) Basic		<b>27.97</b>	22.78
	(2) Diluted		<b>27.97</b>	22.78

SEE ACCOMPANYING NOTE TO ABRIDGED CONSOLIDATED FINANCIALS STATEMENTS

<p>As per our Report of even date attached.</p> <p><b>For MGM and Company</b> Chartered Accountants Firm Registration No. : 117963W</p> <p><b>Mangesh Katariya</b> Partner Membership No.104633</p>	<p style="text-align: center;"><b>For and on behalf of the Board of Directors</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; vertical-align: top;"> <p><b>Dinesh Munot</b> <b>Jinendra Munot</b> <b>Utkarsh Munot</b></p> <p><b>Manish Motwani</b> <b>M. L. Rathi</b> <b>Jitendra Pandit</b> <b>Shridhar Kalmadi</b> <b>Ludwig Rapp</b> <b>Ajinkya Arun Firodia</b> <b>S. A. Gundecha</b> <b>Mrs. Eitika Munot</b></p> </td> <td style="width: 5%; text-align: center; vertical-align: middle;">}</td> <td style="width: 35%; vertical-align: middle;">Directors</td> </tr> <tr> <td style="vertical-align: top;"> <p><b>Jinendra Jain</b> <b>Satish Mehta</b></p> </td> <td style="vertical-align: top;"> <p>Chief Financial Officer Company Secretary</p> </td> </tr> </table>	<p><b>Dinesh Munot</b> <b>Jinendra Munot</b> <b>Utkarsh Munot</b></p> <p><b>Manish Motwani</b> <b>M. L. Rathi</b> <b>Jitendra Pandit</b> <b>Shridhar Kalmadi</b> <b>Ludwig Rapp</b> <b>Ajinkya Arun Firodia</b> <b>S. A. Gundecha</b> <b>Mrs. Eitika Munot</b></p>	}	Directors	<p><b>Jinendra Jain</b> <b>Satish Mehta</b></p>	<p>Chief Financial Officer Company Secretary</p>
<p><b>Dinesh Munot</b> <b>Jinendra Munot</b> <b>Utkarsh Munot</b></p> <p><b>Manish Motwani</b> <b>M. L. Rathi</b> <b>Jitendra Pandit</b> <b>Shridhar Kalmadi</b> <b>Ludwig Rapp</b> <b>Ajinkya Arun Firodia</b> <b>S. A. Gundecha</b> <b>Mrs. Eitika Munot</b></p>	}	Directors				
<p><b>Jinendra Jain</b> <b>Satish Mehta</b></p>	<p>Chief Financial Officer Company Secretary</p>					
<p>Pune, July 28, 2016</p>	<p>Pune, July 28, 2016</p>					



## Consolidated Cash Flow Statement for the year ended 31st March, 2016

Rupees in Million

		Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(Loss) before tax:	378.58	279.27
	Adjustment for:	-	-
	Depreciation/Amortisation	299.77	273.80
	Finance Costs	17.68	8.52
	(Profit)/ Loss on sale of fixed assets	0.59	0.09
	(Profit)/ Loss on sale of investments	(21.78)	(44.83)
	Interest income	(4.09)	(4.19)
	Dividend Income	(10.84)	(11.93)
	<b>Operating profit before Working Capital changes</b>	<b>659.91</b>	<b>500.73</b>
	Adjustments for changes in Working capital		
	Long term Loans and advances	(41.97)	2.52
	Other non-current assets	-	0.20
	Inventories	35.21	(37.90)
	Trade Receivables	(62.24)	(97.11)
	Short term Loans and advances	9.94	(27.02)
	Other current assets	(27.40)	(13.60)
	Long term Provisions	3.94	4.25
	Trade Payables	60.86	20.12
	Other current liabilities	9.46	70.57
	Short term Provisions	11.42	10.45
	Preliminary and other deferred expenditure incurred	14.29	(25.64)
	Cash generated from operations	673.42	407.57
	Income taxes paid (including wealth tax)	(150.43)	93.84
	Net Cash from Operating activities	522.99	313.73
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Fixed Assets:		
	Purchase	(388.61)	(378.55)
	Sale	1.88	9.62
	Investments:		
	Purchase	(137.82)	(212.50)
	Sale	63.48	194.95
	Interest received	4.09	4.19
	Dividend received	10.84	11.93
	Capital work in progress including advances	-	-
	Net Cash from/used in investing activities	(446.14)	(370.36)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Long issuance of share capital	-	-
	Sales Tax deferral	(22.95)	(23.47)
	Proceeds from Short term borrowings	144.87	99.20
	Interest paid	(17.68)	(8.52)
	Payment to CSR activity shown in appropriation	-	(10.80)
	Dividend paid	(244.73)	(73.95)
	Net Cash from/used in financing activities	(140.49)	(17.54)
<b>D</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(63.64)</b>	<b>(74.17)</b>
	Cash and Cash Equivalents (Opening balance)	135.37	209.54
	Cash and Cash Equivalents (Closing balance)	71.73	135.37

SEE ACCOMPANYING NOTES TO ABRIDGED CONSOLIDATED FINANCIALS STATEMENTS

As per our Report of even date attached.

For **MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Mangesh Katariya**  
Partner  
Membership No.104633

For and on behalf of the Board of Directors

**Dinesh Munot**  
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Chairman & Managing Director  
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Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, July 28, 2016

Pune, July 28, 2016

## Notes to Consolidated Financial Statements (Contd....)

### NOTE 26 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### A) Corporate Information :-

ZF Steering Gear India Limited (“the Company”) is a Listed company domiciled in India and was incorporated on January 21, 1981 under the provision of the Companies Act, 1956. The company is primarily engaged in the business of production & assembling of steering systems for vehicles, buses and tractors. The company has plant at Vadu Budruk, Near pune for production and assembling of steering systems and accessories.

#### B) Principles of Consolidation :-

The financial statements of ZF Steering Gear India Limited and its joint venture have been consolidated on a line by line basis by adding together like items of assets, liabilities, income, expenses, after eliminating intra group transactions and any unrealized gains or losses in accordance with the Accounting Standard - 21 on Consolidated Financial Statements (AS 21).

The financial statements of ZF Steering Gear India Limited and its joint venture have been consolidated using uniform accounting policies to extent possible for like transactions and other events in similar circumstances.

The excess of cost of investments in the Joint Venture company/s over the share of the equity of the Joint Venture company/s at the date on which the investment in the Joint Venture company/s is made is recognised as 'Goodwill on Consolidation' and is disclosed on the face of the Balance Sheet in the Consolidated Financial Statements. Alternatively, where the share of equity in the Joint Venture company/s as on the date of investment is in excess of cost of the investment, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

Minority interest in the net assets of the consolidated Joint Venture consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made in the Joint Venture company/s and further movements in their share in the equity, subsequent to the dates of investments. Minority interest also includes share application money received from minority shareholders. The losses in Joint Venture/s attributable to the minority shareholder are recognised to the extent of their interest in the equity of the joint venture.

Investment in an entity in which the Group has significant influence but not a controlling interest, is reported according to the equity method i.e. the investment is initially recorded at cost in accordance with Accounting Standard 23 "Accounting for Investments in associates in Consolidated Financial Statements". The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associate. The excess of cost of investment in associate, over the net assets at the date of acquisition of the investment in the associate is separately disclosed under non-current investments as Goodwill.

#### C) Basis for preparation of financial statements:

The Consolidated Financial Statements comprise the financial statements of ZF Steering Gear India Limited ('ZF' or 'the Company') and its Joint Venture (the Company, and its Joint Venture constitute "the Group"). The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The financial statements of the Joint Venture used in the consolidation are drawn up to the same reporting date as that of ZF Steering Gear India Limited.

#### D) Fixed Assets and Depreciation :

##### (i) Fixed Assets :

Fixed Assets are stated at cost (net of Cenvat and sales tax credit) of acquisition or construction or at manufacturing cost in case of Company manufactured assets, less accumulated depreciation (except on free hold land). The cost includes freight, duties, taxes, and incidental expenses related to acquisition, installation, erection and commissioning.

##### (ii) Depreciation :

a) Depreciation is provided as per the Written Down Value (W.D.V.) method based on useful life specified in Schedule II to the Companies Act, 2013 except ERP Software which is charged off in three equal

## Notes to Consolidated Financial Statements (Contd....)

installments from the date of capitalisation. Tangible assets residual value is kept at 5% of fixed asset.

- b) Leasehold land's value is written off on the basis of the tenure of the Lease.
- c) Depreciation is provided on pro-rata basis on additions / deductions during the year.

### E) Investments :

Long term Investments are stated at cost. Provision is made to recognise any diminution in the value, other than temporary, in the carrying amount of any long term investments.

Current Investments are carried at lower of cost and market value determined on an individual investment basis.

#### Investment in Immovable Property

Immovable Properties that are not intended to be occupied substantially for self use by or in the operations of the Company, have been classified as investment Properties. Investment properties are carried at cost less accumulated depreciation .

### F) Lease :

Lease arrangements where the risks and rewards incidental to ownership of an asset subsequently vest with the lessor are recognised as operating leases. Lease rentals under operating are recognised in the statement Profit and loss account.

### G) Inventories :

Inventories are valued at the lower of cost (Value of cost is computed on a weighted average basis) and estimated net realisable value. Finished goods and Carbon Credit & Renewable Energy Certificate and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods inventory. Goods-in-transit are stated at actual cost incurred upto the date of balance sheet .

Scrap is valued at net realisable value .

Carbon Credit and Renewable Energy Certificates (REC ) are valued at Cost or estimated net realisable value, whichever is lower .

### H) Revenue Recognition

#### Sale of Products

Sale of goods is recognised when the significant risks and rewards of ownership of goods have passed on to the customers, which is generally on despatch of

goods. Gross Sales include excise duty but excludes sales tax and are net of trade discounts.

#### Income from services

Revenue from engineering services comprises income from time and material contracts. Revenue from time and material basis is recognised as the services are rendered.

### I) Employees Retirement Benefits :

Defined Contribution plans: The Company makes specified monthly contributions towards employee provident fund. Defined benefit plans: The Company's gratuity and leave encashment are defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows.

The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government Securities as at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account in the year in which they relate .

### J) Foreign Currency Transactions :

Transactions in foreign currency are accounted at exchange rates prevailing at the time of the transaction. All exchange gains/losses arising out of such transactions are taken to Profit and Loss account. Foreign currency monetary assets and liabilities are translated at the exchange rates prevailing on the last working day of the accounting year. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### K) Taxation :

Provision is made for income tax liability which may arise on the results for the year at the current rate of tax in accordance with the Income-tax Act, 1961.

## Notes to Consolidated Financial Statements (Contd....)

The deferred tax for timing differences between the book profit and tax profits for the year is accounted for using the tax rates enacted as of the Balance Sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

### L) Segment Reporting

#### a) Identification of Segments

The Company's operating business are organised and managed separately according to the nature of activity, with each segment representing a strategic business unit that offers different activity.

#### b) Unallocated items

Corporate assets and liabilities, income and expenses which relate to the Company as a whole and are not allocable to segments, have been included under unallocated items.

### M) Impairment of Assets :

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognised in the Profit and Loss Account to the extent the carrying amount exceeds recoverable amount. During the year there was no impairment of assets.

### N) Provisions and Contingent Liabilities

a) Provisions in respect of present obligation arising out of past events are made in the

accounts when reliable estimates can be made about the amount of obligation.

b) Contingent Liabilities are disclosed when there is a possible obligation that may, but probably will not, require an outflow of resources.

### O) Earnings per Share

Basic and diluted earning per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

### P) Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

### Q) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that [i] the Company will comply with the conditions attached to them, and [ii] the grant / subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to Statement of Profit and Loss over the periods and in the proportions in which depreciation on those assets is charged.

## Notes to Consolidated Financial Statements

Rupees in Million

	As at 31st March, 2016		As at 31st March, 2015	
<b>NOTE 1 - SHARE CAPITAL</b>				
<b>Authorised:</b>				
10,000,000 (Previous period 10,000,000 ) equity shares of Rs. 10 each.				
	100.00		100.00	
	100.00		100.00	
<b>Issued, Subscribed and Paid up:</b>				
9,073,300 (Previous period 9,073,300) equity shares of Rs. 10 each.				
	90.73		90.73	
	90.73		90.73	
<b>Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:</b>	<b>As at 31st March, 2016 No of shares</b>	<b>As at 31st March, 2016 Rs. In Million</b>	<b>As at 31st March, 2015 No of shares</b>	<b>As at 31st March, 2015 Rs. In Million</b>
No of shares outstanding at the beginning of the year				
- Equity shares	9,073,300	90.73	9,073,300	90.73
Add: Additional shares issued during the year				
- Equity shares	-	-	-	-
Less: Shares forfeited / Bought back during the year				
- Equity shares	-	-	-	-
No of shares outstanding at the end of the year				
- Equity shares	9,073,300	90.73	9,073,300	90.73
<b>Notes:</b>				
i) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:				
<b>Particulars</b>	<b>as at 31st March, 2016</b>		<b>as at 31st March, 2015</b>	
	<b>No. of shares</b>	<b>% holding</b>	<b>No. of shares</b>	<b>% holding</b>
Equity Shares:				
Robert Bosch Automotive Steering GmbH	2,340,155	25.79	2,340,000	25.79
Mr. Utkarsh Munot	1,191,494	13.13	1,191,494	13.13
Mr. Dinesh Munot	949,290	10.46	949,290	10.46
ii) Terms/Rights attached to Equity Shares				
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share The Company declares and pays dividend in Indian Rupee. The dividend recommended by the Board of Directors is subject to approval of the members at the ensuing Annual General Meeting.				
During the Year ended on 31st March, 2016, the amount of per share dividend paid as distribution to equity shareholders is Rs.12.50 (P.Y. 10)				
In the event of liquidation of the Company, the holders of each equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.				
	As at 31st March, 2016		As at 31st March, 2015	
<b>NOTE 2 - RESERVES AND SURPLUS</b>				
<b>Capital Reserve:</b>				
As per last Balance Sheet				
	3.50		3.50	
Additions during the year				
	-		-	
	3.50		3.50	
<b>Securities Premium Account:</b>				
As per last Balance Sheet				
	23.23		23.23	
Additions on shares issued during the year				
	-		-	
	23.23		23.23	
<b>General Reserve:</b>				
As per last Balance Sheet				
	2,350.00		2,120.00	
Less :Impact due to change in Depreciation amount as per schedule II of the Companies Act, 2013				
	-		(15.81)	
Add: Deferred Tax - On depreciation of earlier year's				
	-		5.36	
Add: Transfer from Profit & Loss Account				
	-		240.45	
	2,350.00		2,350.00	



## Notes to Consolidated Financial Statements (Contd....)

Rs. in Million

		As at 31st March, 2016	As at 31st March, 2015			
<b>Surplus i.e. Balance in Profit and Loss statement</b>						
As per last Balance Sheet		(347.09)	(193.30)			
Add: Profit/(Loss) for the year		253.73	206.66			
Less: Appropriations		-	-			
Payment to Prime Minister National relief Funds		-	10.80			
Transfer to reserves		-	240.45			
Interim / Proposed dividend		113.42	90.73			
Tax on Interim / Proposed Dividend		23.09	18.47			
		<b>(229.87)</b>	<b>(347.09)</b>			
<b>Total</b>		<b>2,146.86</b>	<b>2029.64</b>			
<b>NOTE 3 - LONG TERM BORROWINGS</b>						
<b>Loans and Advances from other than related parties:</b>						
Deferred payment liabilities Unsecured (Note No.3 a) (Sales Tax Deferral under Package Schemes of Incentives)		79.41	101.00			
		<b>79.41</b>	<b>101.00</b>			
<b>Total</b>		<b>79.41</b>	<b>101.00</b>			
<b>NOTE 3a :</b>						
<b>Repayment Schedule</b>						
Year	Package Scheme of incentives 1993 (I) EC-3305	Package Scheme of incentives 1993 (I) EC-4206	Additional Incentives under Package Scheme 1988/ EC-1499	Incentive under 1998 Power Generation Policy (0.70 MW)	Incentive under 1998 Power Generation Policy (1.00 MW)	Total Amount (Rs.)
2016-17	1.81	9.81	-	4.66	6.67	22.95
2017-18	-	8.90	-	5.82	8.33	23.05
2018-19	-	6.50	1.07	5.71	8.33	21.61
2019-20	-	2.62	1.07	4.54	6.67	14.90
2020-21	-	-	1.07	3.38	5.00	9.45
2021-22	-	-	1.07	2.21	3.33	6.61
2022-23	-	-	1.07	1.05	1.67	3.79
	<b>1.81</b>	<b>27.83</b>	<b>5.35</b>	<b>27.37</b>	<b>40.00</b>	<b>102.36</b>

## Notes to Consolidated Financial Statements (Contd....)

Part I of 1988/ Package Scheme of Incentives -	}	Sales Tax incentive scheme of Govt. of Maharashtra, by way of deferment of Sales Tax liability, for expansion carried out by the Company, being eligible unit under the scheme, implemented then through SICOM (The State Industrial and Investment Corporation Of Maharashtra Limited)
Part I of 1993/ Package Scheme of Incentives -		
Additional Incentives under Package Scheme 1988		Additional Incentives Scheme of Govt. of Maharashtra, by way of deferment of Sales Tax liability, as per Govt. Circular No. IDL-1005/(C.R.354)/ IND-8 Dated 06.11.2006.
1998 Power Generation promotion policy -		Sales Tax incentive scheme of Govt. of Maharashtra, by way of deferment of Sales Tax liability, for achieving required Power Load Factor (PLF) for the Company's Wind Farm project, implemented through MEDA (Maharashtra Energy Development Agency)

Rupees in Million		
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 4 - DEFERRED TAX LIABILITY</b>		
(i) Break up of deferred tax liability as at year end :		
<b>Nature of timing difference</b>		
Provision for Depreciation	61.74	100.38
Less : Deferred tax of earlier year's depreciation	-	(5.36)
	<b>61.74</b>	<b>95.02</b>
(ii) Break up of deferred tax asset as at year end:		
Provision for Employee Benefits	34.56	29.72
	<b>34.56</b>	<b>29.72</b>
(iii) Deferred tax (asset)/liability net:	27.18	65.30
	(i-ii)	
<b>NOTE 5 - LONG- TERM PROVISIONS</b>		
Provision for Employee Benefits	22.31	20.12
Provision for warranties	2.83	1.08
	<b>25.14</b>	<b>21.20</b>
<b>NOTE 6 - SHORT TERM BORROWINGS</b>		
<b>Loans and Advances from other than related parties:</b>		
Loans repayable on demand (Secured)		
- Cash Credit Facilities	9.67	15.22
(Above facilities from banks are Secured by Hypothecation of Stocks and Book Debts and Second Charge on Plant and Machinery at Factory)		
- Overdraft Facilities	236.46	86.04
Against pledge of certain Financial Investments of the Company (Refer Note No : 11)		
	<b>246.13</b>	<b>101.26</b>
<b>NOTE 7 - TRADE PAYABLES</b>		
Trade payables	525.55	464.71
	<b>525.55</b>	<b>464.71</b>
<b>NOTE 8 - OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Refer Note No: 3a)	22.95	23.47
Unclaimed dividends	6.20	5.22
Other payables		
(i) Payable for capital goods	54.01	46.56
(ii) Advance from customers	13.29	12.26
(iii) Statutory obligations	77.40	68.45
	<b>173.85</b>	<b>155.96</b>
<b>NOTE 9 - SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	39.05	28.89
Provision-Others:	-	-
Provision for Warranty	5.68	4.41
Proposed Dividend	-	90.73
Tax on proposed dividend	-	18.47
Provision for Taxation net of Advance Tax Payments	11.90	2.44
	<b>56.63</b>	<b>144.94</b>

## NOTE 10 - FIXED ASSETS FOR THE FINANCIAL YEAR 2015-16

Rupees in Million

	Gross Block at Cost				Depreciation / Amortization / Impairment				Net Block			
	As at 1st April 2015	Additions during the year	Disposals during the year/ written back	* Other Adjustments	As at 31st March, 2016	Upto 31st March, 2015	For the year	On Disposals/ written back	* Other Adjustments	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>(I) TANGIBLE ASSETS</b>												
Land	3.30	-	-	-	3.30	-	-	-	-	-	3.30	3.30
Leasehold Land	81.45	0.36	-	-	81.81	10.73	3.25	-	-	13.98	67.83	70.72
Buildings	153.38	1.21	0.05	-	154.54	77.76	6.50	-	-	84.26	70.28	75.62
Plant & Equipment	1,687.21	280.93	31.17	-	1,936.97	1,040.13	187.41	29.61	-	1,197.93	739.04	647.08
Plant & Equipment ( R & D)	37.35	8.31	-	-	45.66	31.56	2.28	-	-	33.84	11.82	5.79
Furniture & Fixtures	47.08	0.82	-	-	47.90	23.91	6.57	-	-	30.48	17.42	23.17
Vehicles	82.26	18.73	5.49	-	95.50	57.62	10.55	4.64	-	63.53	31.97	24.64
Office Equipment	36.29	5.58	0.34	-	41.53	26.59	6.23	0.32	-	32.50	9.03	9.70
Electrical Installation	35.50	3.23	-	-	38.73	15.39	5.54	-	-	20.93	17.80	20.11
ETP/STP Plant	5.40	-	-	-	5.40	2.59	0.95	-	-	3.54	1.86	2.81
Wind Mills	321.76	-	-	-	321.76	259.05	5.22	-	-	264.27	57.49	62.71
Solar Power Plant	491.98	-	-	-	491.98	202.32	54.15	-	-	256.47	235.51	289.66
<b>Total</b>	<b>2,982.96</b>	<b>319.17</b>	<b>37.05</b>	<b>-</b>	<b>3,265.08</b>	<b>1,747.65</b>	<b>288.65</b>	<b>34.57</b>	<b>-</b>	<b>2,001.73</b>	<b>1,263.35</b>	<b>1,235.31</b>
<b>(II) INTANGIBLE ASSETS</b>												
Computer Software	35.35	12.65	-	-	48.00	17.64	10.56	-	-	28.19	19.81	17.71
Technical know how fees	0.86	-	-	-	0.86	0.85	-	-	-	0.85	0.01	0.01
Patent	-	0.44	-	-	0.44	-	0.01	-	-	0.01	0.43	-
<b>Total</b>	<b>36.21</b>	<b>13.09</b>	<b>-</b>	<b>-</b>	<b>49.30</b>	<b>18.49</b>	<b>10.57</b>	<b>-</b>	<b>-</b>	<b>29.05</b>	<b>20.25</b>	<b>17.72</b>
<b>TOTAL (I)+(II)</b>	<b>3,019.17</b>	<b>332.26</b>	<b>37.05</b>	<b>-</b>	<b>3,314.38</b>	<b>1,766.14</b>	<b>299.22</b>	<b>34.57</b>	<b>-</b>	<b>2,030.78</b>	<b>1,283.60</b>	<b>1,253.03</b>
<b>CAPITAL WORK IN PROGRESS</b>											<b>72.48</b>	<b>43.23</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>												<b>-</b>

## NOTE 10 - FIXED ASSETS FOR THE FINANCIAL YEAR 2014-15

Rupees in Million

	Gross Block at Cost				Depreciation / Amortization / Impairment				Net Block			
	As at 1st April 2014	Additions during the year	Disposals during the year/ written back	* Other Adjustments	As at 31st March, 2015	Upto 31st March, 2014	For the year	On Disposals/ written back	* Other Adjustments	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
<b>(I) TANGIBLE ASSETS</b>												
Land	3.30	-	-	-	3.30	-	-	-	-	-	3.30	3.30
Leasehold Land	81.27	0.18	-	-	81.45	7.52	3.21	-	-	10.73	70.72	73.75
Buildings	139.28	14.10	-	-	153.38	64.56	6.23	-	6.97	77.76	75.62	74.72
Plant & Equipment	1,303.72	386.96	3.47	-	1,687.21	893.39	140.33	0.37	6.78	1,040.13	647.08	410.33
Plant & Equipment ( R & D)	34.48	2.87	-	-	37.35	29.84	1.72	-	-	31.56	5.79	4.64
Furniture & Fixtures	47.07	0.01	-	-	47.08	14.71	9.18	-	0.02	23.91	23.17	32.36
Vehicles	86.17	7.90	11.81	-	82.26	50.04	12.75	5.20	0.03	57.62	24.64	36.13
Office Equipment	32.85	3.44	-	-	36.29	12.85	11.83	-	1.91	26.59	9.70	20.00
Electrical Installation	29.69	5.81	-	-	35.50	8.66	6.63	-	0.10	15.39	20.11	21.03
ETP/STP Plant	5.40	-	-	-	5.40	1.15	1.44	-	-	2.59	2.81	4.25
Wind Mills	321.76	-	-	-	321.76	255.97	3.08	-	-	269.05	62.71	65.79
Solar Power Plant	491.98	-	-	-	491.98	135.72	66.60	-	-	202.32	289.66	356.26
<b>Total</b>	2,576.97	421.27	15.28	-	2,982.96	1,474.41	263.00	5.57	15.81	1,747.65	1,235.31	1,102.56
<b>(II) INTANGIBLE ASSETS</b>												
Computer Software	30.75	4.60	-	-	35.35	7.42	10.22	-	-	17.64	17.71	23.33
Technical know how fees	0.86	-	-	-	0.86	0.85	-	-	-	0.85	0.01	0.01
<b>Total</b>	31.61	4.60	-	-	36.21	8.27	10.22	-	-	18.49	17.72	23.34
<b>TOTAL (I)+(II)</b>	2,608.58	425.87	15.28	-	3,019.17	1,482.68	273.22	5.57	15.81	1,766.14	1,253.03	1,125.90
<b>CAPITAL WORK IN PROGRESS</b>											43.23	44.99
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>												

## Notes to Consolidated Financial Statements (Contd....)

Rupees in Million

			As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 11 a. INVESTMENT PROPERTY (At cost less accumulated depreciation)</b>				
Cost of land and in building given on operating lease			18.18	18.18
Less: Accumulated depreciation ( Current year depreciation Rs. 0.56 million )			7.12	6.56
<b>Total (A)</b>			<b>11.06</b>	<b>11.62</b>
<b>b. INVESTMENTS ( Non-Trade, Long Term )</b>				
<b>AT COST:</b>				
<b>In Mutual Fund Units (Units of Rs. 10 each) - Unquoted</b>				
4,963,912	(4,963,912)	<b>HDFC Corporate Debt Opportunities Fund - Growth</b>	<b>50.00</b>	50.00
3,459,403	(3,459,403)	<b>Reliance Dynamic Bond Fund</b>	<b>57.50</b>	57.50
5,000,000	(5,000,000)	<b>Axis Fixed Income Opportunities Fund - Growth</b>	<b>50.00</b>	50.00
4,113,515	(4,113,515)	<b>Reliance Income Fund - Growth Plan - Bonus</b>	<b>44.07</b>	44.07
1,000,000	(1,000,000)	Sundaram SMILE Fund - Dividend	10.00	10.00
1,191,838	(1,191,838)	Sundaram Select Midcap Fund - Dividend	20.00	20.00
-	(466,843)	HDFC Top 200 Fund - Dividend	-	20.00
-	(896,032)	Reliance Regular Savings Fund-Equity - Dividend	-	20.00
1,339,104	(1,339,104)	<b>L &amp; T Triple Ace Bond Fund</b>	<b>16.67</b>	16.67
792,290	(792,290)	SBI Magnum Balanced Fund - Dividend	20.00	20.00
4,363,506	(3,904,654)	<b>Reliance Medium Term Fund - Growth</b>	<b>130.00</b>	112.50
1,602,800	(-)	Motilal Oswal MOST Focused 25 Fund - Dividend	25.00	-
1,369,076	(-)	Motilal Oswal Most Focused 25 Funds	25.00	-
4,829,191	(-)	<b>BOI AXA Corporate Credit Spectrum Fund</b>	<b>50.00</b>	-
125,209	(-)	Tata Balance Funds	10.00	-
		<b>Total (B)</b>	<b>508.24</b>	420.74
<b>In Tax-Free Secured Redeemable Non-Convertible Bonds of Face Value Rs. 1,000 each - Quoted, fully paid-up :</b>				
24,724	(24,724)	<b>National Highway Authority of India (NHAI)</b>	<b>24.38</b>	24.38
19,935	(19,935)	<b>Power Finance Corporation Ltd. (PFC)</b>	<b>19.59</b>	19.59
		<b>Total (C)</b>	<b>43.97</b>	43.97
<b>In Equity Shares - Quoted, fully paid-up :</b>				
71,295	(71,295)	ICICI Bank Ltd. (Face Value of Rs. 2 each)	13.40	13.40
12,216	(12,216)	Tata Consultancy Services Ltd. (Face Value of Re. 1/- each)	2.60	2.60
-	(4,000)	Cummins India Ltd. (Face Value of Rs. 2/- each)	-	1.70
60,000	(60,000)	KPIT- Cummins India Ltd. (Face Value of Rs. 2/- each)	4.56	4.56
6,000	(-)	Bharat Electronics Limited (Face Value of Rs. 10 each)	7.38	-
3,000	(-)	Infosys Limited (Face Value of Rs. 5 each)	2.93	-
		<b>Total (D)</b>	<b>30.87</b>	22.26
		<b>Total (A+B+C+D)</b>	<b>594.14</b>	498.59
<b>LONG TERM INVESTMENTS :</b> <b>AGGREGATE VALUE OF :</b> Quoted Govt. Securities Quoted shares Unquoted Investments			<b>As at 31st March, 2016</b>	
			<b>Book Value</b>	<b>Market Value</b>
			43.97	51.17
			30.87	67.50
			<b>508.24</b>	
<b>Note : Investement which are pledged with the bank are shown in bold (Refer Note No : 6)</b>				



## Notes to Consolidated Financial Statements (Contd....)

Rupees in Million

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 12 - LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to other than related parties:		
Capital Advances	93.54	58.98
Security deposits	12.47	11.06
Other Loans and Advances		
Loan to employees	1.21	1.75
Net of Income Tax	45.40	47.13
Other	43.95	2.83
	<b>196.57</b>	<b>121.75</b>
<b>NOTE 13 - OTHER NON CURRENT ASSETS</b>		
(Unsecured, considered good unless otherwise stated)		
Others		
Preliminary expenses, deferred revenue exp., gratuity fund etc.	18.30	30.77
	<b>18.30</b>	<b>30.77</b>
<b>NOTE 14 - INVENTORIES</b>		
( at cost or net realisable value whichever is lower)		
Raw materials (including Goods in Transit Rs. 12.39 million (Previous year Rs. 30.21 million)	135.64	159.05
Work - in - Progress	145.82	152.54
Finished Goods (including goods in transit Rs.2.03 million (Previous year Rs.2.39 million)	11.82	17.11
Carbon Credit & Renewable Energy Certificate	0.74	0.53
	<b>294.02</b>	<b>329.23</b>
<b>NOTE 15 -TRADE RECEIVABLES</b>		
1) Trade Receivables Outstanding for a period exceeding six months		
Considered goods	1.22	0.88
Considered doubtful	0.94	0.43
	<b>2.16</b>	<b>1.31</b>
less:- Provision for doubtful debts	0.94	0.43
	<b>1.22</b>	<b>0.88</b>
2) Trade Receivables Outstanding for a period not exceeding six months		
Unsecured Considered goods	651.86	590.00
Considered doubtful	0.32	0.96
	<b>652.18</b>	<b>590.96</b>
less:- Provision for doubtful debts	0.32	0.96
	<b>651.86</b>	<b>590.00</b>
	<b>653.08</b>	<b>590.88</b>
<b>NOTE 16 - CASH AND CASH EQUIVALENTS</b>		
Balances with Bank		
- On Current Account	70.97	52.21
- In Fixed Deposits	0.65	53.12
Cash on hand	0.11	0.04
Others:		
- Investments in Debt Mutual funds	-	30.00
	<b>71.73</b>	<b>135.37</b>
<b>NOTE 17 - SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Balance in Cenvat Credit Account	79.58	90.65
Income Tax (Including TDS)	1.44	-
Others	36.69	36.98
(including advance to suppliers, prepaid expenses etc.)		
	<b>117.71</b>	<b>127.63</b>

## Notes to Consolidated Financial Statements (Contd....)

Rupees in Million

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 18 - OTHER CURRENT ASSETS</b>		
Other Bank Balances:		
Balances with banks in		
- On Unpaid Dividend Account	6.20	5.22
Other current assets	61.41	36.66
Interest on Fixed Deposit/others	2.24	2.18
Voluntary Retirement Scheme	-	0.20
	<b>69.85</b>	<b>44.26</b>
	<b>For the year ended 31st March, 2016</b>	<b>For the year ended 31st March, 2015</b>
<b>NOTE 19 - REVENUE FROM OPERATIONS- NET</b>		
a) Sale of products	4,613.72	3,797.16
b) Sale of Solar Power	94.53	95.59
c) Sale of services	0.89	0.96
d) Other operating Income		
Income from Jobwork	0.63	0.72
Royalty	0.40	0.15
Scrap Sales	17.55	19.92
sale of tools	25.08	17.69
others	1.25	0.18
Gross Revenue from Operations	4,754.05	3,932.37
Less: Excise Duty	514.26	419.61
	<b>4,239.79</b>	<b>3,512.76</b>
<b>NOTE 20 - OTHER INCOME</b>		
Interest Income	6.54	7.19
Dividend Income from long term investments	10.84	11.93
Net gain on sale of investments-long term	21.78	44.83
Net gain on foreign currency transaction and translation	(3.47)	15.23
Other non-operating income (net of expenses directly attributable to such income)	25.24	18.46
Excess provision no longer required written back	0.13	
Government grant under PSI scheme *	0.97	2.06
*The Company obtained and recognized as income a government grant of - 0.97 (31st March 2015 -2.06), for Industrial Promotion Subsidy [IPS] under Packaged Scheme of Incentive [PSI] 2007.		
	<b>62.03</b>	<b>99.70</b>
<b>NOTE 21 - COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed (including purchase of traded goods)	2,659.26	2,292.70
Fabrication and Processing charges	48.88	41.62
Packing Material Consumed	31.82	32.29
	<b>2,739.96</b>	<b>2,366.61</b>
<b>NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK - IN - PROGRESS</b>		
Opening stock(A)		
Work - in - progress	152.54	143.37
Finished goods	17.64	5.49
	<b>170.18</b>	<b>148.86</b>
Closing stock(B)		
Work - in - progress	145.82	152.54
Finished goods	12.56	17.64
	<b>158.38</b>	<b>170.18</b>
<b>A - B</b>	<b>11.80</b>	<b>(21.32)</b>

## Notes to Consolidated Financial Statements (Contd....)

Rupees in Million

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>NOTE 23 - EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	412.45	349.21
Contribution to provident and other funds	15.12	11.57
Staff welfare expenses	38.85	32.77
	<b>466.42</b>	<b>393.55</b>
<b>NOTE 24 - FINANCE COSTS</b>		
Interest Expense	14.44	1.89
Other Borrowing Costs	3.24	6.63
	<b>17.68</b>	<b>8.52</b>
<b>NOTE 25 - OTHER EXPENSES</b>		
Power and Fuel (Net of Credit for Windmill Income of Rs. 51.53 Million (P.Y. Rs. 43.23 Million) captively consumed)	87.75	54.27
Repairs and Maintenance -		
Buildings	6.49	2.89
Machinery	43.60	34.11
Others	8.33	7.17
	<b>58.42</b>	<b>44.17</b>
Insurance	5.14	4.21
Rates & Taxes (excluding taxes on income)	3.16	2.12
Rent	7.44	7.26
SAP and Other IT cost	6.87	7.62
Royalty Expenses	12.51	10.12
Raw material Volume Variance cost	9.61	13.59
Net foreign exchange loss	13.87	-
Deferred Business revenue expenses	2.91	1.24
Excise Duty		
Relating to changes in inventories of finished goods	0.07	0.10
Loss on sale/write off of fixed assets (net)	0.59	0.09
Selling and Distribution Expenses	62.46	47.56
Windmill Expenses	9.26	24.17
Solar Energy Generation Expenses	6.74	7.73
CSR expenditure	8.80	-
Payment to Auditors (Net of Service Tax) -		
Audit Fees	0.80	0.39
Tax Audit Fees	0.17	0.38
VAT Audit Fees	0.07	0.06
For Certification and other related work	0.24	0.16
Limited Review	0.12	0.09
	<b>1.40</b>	<b>1.08</b>
Miscellaneous expenses	90.61	86.72
	<b>387.61</b>	<b>312.04</b>

## Notes to Consolidated Financial Statements (Contd....)

### NOTE 27 - THE NET EXCHANGE DIFFERENCES ARISING DURING THE YEAR

Recognised appropriately in the profit and loss account - net loss - Rs. 3.47 million.

(31st March, 2015 - net loss - Rs. 15.22 in Million )

### NOTE 28 - DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY THE ACCOUNTING STANDARD 15 (REVISED) EMPLOYEES BENEFITS ARE AS UNDER

#### (A) Defined Contribution Plan

Amount recognized as an expense in the Statement of Profit and Loss in respect of Defined Contribution Plans is Rs.13.66 Million

#### (B) Defined Benefit Plan

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit & Loss Account.

ii) The Defined Benefit Plans comprise of Gratuity and Leave Encashment. Gratuity is funded.

Gratuity is a benefit to an employee based on 15 days (depending on the grade/ category of employee and completed year of services) last drawn salary of each year.

iii) In respect of gratuity, the contribution payable for the period is charged to the Statement of Profit and Loss.

Rs. in Million

Particulars	Gratuity		Leave Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>(C) Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :</b>				
1 Present Value of Defined Benefit Obligation at the beginning of the year	92.12	76.66	27.84	23.50
2 Current Service cost	6.49	6.02	3.46	3.46
3 Interest Cost	7.00	6.95	2.11	2.13
4 Losses (gains) on Curtailment	-	-	-	-
5 Liabilities extinguished on settlements	-	-	-	-
6 Plan amendments	-	-	-	-
7 Actuarial (gains) / losses	8.94	4.77	(1.39)	(0.51)
8 Benefits paid	(4.71)	(2.28)	(0.53)	(0.73)
9 Present value of Defined Benefit Obligation as on 31.03.16	109.84	92.12	31.49	27.85
<b>(D) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :</b>				
1 Fair value of Plan assets at the beginning of the year	70.65	63.69	0.44	0.22
2 Expected return on plan assets	6.14	5.80	-	0.03
3 Actuarial gains and losses	(0.29)	(0.46)	-	-
4 Actual contributions by employer	3.15	3.08	-	0.19
5 Benefits paid	-	(1.46)	-	-
6 Plan assets as on 31st March, 2016	79.65	70.65	0.44	0.44
<b>(E) Analysis of Defined Benefit Obligation :</b>				
1 Defined Benefit Obligation as at 31st March, 2016	109.84	92.12	31.49	27.85
2 Fair Value of Plan assets at the end of the year	79.65	70.65	0.44	0.44
3 Net (Asset)/Liability recognized in the Balance Sheet.	30.19	21.47	31.05	27.41
<b>(F) Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :</b>				
1 Present value of Defined Benefit Obligation	109.84	92.12	31.48	27.85
2 Fair value of plan assets	79.65	70.65	0.44	0.44
3 Funded status [Surplus/(Deficit)]	(30.19)	(21.47)	(31.05)	(27.41)
4 Unrecognized Past Service Costs	-	-	-	-
5 Net asset/(Liability) recognized in Balance Sheet	(30.19)	(21.47)	(31.05)	(27.41)

## Notes to Consolidated Financial Statements (Contd....)

Rs. in Million

Particulars	Gratuity		Leave Encashment					
	2015-16	2014-15	2015-16	2014-15				
<b>(G) Components of employer expenses recognized.</b>								
1 Current Service cost	6.49	6.02	3.46	3.46				
2 Interest cost	7.00	6.95	2.11	2.13				
3 Expected return on plan assets	(6.14)	(5.80)	-	(0.03)				
4 Curtailment cost/(credit)	-	-	-	-				
5 Settlement cost/(credit)	-	-	-	-				
6 Past Service cost	-	-	-	-				
7 Actuarial Losses/(Gains)	9.24	5.23	(1.39)	(0.51)				
8 Total expense recognised in the Statement of P & L	16.59	12.40	4.18	5.05				
<b>(H) In respect of Funded Benefits with respect to gratuity and superannuation, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"</b>	<b>Gratuity</b>		<b>Leave Encashment</b>					
<b>(I) Principal Actuarial Assumptions :</b>								
1 Discount Rate (%)	7.5% - 7.9%	7.5% - 7.9%	7.60%	7.80%				
2 Expected Return on plan assets (%)	8.5% - 9.0%	9.0% - 9.0%	0.00	0.00				
3 Salary Escalation (%)	5.0%-12.0%	5.0%-12.0%	12.00%	12.00%				
4 Expected Average remaining working lives of employees (years)	10.44	10.72	10.33	10.62				
a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.								
b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations								
c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors								
	<b>31.03.2012</b>	<b>31.03.2013</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2016</b>			
<b>(J) Experience History*</b>								
1 Present Value of Obligation	60.12	73.14	76.66	92.12	109.84			
2 Plan Assets	15.75	55.84	63.69	70.65	79.65			
3 Surplus (Deficit)	(44.37)	(17.30)	(12.97)	(21.47)	(30.19)			
4 Experience adjustments on plan liabilities (loss)/gain	(7.65)	1.01	0.97	(2.76)	7.55			
5 Experience adjustments on plan assets (loss)/gain	(1.51)	0.43	0.04	(0.45)	0.08			
* The same needs to be disclosed for 5 years								
	ZF STEERING	Robert Bosch Automotive Steering Pvt Ltd.	ZF STEERING	Robert Bosch Automotive Steering Pvt Ltd.	ZF STEERING	Robert Bosch Automotive Steering Pvt Ltd.	ZF STEERING	Robert Bosch Automotive Steering Pvt Ltd.
	<b>31.03.2016 Gratuity</b>		<b>31.03.2015 Gratuity</b>		<b>31.03.2016 Leave Encashment</b>		<b>31.03.2015 Leave Encashment</b>	
<b>(K) Actual return on plan assets:</b>								
1 Expected Return on plan assets	6.08	0.23	5.76	0.15	-	-	-	0.11
2 Actuarial gains and (losses)	(9.15)	(0.33)	(5.17)	(0.22)	-	-	-	(0.34)
3 Actual return on plan assets	(3.07)	(0.11)	0.59	(0.07)	-	-	-	(0.23)
<b>Note : Details of leave encashment not provided by the joint venture company.</b>								

## Notes to Consolidated Financial Statements (Contd....)

(L) Contributions expected to be paid to the plan during the next financial year Rs 2.5 Million.

### NOTE 29 -

Amount of borrowing costs capitalised during the year Rs. In Million - NIL (31st March, 2015- Rs. In Million - NIL)

### NOTE 30 - RELATED PARTY DISCLOSURES:

#### A) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
<b>Robert Bosch Automotive Steering GmbH</b>  <b>ZF Shanghai Steering Co. Ltd., China</b> <b>ZF Sistemas De Direcao Ltd., Brazil</b> <b>ZF Steering Jincheng (Nanjing), China</b>  <b>Varsha Forgings Ltd.</b> <b>KCTR Varsha Automotive Pvt. Ltd.</b>  <b>Robert Bosch Automotive Steering Private Limited</b> <b>(Company has 26% stake in the company)</b>	Foreign Collaborator :  Associated Companies of Robert Bosch Automotive Steering GmbH  Director's interested company  Joint venture company
<b>Mr. Dinesh Munot - Chairman &amp; Managing Director</b> <b>Mr. Jinendra Munot - Jt. Managing Director</b> <b>Mr. Utkarsh Munot - Chief Executive officer</b>	Key Managerial Personnel
<b>Mrs. Eitika Munot</b>	Relative of Key Managerial Personnel

#### B) Related Party Transactions:

Rs. in Million

Name of Related Party	Description of Relationship	Nature of Transactions	Amount of Transactions 2015-16	Amount Outstanding at the end of year 31-03-2016		Amount of Transactions 2014-15	Amount Outstanding at the end of year 31-03-2015	
				Credit	Debit		Credit	Debit
Robert Bosch Automotive Steering GmbH	Foreign Collaborator	Sale of Goods Purchase of Raw materials & components Dividend paid during the year	- 147.56 52.65	- 20.05	-	- 155.15 16.38	- 10.49	-
Other related parties: Varsha Forgings Ltd. KCTR Varsha Automotive Pvt. Ltd.	Director's Interested Company Director's Interested Company	Sale of Goods	0.34	-	-	-	-	-
Varsha Forgings Ltd. KCTR Varsha Automotive Pvt. Ltd.	Director's Interested Company Director's Interested Company	Purchase of Raw materials & components	173.93 0.01	39.34 -	-	217.22 0.01	35.87 -	-
Mr. Dinesh Munot	Key Managerial Personnel	Remuneration	26.55	0.98	-	21.90	1.19	-
Mr. Jinendra Munot	Key Managerial Personnel	Remuneration	15.96	0.59	-	12.50	0.59	-
Mr. Utkarsh Munot	Key Managerial Personnel	Remuneration	14.22	5.55	-	7.81	0.08	-
Mrs.Eitika U Munot	Relative of Key Managerial Personnel	Remuneration	-	-	-	0.48	-	-



## Notes to Consolidated Financial Statements (Contd....)

### NOTE 31 - EARNING PER SHARE

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the net profit after tax for the year disclosed in the Profit and Loss Statement.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 90,73,300

### NOTE 32 - VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND PACKING MATERIAL CONSUMED

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value (Rs. In Million)	Percentage (%)	Value (Rs. In Million)	Percentage (%)
Imported	316.78	11.51	364.03	15.52
Indigenous	2,434.98	88.49	1,981.26	84.48
<b>Total</b>	<b>2,751.76</b>	<b>100.00</b>	<b>2,345.29</b>	<b>100.00</b>

### NOTE 33 - CIF VALUE OF IMPORTS

Particulars	For the year ended 31st March, 2016 Rs. In Million	For the year ended 31st March, 2015 Rs. In Million
Raw materials, Components and consumables	384.45	418.28
Capital Goods	163.96	167.86
<b>Total</b>	<b>548.41</b>	<b>586.14</b>

### NOTE 34 - CONTINGENT LIABILITY

Particulars	As at 31st March, 2016 Rs. In Million	As at 31st March, 2015 Rs. In Million
Income Tax matters in dispute in respect of penalty matters pending before CIT (Appeal), Pune	32.63	32.63
Income Tax matters in dispute in respect of Assessment dues (A.Y.2013-14) before CIT (Appeal), Pune	4.45	-
Co-acceptance of Import bills by the bankers	13.22	6.31
Bill discounted	336.85	254.89
Bank Guarantees by the Company	19.23	15.26
Any other matter (vat/cst) Sales tax liability under dispute	3.19	3.19
<b>Total</b>	<b>409.57</b>	<b>312.28</b>

### NOTE 35 - COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. In Million - 100.63 (31st March 2015 - Rs. In Million - 63.10).
- b) The Company has deferred payment of certain Sales tax Liability under various Package Scheme of Incentives of Government of Maharashtra. The Company is required to comply with conditions of above package Schemes of Incentives, the various Eligibility Certificates granted under such Schemes, stipulations or undertaking as per the Agreements entered into in connection with the grant of incentive under the said Schemes or on the Eligibility Certificates.

### NOTE 36 - DETAILS OF FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE

Particulars	Amount in foreign currency		Equivalent amount Rs. in Million	
	Current 2015-2016	Previous 2014-2015	Current 2015-2016	Previous 2014-2015
Sundry creditors USD	0.18	0.22	12.07	13.99
Sundry creditors EURO	2.60	2.49	194.67	181.48
Sundry creditors YEN	0.10	1.20	1.07	12.08
Sundry debtors USD	0.17	0.05	11.51	2.98

## Notes to Consolidated Financial Statements (Contd....)

### NOTE 37 - REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	Paid in Current year	Paid in Previous Year
	2015-2016	2014-2015
(a) Year to which dividend relates		
(b) Number of non-resident shareholders to whom remittance was made	1	1
(c) Number of shares on which remittance was made	2,340,155	2,340,000
(i) 23,40,000 - for last year dividend		
(ii) 23,40,155 - for current year interim dividend		
(d) Amount remitted (Rs. In Million)	52.65	16.38

**NOTE 38 -** In Previous year's provision for current taxes includes provision for wealth tax of Rs. In Millions - 0.3

**NOTE 39 -** The Company's proportionate share in Assets, Liabilities, Income, and Expenses of its Joint Venture Companies included in these Consolidated Financial are given below :

#### a) BALANCE SHEET

Rs. In Million

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholder's Funds</b>		
Share Capital	(558.01)	(361.08)
Reserves and Surplus	-	-
<b>Total</b>	<b>(558.01)</b>	<b>(361.08)</b>
<b>Current Liabilities</b>		
Other current liabilities	176.26	174.03
<b>TOTAL</b>	<b>(381.75)</b>	<b>(187.05)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	224.62	247.29
Capital work-in-progress	0.84	0.57
Intangible assets	65.93	37.53
	291.39	285.39
<b>Long term loans and advances</b>	79.37	47.72
<b>Current assets</b>		
Cash and Bank Balance	53.95	106.30
Short-term loans and advances	67.49	92.31
Other current assets	177.75	156.13
	378.56	402.46
	669.95	687.85

#### b) STATEMENT OF PROFIT AND LOSS

Particular	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue From Operations- Net	426.67	208.24
Other Income	2.59	8.64
<b>Total Income</b>	<b>429.26</b>	<b>216.88</b>
Cost of Raw material consumed	449.09	221.04
Other Expenses	184.23	144.21
<b>Total Expenditure</b>	<b>633.32</b>	<b>365.25</b>
Profit Before Tax	(204.06)	(148.37)
Profit After Tax		

## Notes to Consolidated Financial Statements (Contd....)

### NOTE 40- ACTUAL PRODUCTION, OPENING STOCK, CLOSING STOCK AND SALES

Class of Goods	Opening Stock		Closing Stock		Sales	
	Qty. No.	Value Rs. in Million	Qty. No.	Value Rs. in Million	Qty. No.	Value Rs. in Million
Hydraulic Power Steering Gears including components/ spares	113	0.84	39	0.56	246,647 (206,107)	3,731.29 (3,074.19)
Mechanical Steering Gears including components/ spares	4	0.01	2	0.01	116,245 (136,717)	432.92 (510.71)
	117	0.85	41	0.57	362,892	4,164.21
	(96)	(0.57)	(117)	(0.85)	(342,824)	(3,584.90)

None of the company's Raw Material and Components are greater than 10 percent of total sales and consumption of raw material and hence the disclosure under Broad Heads of Materials has not given

The above figures are inclusive of Excise duty and Education Cess.

### NOTE 41 - SEGMENT REPORTING

Rs. in Million

Sr. No.	Particulars	31.03.2016	31.03.2015
1	<b>Segment Revenue</b>		
	a Auto Component	4,207.30	3,516.87
	b Renewable Energy	146.06	138.82
	Less: inter segment sale	51.54	43.23
	<b>Total Income</b>	4,301.82	3,612.46
2	<b>Segment results</b>		
	Profit( + ) / Loss ( - ) before tax and interest from each segment		
	a Auto Component	328.77	256.44
	b Renewable Energy	67.49	31.35
	<b>Total</b>	396.26	287.79
	Less :		
	Interest	17.68	8.52
	<b>Total profit before Tax</b>	378.58	279.27
	<b>Less : Tax Expenses</b>	124.85	72.61
	<b>Net Profit</b>	253.73	206.66
3	<b>Total carrying amount of segment assets</b>		
	a Auto Component	2,938.85	2,679.62
	b Renewable Energy	387.22	448.32
	Unallocable segment	45.41	46.80
	<b>Total segment assets</b>	3,371.48	3,174.74
4	<b>Total amount of segment liabilities</b>		
	a Auto Component	1,119.28	1,045.43
	b Renewable Energy	2.71	6.50
	c. unallocable segment	11.90	2.44
	<b>Total segment liabilities</b>	1,133.89	1,054.37
5	<b>Capital Employed</b> (Segment assets - Segment liabilities)		
	a Auto Component	1,819.57	1,634.19
	b Renewable Energy	384.51	441.82
	c. unallocable segment	33.51	44.36
	<b>Total capital employed in the company</b>	2,237.59	2,120.37
6	<b>Capital Expenditure incurred during the year</b>		
	a. Auto component	332.26	425.87
	b. Renewable Energy	-	-
7	<b>Depreciation</b>		
	a. Auto component	237.19	199.88
	b. Renewable Energy	62.58	75.58

## Notes to Consolidated Financial Statements (Contd....)

**NOTE 42 -** Details of CSR Expenditure : The Expenditure incurred for complying with the provisions for the CSR expenditure required under Section 135 of the Companies Act, 2013 has been done through various Non Government organisation (NGO).

Rs. in Million

	Particulars	31.03.2016	31.03.2015
(i)	Gross amount required to be spent by the company during the year	8.80	10.80
(ii)	Amount spent during the year on : * Construction/Acquisition of any asset * On purpose other than above	- 8.80	- 10.80

43. Earlier years, the Company used to charge cost of consumables items to the Profit & Loss Account on issuance to shop floor. With effect from 1st April 2015 such consumable items are charged on actual consumption basis. Had the Company followed previous method profit could have been lower by Rs. 12.71 Million.
44. Corresponding Figures of the previous year have been regrouped/ recast, wherever necessary, so as to confirm with the current year's presentation.
45. The Carrying amount of all such asset as on that date after retaining the residual value, is charged off to profit & Loss account as depreciation for the year.

### Additional Information as required by Schedule III of the Act.

#### Annexure II

Rs. in Million

	Net Assets i.e., total assets minus total liabilities				Share in profit or loss			
	F.Y. 2015-2016		F.Y. 2014-2015		F.Y. 2015-2016		F.Y. 2014-2015	
	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Net Assets	INR Amount (In Million)
<b>Parent Company</b> ZF STEERING GEAR (INDIA) LIMITED	125%	2,795.58	117%	2,481.45	178%	450.64	172%	355.64
<b>Joint Venture</b> ROBERT BOSCH AUTOMOTIVE STEERING PRIVATE LIMITED	-25%	(557.99)	-17%	(361.08)	-78%	(196.91)	-72%	(148.98)

As per our Report of even date attached.

For **MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Mangesh Katariya**  
Partner  
Membership No.104633

For and on behalf of the Board of Directors

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

Chairman & Managing Director  
Jt. Managing Director  
Chief Executive Officer

**Manish Motwani**  
**M. L. Rathi**  
**Jitendra Pandit**  
**Shridhar Kalmadi**  
**Ludwig Rapp**  
**Ajinkya Arun Firodia**  
**S. A. Gundecha**  
**Mrs. Eitika Munot**

Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, July 28, 2016

Pune, July 28, 2016

## Notes to Consolidated Financial Statements (Contd....)

(Pursuant to first Proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014).  
Statement containing salient features of the financial statement of subsidiaries.

### Part "A" - Subsidiaries

#### Aneexure III

### AOC-1

Sr. No.	Name of the Joint Venture	Country	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Revenue from operations (Net of Excise)	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Rs. in Million	
																% of Holding	
1	Robert Bosch Automotive Steering Private Limited	INDIA	2015-2016	INR	NA	4045.00	(2,146.18)	2,576.72	677.88	-	1,650.94	(784.85)	-	(784.85)	-	26%	

As per our Report of even date attached.

For **MGM and Company**  
Chartered Accountants  
Firm Registration No. : 117963W

**Mangesh Katariya**  
Partner  
Membership No. 104633

For and on behalf of the Board of Directors

**Dinesh Munot**  
Jinendra Munot  
Utkarsh Munot

Chairman & Managing Director  
Jt. Managing Director  
Chief Executive Officer

**Manish Motwani**  
**M. L. Rath**  
**Jitendra Pandit**  
**Shridhar Kalmadi**  
**Lucwig Rapp**  
**Ajinkya Arun Firodia**  
**S. A. Gundecha**  
**Mrs. Eitika Munot**

Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, July 28, 2016

Pune, July 28, 2016



# ZF STEERING GEAR (INDIA) LIMITED

Registered Office: Gat No. 1242/44, Village Vadu Budruk, Tal. Shirur, Dist. Pune 412216, CIN: L29130PN1981PLC023734  
Email Id: satish.mehta@zfindia.com, Website: www.zfindia.com, Phone: 021737-305100, Fax: 02137-305302

## THIRTY-SIXTH ANNUAL GENERAL MEETING ON SEPTEMBER 28, 2016

## ATTENDANCE SLIP

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1	
Joint Holder 2	

I/ We hereby record my/ our presence at the Annual General Meeting of the Company to be held on **Wednesday, September 28, 2016 at 3.00 p.m.** at the Registered Office of the Company at- **Gat No. 1242/44, Village Vadu Budruk, Tal. Shirur, Dist. Pune 412216.**

Member's Folio/ DP ID/Client ID	Members' / Proxy's name in Block Letters	Members' / Proxy's Signature
---------------------------------	--	------------------------------

Note: Please complete the Folio / DPID - Client ID No. & name, sign this Attendance Slip and hand over this slip.

### ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	*Sequence No. / PAN
160818002	

\* Only Members who have not updated their PAN with the Company / Depository Participant shall use Sequence No. in the PAN field.

- Notes: 1. Please read the instructions relating to e-voting printed under the Notes to the Notice of the 36th Annual General Meeting to be held on **Wednesday, September 28, 2016 at 3.00 p.m.**  
2. The remote e-Voting period starts from 9.00 a.m. on Sunday, September 25, 2016 and ends on Tuesday, September 27, 2016 at 5.00 p.m. The voting module shall be disabled by Central Depository Services (India) Limited (CDSL) for voting thereafter.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

# ZF STEERING GEAR (INDIA) LIMITED

Registered Office: Gat No. 1242/44, Village Vadu Budruk, Tal. Shirur, Dist. Pune 412216, CIN: L29130PN1981PLC023734  
Email Id: satish.mehta@zfindia.com, Website: www.zfindia.com, Phone: 021737-305100, Fax: 02137-305302



## THIRTY-SIXTH ANNUAL GENERAL MEETING ON SEPTEMBER 28, 2016.

## PROXY FORM

Name of the Member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

- |            |  |                                      |
|------------|--|--------------------------------------|
| 1. Name :  |  | Signature: _____ or failing him/ her |
| Address :  |  |                                      |
| Email id : |  |                                      |
| 2. Name :  |  | Signature: _____ or failing him/ her |
| Address :  |  |                                      |
| Email id : |  |                                      |
| 3. Name :  |  | Signature: _____                     |
| Address :  |  |                                      |
| Email id : |  |                                      |

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **Thirty Sixth Annual General Meeting** of the Company, to be held on **Wednesday, September 28, 2016 at 3.00 p.m.** at **Regd. Off. Gat No. 1242/44, Village Vadu Budruk, Tal. Shirur, Dist. Pune 412 216** and at any adjournment thereof in respect of such resolutions as are indicated below:

- To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.
- To confirm the payment of Interim Dividend of Rs. 12.50 per share for the financial year 2015-16.
- To appoint a Director in place of Mr. Ludwig Rapp (DIN: 00700693), who retires by rotation and, being eligible, offers himself for re-appointment
- Appointment of M/s, MGM & Company, Chartered Accountants, as Statutory Auditors.
- Appointment of Mr. Soumitra Bhattacharya (DIN: 02783243), as a Director of the Company.
- Appointment of Mr. Utkarsh Munot (DIN: 00049903) as the Chief Executive Officer of the Company.
- Alteration of Articles of Association by inserting new Article 117A.
- Re-appointment of Mr. Dinesh Munot (DIN : 00049801) as the Chairman and Managing Director.
- Consent to mortgage and/ or create Charges on the movable/ immovable properties of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Member: \_\_\_\_\_ Signature of Proxy holder(s): \_\_\_\_\_

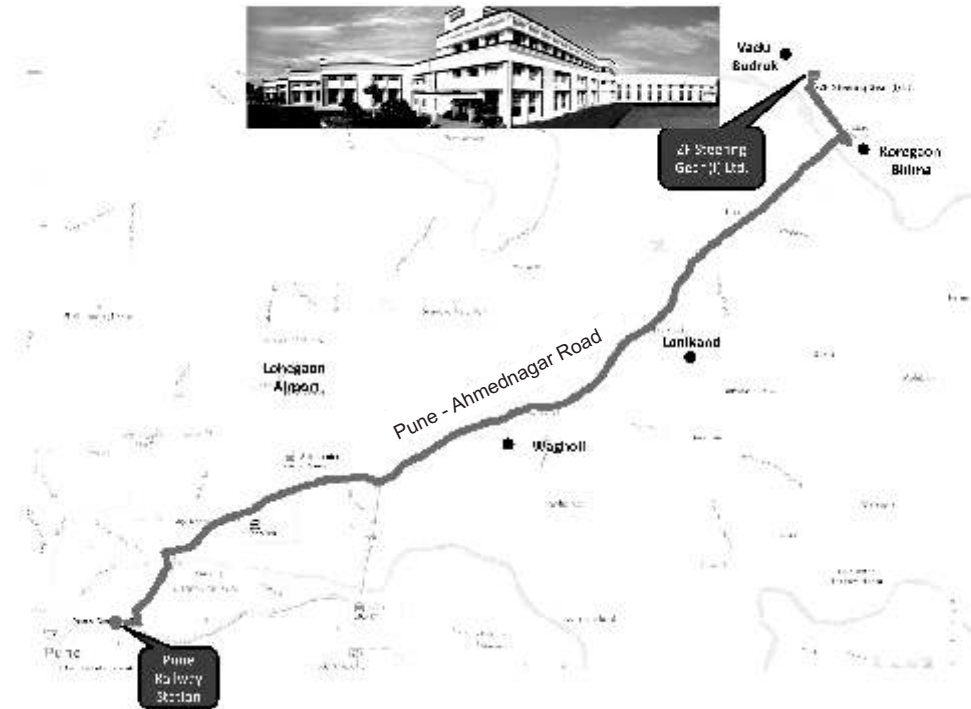
**Affix  
Revenue  
Stamp  
not less  
than Re. One**

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

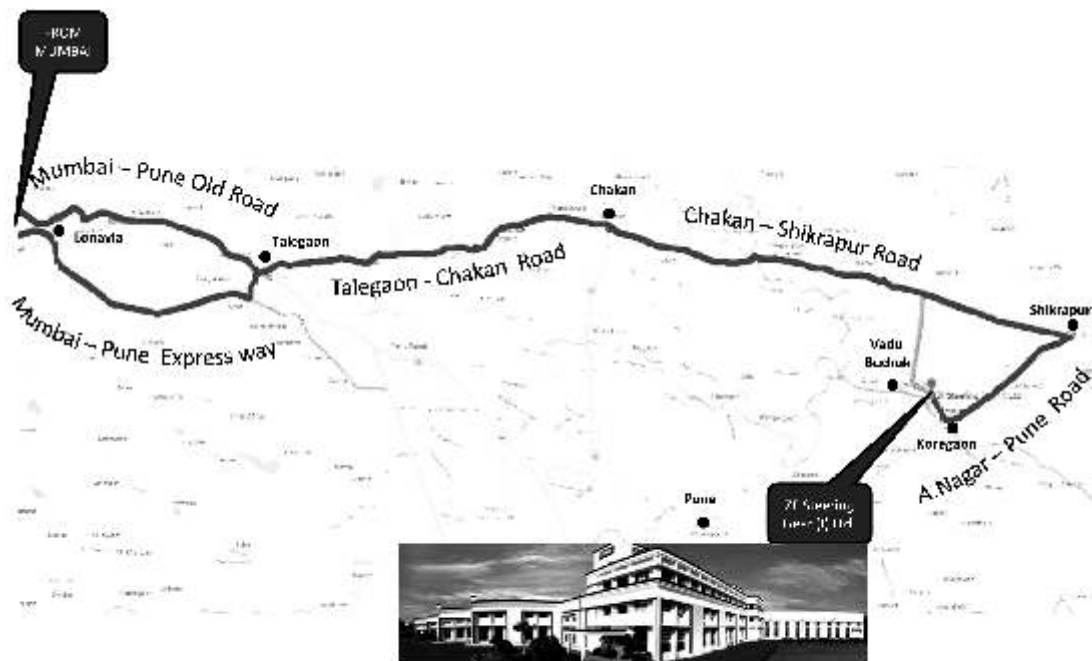


## ROUTE for 36th AGM Venue

ROUTE MAP TO ZF STEERING GEAR (I) LTD. AGM VENUE - FROM PUNE STATION

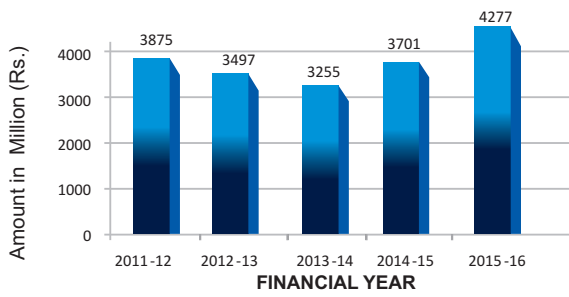


ROUTE MAP TO ZF STEERING GEAR (I) LTD. AGM VENUE - FROM MUMBAI

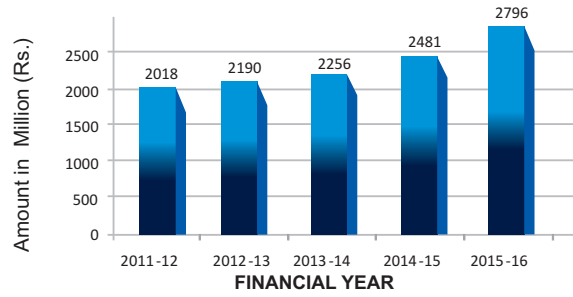


# 5 Years Highlights

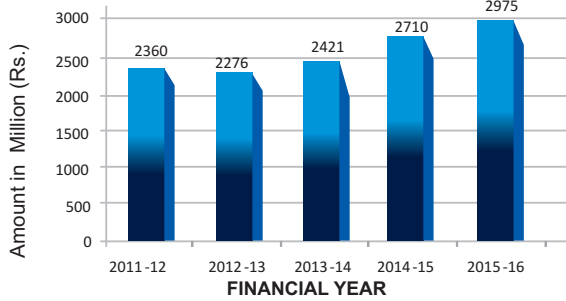
## TURNOVER



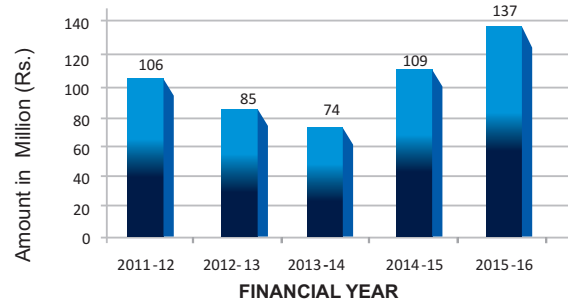
## NET WORTH



## FIXED ASSETS GROSS BLOCK



## DIVIDEND PAYOUT



## Certificate

Standard: **ISO 14001:2004 + Cor. 1:2009**

Certificate Register No: **01 104 043211**

ISO 14001 Standard Certified Member

Certificate Holder: **ZF Steering Gear (India) Ltd.**  
124294, Village: Vacku Budruk,  
Taluka: Shirur, Pune - 412 218,  
Maharashtra, India.

Scope: **Design, Development and Manufacture of Mechanical Steering Gear Systems and Power Steering Gear Systems.**

An audit was performed. Report No: 043211. Proof has been furnished that the requirements according to ISO 14001:2004 Cor. 1:2009 are fulfilled.  
(The certificate is valid from 09-02-2016 to 09-02-2019)

Valid till: **The certificate is valid from 2014-03-08 until 2017-03-06.**  
First Certificate No: 2907 06 07.



*Signature*



## Certificate

Standard: **ISO / TS 16949:2009**

Certificate Register No: **01 104 043211**

Certificate Holder: **ZF Steering Gear (India) Ltd.**  
124294, Village: Vacku Budruk, Taluka: Shirur,  
Pune - 412 218, Maharashtra, India.

Scope: **Design and Development of Mechanical Steering Gear Systems & Power Steering Gear Systems.**

Proof has been furnished that the requirements according to ISO / TS 16949:2009 are fulfilled.

Valid till: **The certificate is valid from 2014-03-08 until 2016-03-07.**

Valid till: **2014-03-08**



*Signature*





# ZF STEERING GEAR (INDIA) LIMITED

## NATIONAL SERVICE NETWORK

### Mission

**We** are firmly set on being market leaders in state-of-art technology for steering gear system.

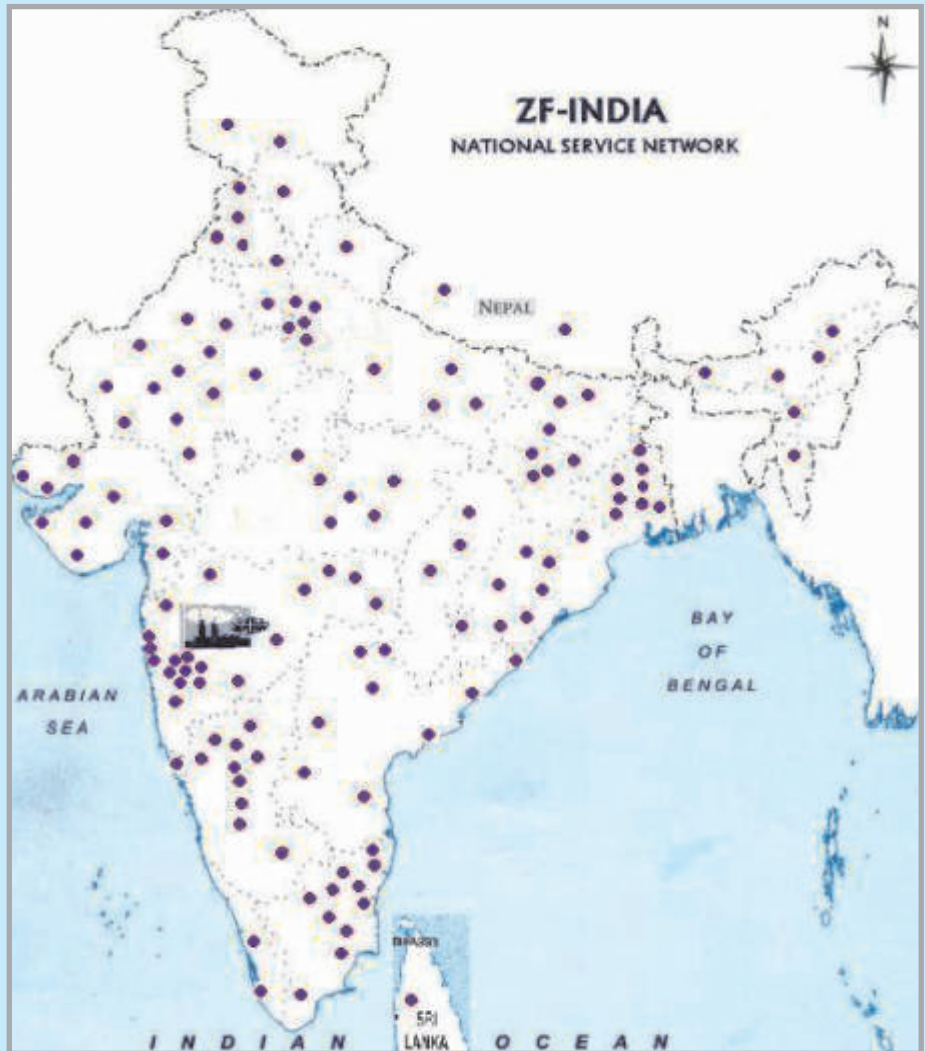
**We** shall ensure that our products give the necessary comfort and safety in driving.

**We** shall give top priority to ensure customer satisfaction through best quality products and services.

**We** shall, in the process of our growth, continuously upgrade our working environment and improve the skill and efficiency of everyone associated by perseverance and motivation.

### Dinesh Munot

Chairman & Managing Director



#### REGD. OFFICE & PLANT

Gat No. 1242 / 44, Vadu Budruk, Tal. Shirur, Dist. Pune 412 216, India.

CIN No. L29130PN1981PLC023734

Tel. : 02137 - 305 100. Fax : 02137 - 305302 • Email - sales@zfindia.com

[www.zfindia.com](http://www.zfindia.com)