ZF INDIA

Steering Success with Safety

ZF STEERING GEAR (INDIA) LIMITED

www.zfindia.com

Steering Towards Future

TÜVRheinland® CERT ISO 14001 ISO/TS 16949

39th Annual Report 2018-2019

BOARD OF DIRECTORS

Chairman

Mr. Dinesh Munot

Managing Director

Mr. Utkarsh Munot

Non-Executive Directors

Mr. Manish Motwani

Mr. M. L. Rathi
(Up to 23.11.2018)

Mr. Shridhar S. Kalmadi

Mr. Ajinkya Arun Firodia

Mr. Jitendra A. Pandit

Mr. S. A. Gundecha

Mrs. Eitika Munot

Mr. Soumitra Bhattacharya

CHIEF FINANCIAL OFFICER (CFO)
Mr. Jinendra Jain

COMPANY SECRETARY
Mr. Satish Mehta

BOARD COMMITTEES

Audit Committee

Mr. S. A. Gundecha - Chairman

Mr. M. L. Rathi
(Up to 23.11.2018)

Mr. Jitendra A. Pandit

Mr. Manish Motwani
(From 15.01.2019)

Stakeholders' Relationship Committee

Mr. Jitendra A. Pandit – Chairman

Mr. M. L. Rathi
(Up to 23.11.2018)

Mrs. Eitika Munot

Mr. S. A. Gundecha
(From 15.01.2019)

Nomination and Remuneration Committee

Mr. S. A. Gundecha – Chairman
(From 15.01.2019)

Mr. M. L. Rathi - Chairman
(Up to 23.11.2018)

Mr. Jitendra A. Pandit

Mr. Manish Motwani

Corporate Social Responsibility Committee

Mr. Dinesh Munot - Chairman

Mr. Utkarsh Munot

Mr. M. L. Rathi
(Up to 23.11.2018)

Mrs. Eitika Munot

Mr. Shridhar S Kalmadi
(From 15.01.2019)

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
Web: www.zfindia.com

BANKERS
Deutsche Bank AG
HDFC Bank
Bank of Maharashtra
Yes Bank

REGISTRARS & SHARE TRANSFER AGENTS
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

AUDITORS
M/s. MGM & Co.
Chartered Accountants

INTERNAL AUDITORS
M/s. Udyen Jain & Associates
Chartered Accountants

SECRETARIAL AUDITOR
Mr. I. U. Thakur
Company Secretary

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NOTICE

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

Day	:	Friday
Date	:	September 20, 2019
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:

1. **To receive, consider and adopt**

   a. the Audited (Standalone) Financial Statements of the Company, for the Financial Year ended March 31, 2019, together with the Reports of the Directors and the Auditors thereon, and

   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of the Auditors thereon.

2. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, the vacancy on the Board of the Company, caused due to retirement by rotation of Mr. Soumitra Bhattacharya (DIN: 02783243), Non-Executive retiring Director, who has intimated to the Company that he does not wish to be re-appointed as a Director of the Company, be not filled-up."

3. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution.**

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s Joshi Apte & Co., Chartered Accountants (Firm Registration No. 104370W), be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. MGM & Company, Chartered Accountants (Firm Registration No. 117963W), for a period of 5 (five) consecutive years, to hold office from the conclusion of this 39th Annual General Meeting until the conclusion of the 44th Annual General Meeting, on a remuneration of Rs. 7.30 Lakh as statutory audit fees for the financial year 2019-20, which will increase by 5% per annum, from next financial year, during their tenure, plus applicable taxes and out of pocket expenses, and fees for other work as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. **Re-appointment of Mr. Shridhar S Kalmadi (DIN 00044301) as an Independent Director of the Company.**

   To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**the Act**) and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Shridhar S. Kalmadi (DIN 00044301), who holds office as an Independent Director up to March 31, 2020 and being eligible for re-appointment, and in respect of whom the Company has received Notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Act, as an Independent Director of the Company, for a second term, not liable to retire by rotation, to hold office of a Director for 5 (five) consecutive years on the Board of the Company for a term, with effect from April 1, 2020 up to March 31, 2025."

5. **Re-appointment of Mr. Jitendra A. Pandit (DIN 05359478) as an Independent Director of the Company.**

   To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 **(the Act)** and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Jitendra A. Pandit (DIN 05359478), who holds office as an Independent Director up to March 31, 2020, and being eligible for re-appointment, and in respect of whom the Company has received Notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Act, as an Independent Director of the Company, for a second term, not liable to retire by rotation, to hold office of a Director for 5 (five) consecutive years on the Board of the Company for a term, with effect from April 1, 2020 up to March 31, 2025."

6. **Appointment of Mr. Sandeep Nelamangala (DIN 08264554) as Non-Executive Director of the Company.**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 160 and other applicable sections, if any, of the Companies Act, 2013 **(the Act),** and the rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable regulations, if any, Mr. Sandeep Nelamangala (DIN 08264554), in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act, proposing his candidature for the office of Non-Executive Director, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation, from date of this Meeting."

7. **Appointment of Mr. Adit Rathi (DIN 00084380) as an Independent Director of the Company.**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 **(the Act)** and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for appointment of Mr. Adit Rathi (DIN 00084380), in respect of whom the Company has received Notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Act, as an Independent Director of the Company, not liable to retire by rotation, to hold office of a Director for 5 (five) consecutive years on the Board of the Company, from the date of this Meeting ."

8. **Re-classification of some of the Promoters of the Company.**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable and subject to receipt of necessary approval of BSE Limited, the stock exchange on which the shares of the Company are quoted, and other appropriate statutory authorities, as may be necessary; approval of the Company, be and is hereby accorded, to reclassify the following Promoters and currently forming part of the "Promoter and Promoter Group" holding 396,823 Equity Shares, aggregating to 4.37% of the paid up share capital of the Company, from "Promoter & Promoter Group" shareholding of the Company to the 'Public' shareholding of the Company:

Sr. No.	Name of the Promoters	No. of Equity Shares held	% of total Share- capital of the Company
1	Mrs. Amita Jinendra Munot	1,52,457	1.68
2	Mr. Piyush Jinendra Munot	1,21,813	1.34
3	Mr. Yash Munot	1,22,553	1.35
	Total	**3,96,823**	**4.37%**

"RESOLVED FURTHER THAT on receipt of approval from BSE Limited for the proposed re-classification of the aforementioned Promoters, the Company shall effect such re-classification in the Statement of Shareholding Pattern from immediate succeeding quarter as per the provisions of Regulation 31 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance of the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions, if any, in respect of the disclosures."

"RESOLVED FURTHER THAT Mr. Dinesh Munot – Chairman & Managing Director, Mr. Utkarsh Munot – Chief Executive Officer and Mr. Satish Mehta - Company Secretary of the Company, be and are hereby severally authorized to file the necessary applications with BSE Limited or any other regulatory authority, as may be required or necessary and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution and to execute all such documents, instruments, undertakings, papers and/or writings, for and on behalf of the Company, as may be required in respect of the aforesaid matter."

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

Satish Mehta
Company Secretary
Membership No. : F3219

July 31, 2019
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 per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent 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.

   Proxies submitted on behalf of limited companies, Societies, etc., must be supported by appropriate resolutions/ authority, as applicable, issued on behalf of the nominating organisation.

2. Profile 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.

3. 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.

4. **Voting through electronic means:**

   In compliance with the provisions of Section 108 of the Companies Act, 2013 (**the Act**), Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Listing Regulations),** the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting **(AGM)** by electronic means. The Company has engaged the services of Link Intime India Private Limited **(LIIPL)** for facilitating remote e-voting for the AGM. Procedure and instructions for Remote e-voting are given hereunder. All members are requested to read those instructions carefully before casting their e-vote.

   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 AGM. 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.

5. The e-voting period commences on **September 16, 2019** (9.00 a.m.) and ends on **September 19, 2019** (5.00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date of September 12, 2019 (End of Day) may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

Instructions for shareholders to vote electronically:

6. **Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)**

1. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: **https://instavote.linkintime.co.in.**

2. Click on "Login" tab, available under 'Shareholders' section.

3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:

   a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID

   b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID

   c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

   If you are using e-Voting system of LIIPL: **https://instavote.linkintime.co.in** for the first time or if you are holding shares in physical form, you need to follow the steps given below:

   Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

   Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.

   Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: **https://instavote.linkintime.co.in** and register themselves as **'Custodian / Mutual Fund / Corporate Body'.**

  They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.**

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

  In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at **https://instavote.linkintime.co.in**, under Help section or write an email to **enotices@linkintime.co.in** or Call us :- Tel : 022 – 49186000.

7. A copy of this notice has been placed on the website of the Company and on the website of **https://instavote.linkintime.co.in.**

8. The Register of Members and Share Transfer Books of the Company will be closed from September 13, 2019 to September 20, 2019 (both days inclusive).

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. The route map showing directions to reach venue of the thirty-ninth AGM is annexed.

16. Pursuant to the provisions of Section 124 of the Act, 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 2011-12 (Interim) have been transferred to the IEPF. Unclaimed final dividend for F.Y. 2011-12 (Final) is due for transfer in September 2019. Shareholders who have not yet encashed the dividend warrants for financial years 2011-12 (final) and thereafter are requested to contact the Company at the earliest.

    Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, **all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account (in the name of the Company) within thirty days of such shares becoming due for transfer to the Fund.**

    The Members/ claimants whose shares and unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Members/ claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

    It is in the Member's interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the investor's account on time.

    Members are requested to write to the Company for claiming the dividend for the aforesaid years.

    The details of unclaimed dividends of the aforesaid years are available on the Ministry of Corporate Affairs website at www.mca.gov.in and on the website of the Company viz. **www.zfindia.com**

17. The Annual Report 2018-19 of the Company circulated to the Members of the Company, will be made available on the Company's website at **www.zfindia.com** and also on the website of the BSE Ltd. (Bombay Stock Exchange) at **www.bseindia.com.**

18. 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.

19. 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 39th Annual General Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.

20. In this Notice and Annexure thereto, the terms 'Shareholders' and 'Members' are used interchangeably.

21. **Green Initiative**

> The Members can receive various notices and documents through electronic mode by registering their e-mail addresses with the Company.
>
> Even after registering for E-communication, the Members are entitled to receive such communication in physical form.

In accordance with the provisions of Section 101 of the Act, read with Rule 18 of the Companies (Management and Administration) Rules, 2014, copy of the Annual Report of the Company for the Financial Year 2018-19 and this Notice inter-alia indicating the process and manner of remote e-voting along with Attendance Slip and proxy form are being sent by e-mail, unless any member has requested for a physical copy of the same, to those Members, who have registered their email address with the Company (in respect of shares held In physical form) or with their DP (in 'ESDGCI of shares held In electronic form) and made available to the Company by the Depositories.

In case you wish to get a physical copy of the Annual Report, you may send your request to ravi.rai@zfindia.com mentioning your Folio No. / DP ID and Client ID or write to us.

Annexure to the Notice of the Annual General Meeting

Statement as Required by Section 102 of the Companies Act, 2013.

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as **'the Act'**) the following Statement setting out the material facts relating to the business mentioned under item Nos. 3 and after of the accompanying Notice is annexed herewith.

Item No. 3:

Though not mandatory, this statement is provided for reference.

M/s. MGM & Company, Chartered Accountants (Firm Registration No. 117963W) have been Statutory Auditors of the Company, since the financial year 2009-10. In terms of provisions of Section 139 of the Act, a listed company cannot appoint an audit firm as Auditors for more than two terms of five consecutive years. M/s. MGM & Company will be completing, 10 years as Auditors of the Company, at the conclusion of the forthcoming 39th AGM and would retire therefrom.

M/s. Joshi Apte & Co., Chartered Accountants (Firm Registration No. 104370W) is proposed to be appointed as Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 39th AGM till the conclusion of the 44th AGM. M/s. Joshi Apte & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits Specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Brief Profile of M/s. Joshi Apte & Co.

M/s. Joshi Apte & Co., Chartered Accountants, is a Partnership Firm established in the year 1981. The Firm has carried out assignments such as Statutory Audit, Internal Audit, Process Mapping for Internal Financial Controls, Direct Tax Consultation/ Representation and Tax Audit, Transfer Pricing Audit, Due diligence Audit for Mergers & Acquisition, Finance Syndication and Capital Structuring, VAT/ GST Consultation, Representation and VAT/ GST Audit etc.

None of the Directors/ Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at item No. 3 of the notice.

The Board recommends the Resolution at Item No. 3 to be passed as an Ordinary Resolution.

Item No. 4 and 5:

The Members of the Company, at their Extraordinary General Meeting held on March 27, 2015, had appointed Mr. Shridhar S. Kalmadi (DIN 00044301) and Mr. Jitendra A. Pandit (DIN 05359478) as Independent Directors of the Company, for a period of 5 (five) consecutive years, with effect from April 1, 2015, pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**'the Act'**) and Rules framed thereunder.

The term of Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit as Independent Directors shall, thus, expire on March 31, 2020.

A brief resume of Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit form part of this Notice.

The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors evaluated performance of Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit; and rated their performance satisfactory on all parameters and recommended their re-appointments as Independent Directors of the Company, since they possess the requisite qualifications and attributes for re-appointment.

As per the provisions of Section 149 of the Act, the Independent Director becomes eligible for re-appointment on passing of Special Resolution by the Members of the Company.

As per the provisions of the Regulation 17 of the Listing Regulations, Special Resolution is also required to be passed by the Members for appointment or continuation of any person as Non-executive Director who has attained the age of 75 years. Mr. Kalmadi is presently of 71 years of age; however, during his second term as Independent Director, he will be crossing the age of 75 years. Mr. Kalmadi's technical knowledge and his long experience in Automobile industry has helped the Company in many ways and will be useful in future, the Board feels.

The Members are, therefore, requested to consider these proposals and grant their approval by way of Special Resolution for the re-appointment of Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit as Independent Directors of the Company, to hold office for a further term of 5 years from April 1, 2020 to March 31, 2025, not liable to retire by rotation.

None of the Directors/ Key Managerial Personnel of the Company and their relatives, except Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit, in their respective Resolutions, is in any way, concerned or interested, financially or otherwise, in the aforementioned Resolutions.

The Board recommends the Special Resolutions set forth at Item No. 4 and 5 for approval of the Members.

Item No. 6:

The Company received a notice dated July 24, 2019 from a member, under the provisions of Section 160 of the Companies Act, 2013 (**the Act**),stating his intention to propose the candidature of Mr. Sandeep Nelamangala (DIN 08264554) (**Mr. Sandeep N.**),for the office of Non-Executive Director of the Company.

The Company has received, from Mr. Sandeep N., his consent in writing to act as Director in Form DIR 2, his intimation in DIR 8 to the effect that he is not disqualified under the provisions of Section 164 of the Act and Notice of Interest in Form MBP 1.

Mr. Sandeep N is presently Executive Vice President, OE Sales India at Bosch Limited. A brief resume of Mr. Sandeep N. forms part of this Notice.

The above proposal along with resume of Mr. Sandeep N. was considered, by the Nomination and Remuneration Committee of the Board and the Board of Directors, at their respective meetings, and have recommended appointment of Mr. Sandeep N. as Non-Executive Director of the Company.

None of the Directors/ Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise, in the aforementioned Resolutions.

The Board recommends that the proposal under the Ordinary Resolution set forth at Item No. 6, be considered for approval by the Members.

Item No. 7:

The Company received a notice dated July 30, 2019 from a member, under the provisions of Section 160 of the Companies Act, 2013 (**the Act**), stating his intention to propose the candidature of Mr. Adit Rathi (DIN 00084380), for the office of Independent Director of the Company. The Company has received, from Mr. Adit Rathi, his consent in writing to act as Director in Form DIR 2, his intimation in DIR 8 to the effect that he is not disqualified under the provisions of Section 164 of the Act, Notice of Interest in Form MBP 1 and a declaration to the effect that he meets the criteria of independence as provided in the provisions of Section 149 of the Act.

Mr. Adit Rathi possesses the requisite qualifications and attributes for the appointment as Independent Director of the Company. Mr. Adit Rathi is industrialist and has business interests in mechanical power transmission products and automotive components . A brief resume of Mr. Adit Rathi forms part of this Notice.

The above proposal along with resume and other documents of Mr. Adit Rathi were considered, by the Nomination and Remuneration Committee of the Board and the Board of Directors, at their respective meetings, and have recommended appointment of Mr. Adit Rathi as Non-Executive Independent Director of the Company, effective from the date of the 39th Annual General Meeting.

In the opinion of the Board of Directors, Mr. Adit Rathi fulfils the conditions specified in the provisions of the Act and the rules made thereunder and he is independent of the Management.

None of the Directors/ Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise, in the aforementioned Resolution.

The Board recommends the Ordinary Resolution set forth at Item No. 7 for approval of the Members.

Item No. 8:

Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'the Listing Regulations'**) provides a regulatory mechanism for re-classification of Promoters & Promoter group as Public Shareholders, subject to fulfilment of conditions as provided therein.

In this regard, the Company received request letters from some members of the Promoter Group (as set out below), pursuant to Regulation 31A of the Listing Regulations for classifying them under the Public Category since their names have been included as a part of the Promoter and Promoter group.

They are or any of them is financially independent persons, who take independent investment decisions. Further they along with their relatives together do not hold more than ten per cent of the total voting rights in the Company. They or any of them neither exercise, directly or indirectly, control over the affairs of the Company nor any of them has held nor holds any key managerial position or position as a Director (including nominee director) on the Board of Directors in the Company nor they or any of them have/ has any special rights, through formal or informal arrangements, with respect to the Company, including through any shareholder agreements. None of them is a 'wilful defaulter' as per the Reserve Bank of India Guidelines or fugitive economic offender. They have also undertaken to comply with the conditions as per sub-Regulation (4) of Regulation 31A of the Listing Regulations.

Sr. No.	Name of the Promoters	No. of Equity Shares held	% of total Share-capital of the Company
1	Mrs. Amita Jinendra Munot	1,52,457	1.68
2	Mr. Piyush Jinendra Munot	1,21,813	1.34
3	Mr. Yash Munot	1,22,553	1.35
	Total	**3,96,823**	**4.37%**

Vide their request letters dated May 24, 2019, the above 3 individual members of the Promoter Group have requested the Company for re-classification of their shareholding (as mentioned in the table above) as Public Shareholding.

In view of the explanations given by the above mentioned individuals and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, the Board of Directors of the Company at their meeting held on May 30, 2019 have approved all the requests for re-classification received by the Company, from 'Promoter and Promoters Group' category to 'Public' category shareholding, subject to approval by the Members and relevant regulatory authorities.

Further, it is reported that, as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding, as on date of the notice, fulfils the minimum public shareholding requirement of at least 25% and the proposed re-classification is not intended to achieve any increase in the public shareholding to comply with the minimum public shareholding requirement.

One of the conditions prescribed in Regulation 31A of the Listing Regulations is that for granting such permission by the Stock Exchange, the Company shall obtain the approval of the Members of the Company, for the said re-classification, hence, the present proposed resolution.

None of the Directors/ Key Managerial Personnel of the Company is in any way, concerned or interested, financially or otherwise, in the aforementioned Resolution. However, Mr. Jinendra Munot, who is a part of the Promoter Group and related to the aforementioned three individuals seeking re-classification, is also related to Mr. Dinesh Munot – Chairman & Managing Director of the Company, is deemed to be interested in the Resolution.

The Board is of the view that the shareholding of these individuals may be classified as Public Shareholding, and recommends the Ordinary Resolution set forth at Item No. 8 for approval of the Members.

Profile of the Directors being appointed/ re-appointed as required 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.

Particulars	Mr. Shridhar S Kalmadi	Mr. Jitendra A. Pandit	Mr. Adit Madhusudan Rathi	Mr. Sandeep Nelamangala
DIN	00044301	05359478	00084380	08264554
Designation	Non-Executive Independent Director	Non-Executive Independent Director	Non-Executive Independent Director	Non-Executive Director
Age	71 years	51 years	49 years	48 years
Date of Appointment	May 26, 2009	January 29, 2013	Proposed to be appointed	Proposed to be appointed
Qualifications	D.M.E degree with specialization in Automobiles	Chartered Accountant (ICAI) Cost Accountant (ICWAI) Post Graduate Diploma in Business Finance from the Institute of Chartered Financial Analysts of India	Bachelor of Polymer Engineering, Master of Science in Industrial Engineering.	Mechanical Engineering from University of Mysore.

Particulars	Mr. Shridhar S Kalmadi	Mr. Jitendra A. Pandit	Mr. Adit Madhusudan Rathi	Mr. Sandeep Nelamangala
Experience	Mr. Kalmadi is involved in business activities since 1974 and his sound technical involvement throughout has made him an extremely competent technical expert. Mr. Kalmadi has more than 35 years of experience in the automobile industry.	Mr. Pandit has worked in various capacities for the following organizations: Manager- DSP Merrill Lynch. Founder Director- Symak Engineering (P) Ltd. & Fund tech India, Pune. General Manager-Finance- Dynamic Logistics (P) Ltd Head- Corporate Finance- Bilcare Ltd., Pune. Director- Corporate Finance- Deloitte Touche Tohmatsu (I) Pvt. Ltd., Pune Presently, Mr. Pandit is working as Senior Partner (also a founder partner) with K J Capital Advisors LLP., Pune.	Mr. Adit Rathi has worked at various positions in the Rathigroup family businesses. Presently, Mr. Rathi is Managing Director of Polybond India Pvt. Ltd. and Managing Director of Rathi Transpower Pvt. Ltd.	Mr.Sandeep N is Executive Vice President, OE Sales India, Bosch Limited, since May 1, 2018. He joined Bosch Limited in the year 1992 and has held various positions thereat.
Expertise in specific functional areas	Engineering With specialization in Automobiles.	Corporate Finance, Transaction Management and General Management	Top Management, Automobiles	Marketing
Directorships held in other Companies in India	Sai Service Private Ltd. Sai Service Spares & Accessories Pvt. Ltd. Sai Service Agency (Bombay) Pvt. Ltd. Corona Bus Manufacturers Pvt. Ltd. Neuton Auto Pvt. Ltd.	Nil	Rathi Transpower Pvt. Ltd. Polybond (India) Pvt. Ltd. Lovejoy Financial Pvt. Ltd. Toshbro Medicals Pvt. Ltd. Rathi Turboflex Pvt. Ltd. Young Presidents Organization (Pune Chapter) PI Rubber Pvt. Ltd.	Etas Automotive India Private Limited Automotive omponent Manufacturers Association of India (ACMA)
Membership of Committees (in the Company)	CSR Committee	Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee	Not Applicable	Not Applicable
Membership of Committees (Others)	In Sai Service Private Ltd. - CSR Committee	Nil	Nil	Nil
No. of Equity Shares held in the Company	Nil	Nil	Nil	Nil
Relationship between Directors/ Managers/ KMP inter-se	None	None	None	None
Number of Board Meetings attended during the financial year 2018-19	5 out of 5	4 out of 5	Not Applicable	Not Applicable

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

Satish Mehta
Company Secretary
Membership No. : F3219

July 31, 2019
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 39th Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the financial year **(FY)** ended March 31, 2019.

Financial Results

The financial performance of the Company, for the FY ended March 31, 2019, is summarised in the following table:

(Rs. In million)

Particulars	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Sales (net) and other Income	**4483.22**	4452.68	**4483.22**	4452.68
Profit/ (Loss) before Depreciation, Exceptional item and tax	**841.53**	946.77	**841.53**	946.77
Depreciation and amortization expenses	**310.27**	333.03	**310.27**	333.03
Provision for Exceptional Item	**(668.50)**	-	**-**	-
Share of Net Profit/ (Loss) of Joint Venture	**-**	-	**(216.77)**	(38.37)
Profit/ (Loss) before Tax (PBT)	**(137.24)**	613.74	**314.49**	575.37
Tax Expense	**(124.18)**	143.07	**(124.18)**	143.07
Profit/ (Loss) for the year	**(13.06)**	470.67	**438.67**	432.30
Other comprehensive income	**(3.49)**	17.24	**(3.61)**	17.30
Total comprehensive income for the year	**(16.55)**	487.91	**435.06**	449.60
Balance Brought Forward from Previous year	**1318.69**	918.14	**537.99**	175.75
Dividend including Tax thereon - (pertaining to previous year, paid during the year)	**(87.50)**	(87.36)	**(87.50)**	(87.36)
Transfer to General Reserve	**Nil**	Nil	**Nil**	Nil
Closing Balance under Profit and Loss Statement c/f	**1214.64**	1318.69	**885.55**	537.99
Earnings Per Share Basic/ Diluted	**(1.44)**	51.87	**48.35**	47.65

Dividend

In view of the adverse Standalone Financial Results, the Board of Directors (**the Board**) has not recommended any dividend, for the financial year ended on March 31, 2019.

Subsidiaries, Associates and Joint Ventures

Consolidated Financial Statements

As reported earlier, the Company does not have any subsidiary. As of March 31, 2019, the Company had a Joint Venture with 'Robert Bosch Automotive Steering GmbH' **(Bosch)**, Germany, in the name of 'Robert Bosch Automotive Steering Private Limited. The said Joint Venture was established, as per the Joint Venture Agreement dated March 31, 2007. Robert Bosch Automotive Steering Private Limited (**the Joint Venture Company**) was also an associate company of your Company, as your Company was holding 26% of the total paid up equity share capital of the said Joint Venture Company.

This necessitates presentation of Consolidated Financial Statement of the Company with its Joint Venture/ Associate Company, in addition to the Company's Standalone Financial Statement, as per the provisions of the Companies Act, 2013 (**the Act**). The Annual Audited Consolidated Financial Statements together with the Report of the Auditors thereon form part of this Annual Report.

Joint Venture (JV)/ Associate Company 'Robert Bosch Automotive Steering Private Limited' & Exceptional item in the Financial Statements/ Results

The Joint Venture Company was incorporated in the year 2007, based on the above referred Joint Venture Agreement, for manufacture of products as defined in the said Agreement, which includes Steering Gears for Commercial Vehicles, Electric Steering Systems for Passenger Cars and other products. With a view to expand the base in the automotive industry by catering to increasing demand for commercial and passenger vehicles in India, the Company made investment in the Joint Venture Company, as it was engaged in similar line of activity and it had technical support from Bosch.

The Joint Venture Company started its production-activities since the year 2012, after establishing state of the art facilities at Village Phulgaon, Alandi Markal, District Pune, in respect of Electric Power Steering Systems for passenger cars, as main supplier to Tata Motors Limited and Ford India Private Limited.

The turnover of the Joint Venture Company, during the financial year under Report, registered decline from Rs. 3444.6 million to Rs. 3103.9 million and the losses for the year ended March 31, 2019, substantially went up from Rs. 147.6 million for the year ended March 31, 2018 to Rs. 833.7 million for the year ended on March 31, 2019. Total paid-up capital of the Joint Venture Company was Rs. 4975 million and our Company had invested Rs. 1293.50 million, by way of 26% equity-stake in it, at the year end. Accumulated losses of the Joint Venture Company, as of March 31, 2019, stood at Rs. 3836.9 million. One of the reasons for higher losses of the Joint Venture Company is that while preparing their Financial Statements for the financial year ended March 31, 2019, the basis applied was 'other than Going Concern'.

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

As informed from time to time, both the Joint-Venture Partners were concerned about the operations and continuation of the Joint Venture Company, for quite some time and were in regular discussion on the subject. But, as reported earlier, on February 14, 2019, Bosch issued a Notice to the Company, terminating the Joint-Venture Agreement. Simultaneously, Bosch also submitted a Winding-up Petition, as per the provisions of Section 271(e) and 275 of the Act, before the Hon'ble National Company Law Tribunal, Mumbai (**the Tribunal**) praying the Tribunal to wind-up the Joint Venture Company. In view of the Winding-up petition, the Joint Venture Company decided not to apply the 'Going Concern' concept, while preparing its financial statements for the year ended March 31, 2019 and valued its assets and liabilities accordingly. Based on those financial statements, the valuation of your Company's investment, in the Joint-Venture, works out to Rs. 295.91 million only.

Considering the accumulated losses and uncertainty arising out of above referred winding-up petition and termination of the Joint-Venture Agreement, in order to mitigate further business losses and as a measure of commercial expediency, the Board, after due discussion with Bosch, accepted the proposal of settlement, of the various issues, connected with the Joint-Venture with Bosch and decided to enter into a Share Purchase Agreement (**the Agreement**) with Bosch. This Agreement, subject to approval of Members, for sale and transfer of 129,350,000 equity shares of the Joint-Venture Company, to Bosch for a consideration of Rs. 625 million, was entered into on May 28, 2019, as reported earlier. The Members of the Company, in their Extraordinary General Meeting held on July 17, 2019, approved the said transaction. As per these approvals, the transaction was completed on July 23, 2019, and the Company has received the consideration from Bosch on that day.

The Company, based on the consideration mentioned in the Agreement, has made a provision of Rs. 668.50 million, in respect of this business loss, which is disclosed under the '**Exceptional Item**' on the face of the Statement of the Profit and Loss, along with a Deferred Tax Asset of Rs. 233.60 million, in the Standalone Financial Statements for the financial year ended March 31, 2019.

In the Consolidated Financial Statements, for the same period, using the equity method of accounting, the value of the Company's equity investment in the Joint-Venture, was carried forward at Rs. 295.91 million.

Thus, the Joint-Venture Company ceased to be an Associate Company of your Company, with effect from July 23, 2019. Mr. Dinesh Munot, who was nominated by your Company, on the Board of the Joint-Venture Company, resigned from the directorship with effect from July 24, 2019.

Management Discussion and Analysis

Indian economy grew 6.8% in FY 2018-19, slowest in the last five years.

Fitch, the global rating agency, have lowered India's growth forecast to 6.6 per cent for the current fiscal from 6.8 per cent projected earlier, as manufacturing and agriculture sectors showed signs of slowing down over the past year. International Monetary Fund (IMF) too, has pared India's growth forecast for the next two years, citing softer recent growth and weaker global outlook, but expects the Country to retain its place as the fastest growing major economy.

The agrarian distress seems here to stay, owing to prevalent drought like situations in several states, near stagnant wage growth levels and signs of sluggish progress of monsoon, a recent report has said.

In the recent union budget, presented on July 5, 2019, substantial allocations are made in infrastructure investments, which should help the road transport sector. However, the automotive industry would, in the near future, face challenges, due to the paucity of the credit funds, which have been partly addressed in the said budget.

Apex industry body, like Society of Indian Automobile Manufacturers (SIAM) is of the opinion that the sector has been going through a very difficult time and the industry was expecting some form of a stimulus package in the Budget, in line with what had been done by the Government during, the previous two similar slowdowns. However, the industry was disappointed on this account.

Industry Structure and Developments

The overall Commercial Vehicles **(CV)** segment registered a growth of 17.5 per cent in April- March 2019 as compared to the same period previous year. Medium & Heavy Commercial Vehicles (M&HCVs) increased by 14.7 per cent and Light Commercial Vehicles grew by 19.5 per cent in April-March 2019, over the same period last year.

After around seven months' growth in FY 2018-19, Commercial Vehicle volumes started dwindling since November 2018. The Government last year hiked the loading limit for CVs, as a result of which fleet operators got more bandwidth to load goods and new purchases are getting postponed. Urban India, reeling from a difficult job market, took a pause. Rural India, hurting from farm distress (over 60% of farm produce has reportedly been sold below the minimum support price), wasn't buying, either. As a result, inventory piled up, hurting everyone, especially the dealers. Almost all the Auto Manufacturers have declared production-cuts to reduce inventory. Tightening liquidity in the NBFC sector, leading to hike in lending rates and lower resale value of trucks, made things more difficult.

The Indian tractor industry witnessed a double digit growth for the third consecutive year in financial year 2018-19; however, the pace was slowest in the last three years. The tractor sales grew by 10.2 per cent as compared to 20.5 per cent in FY 2018 and 15.7 per cent FY 2017. The growth was marred due to weak sentiment in later part of the year as sales slipped into negative in February and March 2019 on year-on-year (yoy). Tractor sales that mirrors rural sentiment was struck due to erratic rainfall coupled with delayed sowing and low production of rabi crops in the last fiscal.

Financial Performance and state of the Company's affairs

Auto Components (Numbers)

Type	F.Y. 2018-19	F.Y. 2017-18	Growth
Power Steering	**259,127**	268,818	**-3.6%**
Mechanical Steering	**116,830**	117,644	**-0.7%**

Sales, in value terms, were marginally up by 3.5% for FY 2018-19, compared to FY 2017-18. The Company could not match the industry growth figures due to disturbed industrial relations at its Vadu Budruk Factory.

Renewable Energy-

Solar Energy

Your Company's 5 MW Solar Power Project at Gujarat Solar Park, Charnka Village, District Patan (Kutch), Gujarat, generated 7.6 million Units of Electricity with sales-revenue of Rs.84.8 million in the FY 2018-19. The entire electricity is purchased by Gujarat Urja Vikas Nigam Limited (GUVNL), a Government of Gujarat Company, in terms of the multi-year Power Purchase Agreement.

The Company's rooftop solar project, situate at its Vadu Budruk plant, generated around 1 million units of electricity in FY 2018-19, which was captively consumed in the said plant.

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 8.9 million units in the FY 2018-19. All the units generated were used as captive consumption, which accounted for approximately 57.4% of the energy-consumption of the Company's factory at Village Vadu Budruk.

Finance cost

Some part of the Finance cost, allocable to the Pithampur project, was capitalised. Therefore, Finance cost charged to Statement of Profit & Loss, was Rs. 19.4 million for FY 2018-19 against Rs. 32.2 million in in FY 2017-18.

Credit Rating

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

Profitability

Profitability was substantially affected in view of the following major factors:

(a) As explained above, under the heading - *"Joint Venture (JV)/ Associate Company 'Robert Bosch Automotive Steering Private Limited' & Exceptional item in the Financial Statements/ Results"*, the Company has made a provision of Rs. 668.5 million, shown under the 'Exceptional Item' in the Standalone Results.

(b) Material cost, which was 59.4% of the (Net of Excise) Sales during FY 2017-18, went up to 62.6% in FY 2018-19, due to rise in raw material prices, which could not be passed on to the customers.

(c) Owing to Deferred-tax credit on the Exceptional-item, Total Tax Expense for FY 2018-19 was (negative) at Rs. 124.2 million against Rs. 143.1 million for FY 2017-18, and it helped in reduction of the Loss After Tax.

The overall result, after considering the above, was Loss for the financial year at Rs. 13.1 million against Net Profit of Rs. 470.67 million for the FY 2017-18 in the Standalone Financial Statements. Earnings Per Share (**EPS**), as per the Standalone results, works out to negative (-) Rs. 1.44 for the financial year ended March 31, 2019.

Key Financial Ratios

In accordance with the relevant provisions of the Listing Regulations, the key financial ratios are as under:

	FY 2018-19	FY 2017-18
Debtors Turnover Ratio (in days)	64.6	78.1
Inventory Turnover Ratio (in days)	53.4	57.4
Interest Coverage Ratio	28.4	20.1
Current Ratio	1.4	1.3
Debt Equity Ratio	0.1	0.1
Operating Profit Margin	12%	14%
Net Profit Margin	-0.3%	10.6%
Return on Net Worth (Return has been calculated excluding exceptional item and the corresponding tax on that item)	11.5%	12.4%

1. The Interest-coverage ratio is higher in view of the lesser interest charged to Statement of Profit & Loss.
2. The Net Profit Margin is significantly affected in view of the one-time provision made under the Exceptional Item (explained in detail earlier in this Report).

Segment wise Profitability

Loss (after-tax), for the Auto-components segment, after the Exceptional Item, is Rs. 97.1 million vis-a- vis profit of Rs. 84.1 million for the Renewable Energy segment.

Outlook, Opportunities and Threat

Key concerns relate to monsoon, and dipped consumer sentiment continues to be challenges for the auto industry. It seems, FY 2019-20 will be a very challenging year. Q1 was subdued due to the elections and political uncertainty then. Also Q4 is expected to be difficult because of the transition to BS-VI, the new emission norm. No BS-IV vehicle will be registered from April 1, 2020.

Implementation of BS-VI norms, from April 2020, is expected to raise cost of trucks, initially in the basic value, to the tune of 10-12%. Transporters are also expected to be cautious in accepting BS-VI trucks, as they would have concerns over the vehicles fuel efficiency and maintenance cost.

As per the news report, an integrated policy to scrap commercial vehicles that are more than 10 years is currently under the Government's consideration aimed at to keep a check on air pollution. However, the Union Minister for Road Transport & Highways confirmed that there were no immediate plans of banning trucks and buses, which are over 15 years. Industry majors are also talking about negative growth in the current year for commercial vehicles.

The first long-range forecast for the south-west monsoon by the India Meteorological Department (IMD) signalled a positive market trends for FY 2019-20 as it predicted near to normal monsoon for the current year. Despite this, analysts remain conservative as they predict a mere 5 per cent growth in tractor sales for FY 2019-20.

Expansion and Capital Expenditure

Auto Components

As informed earlier, with a view to establish a second manufacturing unit for auto components, the Company has acquired on lease basis, an industrial plot, admeasuring 26,246 sq. meters, at Pithampur, District Dhar, Madhya Pradesh. The factory building is ready, machinery is being installed. The plant is expected to be operational by end of September 2019. This will add to the manufacturing capacity of the Company by three lakh numbers and also bring proximity with some of the major customers of the Company. Total investment at the Pithampur factory is expected to be in the range of Rs. 1750 million.

Wind Energy

During FY 2018-19, the Company installed and commissioned, additional 2.1 MW Windmill in Maharashtra state, at Anjanadi, Dist. Aurangabad, for the purpose of captive-consumption. Maharashtra State Electricity Distribution Co. Ltd. **(MSEDCL)** is yet to issue their permission to adjust the electricity generated out of this windmill against the Company's captive consumption at its factory at Vadu Budruk. Till then, the electricity generated is being sold to MSEDCL.

Internal Control System and its Adequacy

The Company has an effective 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 Chartered Accountant firm, which reports to the Audit Committee of the Board.

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 in the organisation of the Company. The Audit Committee, Statutory Auditors and the process owners are periodically apprised of the internal audit findings. Important internal audit observations are also placed before the Board at their Meetings. 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.

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

As at end of March 31, 2019, the Company had 405 employees on its roll.

At the factory at Village Vadu Budruk, Taluka Shirur, District Pune 412216,

- The Company employs Engineers, in the 'Supervisory category' on the shop floor. Some of these Engineers have initiated legal proceedings, claiming that they are workmen. They have also submitted their charter of demands, which is not accepted by the Company.
- As informed earlier, in the financial year 2017-18, some 236 Engineers on the shop floor, remained absent from duty for 46 days continuously, without informing the Company. The Company had taken disciplinary action against these engineers, by terminating their employment contract with the Company. These Engineers have claimed wages for the said period of 46 days and also challenged their termination from services.

The Company is contesting the above litigations and has taken steps to seek approvals, if any required, as a matter of caution, for the above referred terminations of contracts of employment, without prejudice to the Company's stand about non-applicability of relevant legislations to these 236 engineers.

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

During the period under review, Mr. M L Rathi, after attaining the age of 78 years, resigned as Non-Executive Independent Director of the Board, effective from November 23, 2018, in view of his age. The Board places on record its deep appreciation for the services rendered by Mr. Rathi, during his tenure of over ten years as Independent Director and Chairman/ Member of various committees of the Board of Directors of the Company.

During the period, the Board, on recommendations of the Nomination and Remuneration Committee, re-appointed Mr. Manish Motwani, with effect from April 1, 2019 and Mr. S A Gundecha, with effect from September 15, 2019, as Independent Directors of the Company, for a second term, of five years. The Board, on recommendations of the Nomination and Remuneration Committee,re-designated Mr. Dinesh Munot as Whole-time Director and Chairman of the Company, with effect from August 1, 2019 to July 27, 2021 and Mr. Utkarsh Munot as Managing Director of the Company, with effect from August 1, 2019 to May 18, 2021, at a revised remuneration. All the above proposals were approved by the Members at the Extraordinary General Meeting held on July 17, 2019.

As other Independent Directors, Mr. Jitendra Pandit's and Mr. Shridhar Kalmadi's first term is due to expire on March 31, 2020, the Board, on recommendations of the Nomination and Remuneration Committee, proposed, for consideration of Members, their re-appointments as Independent Directors of the Company, for a second term of five years, subject to approval of the Members. These two proposals form part of the notice of 39th Annual General Meeting **(AGM)**. The Board recommends to the Members to consider and approve these proposals.

Mr. Soumitra Bhattacharya retires by rotation at 39th AGM of the Company. He has communicated to the Company that owing to his pre-occupation, he does not wish to be re-appointed, as a Director of the Company, on this retirement. Thus, he will cease to be a Director of the Company, on conclusion of 39th AGM.

The Company has received notices, as per the provisions of Section 160 of the Act, from the Members, proposing candidature of following persons as Directors of the Company. These proposals have been considered and being recommended by the Nomination & Remuneration Committee and the Board

- Mr. Adit Rathi as a Non-Executive Independent Director of the Company
- Mr. Sandeep Nelamangala as a Non-Executive Director of the Company.

The above proposals have been included in the notice of 39th AGM, with brief profiles of the proposed appointees.

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 Listing Regulations.

During the period, there was no change in the Key Managerial Personnel of the Company, except for the re-designations of the Whole-time Directors, as stated above.

Performance Evaluation

The Company has devised a Policy, for performance evaluation of Independent Directors, Board as a whole, Committees of the Board 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 under report. The Board of Directors expressed satisfaction with the evaluation process.

Directors' Responsibility Statement

Your Directors state that:

i. in the preparation of the annual financial statement for the financial year ended March 31, 2019, 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, 2019 and of the loss of the Company for the financial 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 financial statement 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, in their opinion, are adequate and are operating effectively and

vi. the Directors have organised/ 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 the provisions of 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 guarantee in connection with any loan covered under the provisions of Section 186 of the Act.

Details of Loans and Investments are disclosed in the Notes to the Financial Statements forming part of this Annual Report.

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 the provisions of 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. 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

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s MGM & Co., Chartered Accountants (Firm Registration No. 117963W) **(MGM)** will cease to be the Statutory Auditors of the Company on the conclusion of forthcoming 39th AGM of the Company to be held on September 20, 2019.

In accordance with the provisions of Section 139 of the Act and Rules framed thereunder and in view of mandatory rotation of the Statutory Auditors, based on the recommendations of the Audit Committee, the Board of Directors has recommended the appointment of M/s Joshi Apte & Co., Chartered Accountants (Firm Registration No. 104370W) as the Statutory Auditors of the Company for a period of 5 years, from the conclusion of 39th AGM until the conclusion of 44th AGM of the Company, at a remuneration agreed upon by the Board of Directors and the Auditors subject to the approval of the Members.

A resolution seeking their appointment forms part of the Notice convening the 39th AGM and the same is recommended for your approval.

The Auditors' Report dated May 30, 2019, issued by MGM, for FY 2018-19, does not contain any reservation, adverse remark or disclaimer.

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 2018-19. 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

During the year under review, in view of Mr. M L Rathi's resignation as Director of the Company, the Audit Committee **(the Committee)** was re-constituted by the Board. Mr. Manish Motwani joined the Committee in place of Mr. Rathi. The Committee now comprises Independent Directors namely Mr. S. A. Gundecha (Chairman), Mr. Jitendra A. Pandit and Mr. Manish Motwani, 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.**

Vigil Mechanism/ Whistle Blower Policy

The Vigil Mechanism of the Company also incorporates a whistle blower policy, in terms of the Listing Regulations. 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.

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 and is also available on the Company's website ie. www.zfindia.com.

Particulars of Employees and related disclosures

Considering the provisions of Section 197 of the Act, read with the relevant rules and having referred to provisions of Section 136(1) of the Act, the Directors' 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.

3. During the year under report, no shares were issued as sweat equity to any of the employees or others.

4. The Company does not have any subsidiary, and 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. As the Board of Directors, subject to approval of the Members, decided on May 28, 2019, to sell and transfer the Company's entire 26% equity stake in the Joint-Venture Company to Bosch, this is a material change/ commitment, after March 31, 2019 (the financial year closing), as detailed in the earlier paragraph titled as *'Joint Venture (JV)/ Associate Company 'Robert Bosch Automotive Steering Private Limited' & Exceptional item in the Financial Statements/ Results'* of this Report.

7. There has been no instance of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

8. The Central Government, under Section 148(1) of the Act, has not prescribed maintenance of cost records in respect of the activities carried out by the Company.

Acknowledgement

The Board of Directors takes this opportunity to thank its Customers, Dealers, Members, Suppliers, Bankers, Business Partners/ Associates and the Government Authorities for the support and co-operation received by the Company.

The Board also acknowledges the understanding and support of all employees of the Company.

For and on behalf of the Board of Directors

Dinesh Munot
Chairman & Managing Director
(DIN: 00049801)

Pune
July 31, 2019

Annexure - I to the Directors' Report

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 75W 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 8.9 million units of electricity in F.Y. 2018-19, which was captively consumed in the Company's plant at Vadu Budruk. This covered 57.4 % of total power consumption of that plant for the year.

Solar Energy

The Company's Solar Energy Plant generated 7.6 million units of electricity in F.Y. 2018-19. These units were sold to GUVNL (Gujarat Urja Vikas Nigam Limited), as per the PPA (Power Purchase Agreement) signed with Government of Gujarat.

During the F.Y. 2018-19, its Rooftop Solar Project at its Vadu Budruk plant has generated 1 million units of electricity in current year and captively consumed in the said plant.

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.

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

f. Factory lay out changed for one piece flow by VSM study resulted in to less work in progress inventory, less trolleys and eliminated metal to metal contact on all stages.

g. New product development and R&D strengthened by implementing PLM and APQP approach.

h. Piston sub assembly automation line established for production.

i. State of art ball track imported grinding machines are installed which will enhance quality of the product.

j. Robotic washing machine which cleans the vane pump housing with 400 bar pressure gives assurance of the pump quality.

k. Gantry type piston OD and groove machine from Japan added and commissioned.

l. As a result the Company was awarded as 'Fastest transformation Company' by ACMA Act.

m. Solar roof top project completed and commissioned.

n. Continuous gas carburising furnace with a heat treatment capacity of 12 MT /day commissioned, with this our Heat treatment has become self sufficient and world class.

o. Implemented Bar code system which ensures correct dispatches to customers.

2. Benefits derived as a result of the above efforts

a. Product quality and cost reduction.

b. Indigenization of various components.

c. Reduction in foreign exchange outgo.

d. Conveyorise movement of material from assembly, painting and to dispatch eliminates non value adding man power.

e. Improvements in Manufacturing methods and quality standards.

f. Aiming towards self-sufficiency in engineering skills for manufacturing range of steering gears and connected products.

g. 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. 45.25 million on R & D.

C. Foreign Exchange Earnings and Outgo

a.	Earnings in Foreign Exchange	Rs. 90.99 million
b.	Expenditure in Foreign Exchange	Rs. 17.73 million
c.	Value of Imports calculated on CIF basis-	
-	Raw Material, Components etc.	Rs. 291.53 million
-	Capital Goods	Rs. 61.67 million

For and on behalf of the Board of Directors

Pune
July 31, 2019

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 and Procedure for inquiry in case of leak/ suspected leak of Unpublished Price Sensitive Information
- 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, 2019, the Company's Board comprised nine Directors, all professionals in their own right, who bring in a wide range of skills and experience to the Board. All the Directors of the Company, except the Chairman & Managing Director and Chief Executive Officer, are non-executive Directors. Out of seven non-executive Directors, five are Independent Directors. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and are independent from the management.

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 any pecuniary relationship with the Company and further do not hold two per cent 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 provided in the Schedule IV to the Companies Act, 2013 **(the Act)**, containing the terms and conditions of their appointment. The Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the Corporate Social Responsibility Committee have a majority of independent directors.

Confirmation as regards independence of Independent Directors

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

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 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.

Resignation of Mr. M L Rathi – Independent Director

Mr. M L Rathi, the Independent Director, resigned as Director of the Company with effect from November 23, 2018, after the SEBI Notification of May 9, 2018 (effective from April 1, 2019), in which maximum age limit for Non-executive Directors as 75 years was prescribed. As Mr. Rathi had already attained the age of 78 years then, respecting the spirit behind the said Notification, decided to resign. In his Resignation-letter, he has referred to the said Circular and also mentioned that there is no other reason for resigning.

Board Meetings and Board-Committee Meetings

As on March 31, 2019, 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, 2019, the Board of Directors had 5 meetings. These were held on May 30, 2018, August 14, 2018, October 26, 2018, February 04, 2019 and March 7, 2019.

The information including as specified in 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, 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. 2018-19	Last AGM Held on August 27, 2018	Other Directorship #	Committee Membership	Committee Chairman-ship
1	Mr. Dinesh Munot (Chairman & Managing Director)	Executive (promoter)	5	Yes	5	1	-
2	Mr. Utkarsh Munot (Whole-time Director)	Executive (promoter)	4	Yes	4	-	-
3	Mr. Manish Motwani	Non-Executive, Independent	3	-	7	-	-
4	Mr. M. L Rathi (up to 23.11.2018)	Non-Executive, Independent	3	Yes	-	-	-
5	Mr. Shridhar S. Kalmadi	Non-Executive, Independent	5	Yes	6	1	-
6	Mr. Ajinkya Arun Firodia	Non-Executive, Independent	2	-	9	-	-
7	Mr. Jitendra A. Pandit	Non-Executive, Independent	4	-			
8	Mr. S. A. Gundecha	Non-Executive, Independent	5	Yes	-	-	-
9	Mrs. Eitika Munot	Non-Executive, (promoter)	4	Yes	-	-	-
10	Mr. Soumitra Bhattacharya	Non-Executive, (Promoter)	3	Yes	6	3	1

Includes Directorship in Private Companies.

Relationship between Directors Inter-se

1. Mr. Dinesh Munot is father of Mr. Utkarsh Munot.
2. Ms. Eitika Munot is wife of Mr. Utkarsh Munot

Names of the listed entities where the person is a director and the category of directorship:

Sr. No	Name of the Director	Name of Listed Entity	Category of Directorship
1	Mr. Dinesh Munot	Sanghvi Movers Ltd.	Non-Executive - Independent Director
2.	Mr.Ajinkya Firodia	Kinetic Engineering Ltd.	Executive Director
3.	Mr. Soumitra Bhattacharya	Bosch Ltd.	Executive Director

Core skills/ expertise/ competencies identified by the Board of Directors

The core skills/ expertise/ competencies identified by the Board of Directors are as follows:

1. Management including Top Management
2. Corporate Finance, Accounts, Transaction Management and Taxation
3. Legal, Governance and Regulatory oversight
4. Engineering and Technical
5. Human Resource Management
6. Joint Ventures & Collaborations
7. Global markets experience

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

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee (CSR)	Independent Directors Meeting held on March 30, 2019
Meetings held	4	2	2	1	1
Directors' Attendance					
Mr. Dinesh Munot	N.A.	N.A.	N.A.	1	N.A.
Mr. Utkarsh Munot	N.A.	N.A.	N.A.	1	N.A.
Mr. Manish Motwani	1*	2	N.A.	N.A.	-
Mr. M. L. Rathi (up to 23.11.2018)	3	1	2	-	-
Mr. Ajinkya Arun Firodia	N.A.	N.A.	N.A.	N.A.	1
Mr. Shridhar S. Kalmadi	N.A.	N.A.	N.A.	1*	1
Mr. Jitendra A. Pandit	3	2	2	N.A.	1
Mr. S. A. Gundecha	4	1*	N.A.	N.A.	1
Mrs. Eitika Munot	N.A.	N.A.	2	1	N.A.

N.A. – Not a member of the Committee

- **With effect from January 15, 2019**
  - Mr. Manish M Motwani joined the Audit Committee
  - Mr. S A Gundecha joined the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee
  - Mr. Shridhar S Kalmadi joined the Corporate Social Responsibility 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 (up to November 23, 2018), Mr. Jitendra A.Pandit and Mr. Manish Motwani (with effect from January 15, 2019). The Company Secretary acted as the Secretary to the Committee.

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 Listing Regulations.

During the period under review, the Committee met 4 times on May 30, 2018, August 14, 2018, October 26, 2018 and February 04, 2019. 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.

Broad terms of reference to the Audit Committee in brief:

The Committee primarily acts in line with the Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Committee oversees the Company's financial reporting process and internal control system and ensures that the financial statements are correct, sufficient and credible. The Committee reviews the annual and quarterly financial statements before submission to the Board for approval. The Committee also reviews Related Party Transactions of the Company and approves the transactions which are in line with the Related Party Transactions Policy of the Company. The Related Party Transactions Policy of the Company is available at http://www.zfindia.com.

The Committee has been entrusted with the responsibility of reviewing Internal Audit findings and ensuring adequacy of internal control systems. The Committee recommends to the Board, appointment of external auditors and payment of fees. The Committee holds regular discussions with the Internal and Statutory Auditors about their scope of audit and holds post audit discussions with the Auditors. The Committee also lays down procedures to inform to the Board about the risk-assessment and minimisation of risk procedures. The Statutory Auditor, Internal Auditor, the Managing Director, the Chief Executive Officer and the Chief Financial Officer of the Company are invited for the meetings of the Committee.

4. Nomination and Remuneration Committee:

During the year under review, following Directors were the members of the Nomination and Remuneration Committee **(the Committee)**. Members: Mr. S. A. Gundecha - Chairman (joined the Committee with effect from January 15, 2019), Mr. Manish Motwani , Mr. Jitendra A. Pandit and Mr. M. L. Rathi- Chairman (up to November 23, 2018). 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.
- Review the performance of the Board of Directors, and Key Managerial Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company;
- 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.
- To recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.

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

During the financial year 2018-19 **(the year)**, the Committee met on May 30, 2018 and February 04, 2019. 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 38th Annual General Meeting of the Company held on August 27, 2018.

Performance Evaluation:

The Committee has put in place an evaluation framework and criteria for evaluation of performance of the Chairman, the Board, Board Committees and Executive/ Non-Executive/ Independent directors through a peer evaluation, excluding the director being evaluated.

The evaluations for the Directors, the Board, the Board Committees and the Chairman of the Board were undertaken through circulation of separate questionnaires, one for the Directors, one for the Board, one for the Board Committees and one for the Chairman of the Board. The performance of the Board was assessed on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors was based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board. The evaluation criteria for the Chairman of the Board besides the general criteria adopted for assessment of all Directors, focused incrementally on leadership abilities, effective management of meetings and preservation of interest of stakeholders. The evaluation of the Committees was based on the assessment of the compliance with the terms of reference of the Committees.

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 to the Whole-time Directors for the year ended March 31, 2019 are as under:

(Rs. in million)

Particulars	Mr. Dinesh Munot	Mr. Utkarsh Munot
Salary	21.47	20.03
Perquisites	1.95	1.09
Commission	Nil	Nil
Total	**23.42**	**21.12**
From	28.07.2016	19.05.2016
To	27.07.2021	18.05.2021

Details of remuneration paid to Non-Executive Directors for the year ended March 31, 2019 are as under:

The Company pays sitting fees to all the Non-Executive Directors at the rate of Rs. 50,000 for each Board Meeting and Rs. 30,000 for Committee meeting attended.

(Rs. in million)

Name	Sitting Fees		
	Board Meeting Fees (Rs.)	Committee Meeting Fees (Rs.)	Total Fees (Rs.)
Mr. Manish Motwani	0.15	0.09	0.24
Mr. M. L. Rathi	0.15	0.18	0.33
Mr. Shridhar S Kalmadi	0.25	0.06	0.31
Mr. Ajinkya Arun Firodia	0.10	0.03	0.13
Mr. Jitendra A. Pandit	0.20	0.24	0.44
Mr. S. A. Gundecha	0.25	0.18	0.43
Mrs. Eitika Munot	0.20	0.09	0.29
Mr. Soumitra Bhattacharya*	Nil	Nil	Nil

* 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 Listing Regulations and provisions of the Act.

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

During the year under review, following Directors were the members of the Committee. Members: Mr. Jitendra A. Pandit-Chairman, Mr. M. L.Rathi (up to November 23, 2018), Mrs. Eitika Munot and Mr. S. A. Gundecha (with effect from January 15, 2019). The Company Secretary acted as the Secretary to the Committee.

During the financial year 2018-19 (**the year**), the Committee met on May 30, 2018 and October 26, 2018. 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 & 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 twenty three. 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. Utkarsh Munot- Chief Executive Officer, Mr. M. L. Rathi – Independent Director (up to November 23, 2018), Mr. Shridhar S. Kalmadi (with effect from January 15, 2019) - Non Executive and Independent Director and Mrs. Eitika Munot- Non Executive Non Independent Director. The Company Secretary acted as the Secretary to the Committee.

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 March 07, 2019. The attendance record of the members of the Committee is given above (under Point No. 2) in tabular form.

7. Risk Management Committee

The Company is not required to separately constitute the Risk Management Committee, as per the provisions of the Listing Regulations. The function of Risk Management is performed by the Audit Committee.

8. Disclosure in relation to recommendations made by any Committee which was not accepted by the Board:

During the year under review, there were no such recommendations, made by any Committee of the Board, that were mandatorily required and not accepted by the Board

9. Separate meeting of the Independent Directors:

The Independent Directors met on March 30, 2019, 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, the Board of Directors as a whole and the Committees of the Board, 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.

10. Certificate under Regulation 34(3) of SEBI Listing Regulations:

The Company has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from Mr. I U Thakur, Company Secretary in practice, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authority. The said certificate forms part of this report.

11. Credit Ratings obtained by the Company along with revisions for the FY 2018-19

ICRA, the Credit Rating Agency, had reaffirmed, on March 30, 2018, the A+ and A1+ Credit Rating for long and short term borrowings of the Company. During the year, with effect from October 30, 2018, ICRA placed the said ratings on rating watch with developing implications. Subsequently, from June 4, 2019, ICRA has removed the 'rating watch with developing implications' and have reaffirmed the Credit Rating as A+ and A1+ for the Company.

12. General Body Meetings:

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

Year	AGMs	Location	Dates	Time	Special Resolutions Passed
2015-16	36th AGM	Registered. Office: Gat No. 1242/ 44, Village-Vadu-Budruk, Tal . Shirur, Dist- Pune-412216	28.09.2016	3 p.m.	Special Resolution passed for 1. Alteration of Articles of Association by inserting new Article 117A. 2. Re-appointment of Mr. Dinesh Munot as the Chairman and Managing Director. 3. Consent to mortage and/ or create Charges on the movable/ immovable properties of the Company
2016-17	37th AGM		02.08.2017	3 p.m.	No Special Resolution was passed.
2017-18	38th AGM		27.08.2018	3 p.m.	No Special Resolution was passed.

No Extraordinary General Meeting was held during the past 3 financial years. No Special Resolution(s) requiring a Postal Ballot was passed last year or is being proposed at the ensuing AGM.

13. Disclosures:

a) Transactions with related parties, as per requirements of IND AS-24, are disclosed in the Notes annexed to Audited Financial Statements and in Form AOC-2 (as applicable) forming part of Director's Report.

b) 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**).

c) With regard to matters related to capital markets, the Company has complied with all the requirements of the Listing Regulations as well as other regulations and guidelines of SEBI.

During the Financial Year 2017-18, Securities and Exchange Board of India (SEBI), vide its Adjudication Order of September 22, 2017, had levied an aggregate penalty of Rs. 9 lakh, for delay in disclosing to the BSE Limited, in the Financial year 2013-14, about an income-tax demand pertaining to Assessment Years 2006-07 to 2011-12. The said penalty was paid in the financial year 2017-18.

d) 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 2018-19 having potential conflict with the interest of the Company at large.

14. 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 the management controls risk through means of a properly defined framework.

15. Commodity price / Foreign Exchange risk and hedging activities

The Company has adequate risk assessment and minimization system in place including for Commodities and Foreign Exchange. The Company does not have material exposure of any commodity or foreign exchange and accordingly, no hedging activities for the same are carried out.

16. 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.**

Pursuant to the provisions under 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.

17. Code of Conduct for Prevention of Insider Trading:

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.

The Company has adopted (Revised) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) with effect from March 29, 2019.

18. Whistle Blower Policy:

The Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors and employees to report unethical behaviour, 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/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 Company has adopted (Revised) Whistle Blower Policy/ Vigil Mechanism with effect from April 1, 2019.

The Whistle Blower Policy has been disclosed on the Company's website-www.zfindia com.

19. 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)/ ‘Loksatta’ (Marathi newspaper) and are also displayed on the Company's website, www.zfindia.com. The Results are also electronically filed 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 contains a separate section 'Investors' where all important public domain information including information mandated to be provided pursuant to the Act and the Listing Regulations can be accessed. The Company's Annual Report (in a downloaded form), Quarterly Financial Results, Quarterly Shareholding Pattern, Quarterly Corporate Governance Report, Corporate Announcements etc. are available on the site.

20. Accounting Standards / Treatment

The Company has complied with the applicable Indian Accounting Standards (Ind AS) specified u/s 133 of the Act. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III notified by the Ministry of Corporate Affairs (MCA) on October 11, 2018.

21. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors’ Report.

22. General Shareholder Information:

39th Annual General Meeting

Day, date and time	Friday, September 20, 2019 at 3.00 p.m.
Venue	Registered. Office: Gat No. 1242/1244, Village – Vadu Budruk, Tal. Shirur, Pune- 412 216.

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

Book Closure: September 13, 2019 to September 20, 2019 (both days inclusive).

Dividend and Dividend Payment Date:

In view of the adverse Financial Results, the Board has not recommended payment of any dividend for the Financial Year 2018-19.

Unclaimed Dividend

Unclaimed dividend for the years prior to and including the F.Y. 2010-11 (Final) and 2011-12 (Interim) has been transferred to the General Revenue Account/ the Investor Education and Protection Fund (IEPF) **(the Fund)**, set up by the Central Government, as applicable. The shareholders who have not encashed their dividend drafts for the financial year 2011-12 (Final) and subsequent years 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.

Unclaimed Equity Shares

Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, **all the shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account (in the name of the Company) within thirty days of such shares becoming due for transfer to the Fund.**

Pursuant to IEPF Rules, given below are the Equity Shares transferred to IEPF Authority:

Particulars	Number of shares transferred to IEPF
Transferred to IEPF during the financial year 2017-18	33,905
Transferred to IEPF during the financial year 2018-19	11,688
Total Number of Shares held by IEPF as on March 31, 2019	**45,593**

The Members/ claimants whose shares and unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Members/ claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

The lists of Members whose shares had been transferred to the Demat Account of the IEPF is available on the website of the Company - **www.zfindia.com.**

Please refer to Note no 16 under the Notice of Annual General Meeting for more details.

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 2019-20.

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

Custodial Fees to Depositories:

Annual Custody/ Issuer fee, has been paid to CDSL and NSDL up to F.Y.2019-20.

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
Apr-18	1103.35	1010.25	35,213.30	32,972.56	48,773
May-18	1075	948.25	35,993.53	34,302.89	41,867
Jun-18	1010.7	901.05	35,877.41	34,784.68	31,666
Jul-18	957.9	868.05	37,644.59	35,106.57	28,791
Aug-18	1242	914	38,989.65	37,128.99	1,37,951
Sep-18	1270	921	38,934.35	35,985.63	94,606
Oct-18	967.95	820	36,616.64	33,291.58	66,351
Nov-18	889	840	36,389.22	34,303.38	26,325
Dec-18	878	799	36,554.99	34,426.29	16,641
Jan-19	845	680	36,701.03	35,375.51	32,654
Feb-19	732.85	653	37,172.18	35,287.16	24,694
Mar-19	817	687.15	38,748.54	35,926.94	57,063

Stock Performance:

Share Price Performance in comparison to broad based indices-BSE Sensex as on March 31, 2019.

	ZF India	Sensex
F.Y. 2018-19	-29.7	6.6
3 years	-51.0	38.7
5 years	160.7	57.1

Registrar and Transfer Agents:

Link Intime India Pvt. Ltd. (website :www.linkintime.com) (email: rnt.helpdesk@linkintime.co.in)	
Pune Office Block No. 202, Akshay Complex, Near Ganesh Temple, Pune- 411001 Phone No. (020) 2616 1629/26160084 Fax No. (020) 2616 3503	**Mumbai Office** C 101, 247 Park, L.B.S. Marg, Vikhroli (W) Mumbai- 400083 Phone No. (022) 49186270 Fax No. (022) 49186060

Physical Shares related operations:

With effect from April 1, 2019, except in case of transmission or transposition, requests for effecting transfer of shares held in physical mode, cannot be processed as per SEBI directive.

Shareholding Pattern as on March 31, 2019:

Category	No. of Shares of Rs. 10 each	Percentage of shareholding
Indian Promoters (Munot Family)	3,775,603	41.61
Foreign Promoter - (Robert Bosch Automotive Steering, GmbH)	2,340,155	25.79
Banks, Financial Institutions, Insurance Companies, Mutual Funds	950	0.01
IEPF	45,593	0.5
Private Corporate Bodies	130,193	1.44
Indian Public	2,734,952	30.14
NRIs/ OCBs	45,854	0.51
Total	**9,073,300**	**100**
	2019	**2018**
No. of Shareholders as on March 31	12,068	12,024

Distribution of Shareholding as on March 31, 2019

No. of Shares held (Face Value of Rs.(10 each)	No. of Share holders	% to total No. of share holders	No. of Shares held	% to total No. of Shares
1- 500	11,264	93.34	997,210	10.99
501- 1000	446	3.70	331,614	3.65
1001-5000	301	2.49	575,342	6.34
5001-10000	23	0.19	146,553	1.61
10001 & above	34	0.28	7,022,581	77.40
Total	**12,068**	**100.00**	**9,073,300**	**100.00**

Dematerialization of Shares & Liquidity:

The details of Equity shares dematerialized and those held in physical form as on March 31, 2019 are given hereunder:

Particulars of Equity Shares	Equity shares of Rs. 10 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized form				
NSDL	7,410,955	81.68	6,663	55.21
CDSL	1,385,713	15.27	4,512	37.39
Sub-total	**8,796,668**	**96.95**	**11,175**	**92.60**
Physical Form	276,632	3.05	893	7.40
Total	**9,073,300**	**100.00**	**12,068**	**100.00**

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

FinancialYear	Dividend Per Share* (Rupees)
2008-09	7.00
2009-10 Interim	3.50
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
2016-17	8.00
2017-18	8.00

*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	Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	75	6,510
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	3	275
Number of shareholders whose shares were transferred to Investor Education Protection Fund (IEPF) account during the year.	15	917
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	57	5318

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

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Please refer to the Directors' Report for disclosure on above.

Adoption of Mandatory and Discretionary Requirements of the Listing Regulations:

The Company has complied with all mandatory requirements of the Listing Regulations. The Company has adopted following discretionary requirements of the Listing Regulations:

1. The Company is in the regime of financial statements with unmodified audit opinion.
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, Dist. Ahmednagar (Maharashtra) 2. Vankusavade & Sadawaghapur, Dist. Satara (Maharashtra) 3. Ajnadi, Dist. Aurangabad (Maharashtra)

Address for Investor Correspondence:

- **For transfer/ dematerialization of shares**
  Link Intime India Pvt.Ltd.
  202 A-Wing, Second Floor, AkshayComplex,
  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
  A-601/602, ICC Trade Tower, Senapati Bapat Road,
  Shivajinagar, Pune- 411 016.
  E- Mail: satish.mehta@zfindia.com
  Phone- (020) 67289900

For and on behalf of the Board of Directors

Pune **Dinesh Munot**
July 31, 2019 **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 2018-19.

For and on behalf of the Board of Directors

Pune **Dinesh Munot**
July 31, 2019 **Chairman and 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 **Utkarsh Munot** **Jinendra Jain**
May 30, 2019 **Chief Executive Officer** **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, 2019, as stipulated under Regulations 17 to 27, clauses (b} to (i} of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the period April 1, 2018 to March 31, 2019.

The Compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes designing, implementation and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our responsibility is limited to examining 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.

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ('ICAI') and the Guidance Note on Reports of Certificates for Special Purposes issued by the ICAI which requires that we comply with the Code of Ethics issued by the ICAI.

Based on the procedures performed by us and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations during the year ended 31st March, 2019.

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 30, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V para C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015

To,
ZF Steering Gear (India) Limited
Regd. Office: Gat No 1242/1244, Village Vadu Budruk,
Tal. Shirur, Dist. Pune 412216 Maharashtra, India.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ZF Steering Gear (India) Limited having CIN L29130PN1981PLC023734 and having registered office at Gat No 1242/1244 Village Vadu Budruk, Tal. Shirur, Dist. Pune Mh 412216 In (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements)Regulation,2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or Continuing as Director of Companies by the Securities and Exchange Board of India or any such other Statutory Authority.

Sr. No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1	Shridhar Shamrao Kalmadi	00044301	26/05/2009
2	Dineshchand Hirachand Munot	00049801	08/11/1986
3	Utkarsh Dineshchand Munot	00049903	31/10/2006
4	Satish Amolakchand Gundecha	00220352	15/09/2014
5	Manish Mohan Motwani	00394860	26/06/1998
6	Ajinkya Arun Firodia	00332204	14/07/2010
7	Eitika Utkarsh Munot	01396661	15/09/2014
8	Soumitra Bhattacharya	02783243	04/11/2015
9	Jitendra Anil Pandit	05359478	29/01/2013

Ensuring the eligibility of for the appointment/ continuity of every Director on the board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature
Name: I U Thakur
Membership No: 2298
CP No: 14**02**

Place: Pune
Date: May 22, 2019

Annexure - III to the Directors' Report
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
a)	Name(s) of the related party	**Robert Bosch Automotive Steering GmbH**
b)	Nature of Relationship	Associate Company
c)	Nature of contracts/ arrangements/ transactions	Purchase of Components
d)	Duration of the contracts/ arrangements/ transactions	01.04.2018 to 31.03.2019
e)	Salient terms of the contracts or arrangements or transaction	60 Days of credit
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)	**241.85**

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

For and on behalf of the Board of Directors

Pune
July 31, 2019

Dinesh Munot
Chairman & Managing Director

ANNEXURE - IV to the Directors' Report
Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2018 -19

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 (Upto 23.11.2018)
   Mr. Utkarsh Munot – Member
   Mrs. Eitika Munot – Member
   Mr. Shridhar S. Kalmadi- Member (with effect from 15.01.2019)

3. Average net profit of the Company for last three financial years Rs.609.58 million.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) Rs. 12.20 million.

5. Details of CSR spent during the financial year:
   a. Total amount to be spent for the financial year - Rs. 12.20 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 2018-19.

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. 2018-2019 (Rs. in million)	Amount spent Direct or through Implementing Agency
1	Contribution to the Prime Minister's National Relief Fund	Relief Fund for National Calamity	Not Applicable	5	5	5	Direct
2	Upgradation of Schools located near Factory	Promotion of Education	Pune	3	3	3	Through 'Rotary Club of Pune'
3	Contribution to the Chief Minister's Distress Relief Fund	Relief Fund State Calamity	Kerala	2.1	2.1	2.1	Direct
4	Construction of building, education of the underprivileged gifted children	Promoting Education	Pune	2	2	2	Through ' Kaveri Gifted Education Centre'
5	Upliftment of Poor Children	Promoting / Healthcare / Education	Pune	0.1	0.1	0.1	Through ' Primavera India'
	Total			**12.20**	**12.20**	**12.20**	

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.

For and on behalf of the Board of Directors

Pune
July 31, 2019

Dinesh Munot
Chairman & Managing Director

ANNEXURE - V to the Directors' Report
Form No. MR-3-Secretarial Audit Report For The Financial Year Ended 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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 31.03.2019 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 31.03.2019 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, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(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, 2018 – **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:

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

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

1) The Company has received the Letter/ Notice by an e-mail on 14/02/2019 from Robert Bosch Automotive steering GmbH for Termination of Joint Venture Agreement with Robert Bosch Automotive steering GmbH.

2) E-mail received from the NCLT, Mumbai Bench that a Petition has been filed by Robert Bosch Automotive steering GmbH, Germany as per the provisions of Section 271(e), 272, 275 of the Companies Act, 2013 for winding up of the JV Company - ROBERT BOSCH AUTOMOTIVE STEERING PRIVATE LIMITED.

3) The Company has terminated the employment of 236 employees.

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

Place: Pune
Date: July 25, 2019

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

To,

The Members

ZF STEERING GEAR (INDIA) LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Pune

Date: July 25, 2019

ANNEXURE - VI to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2019 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.	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	98.11%
2	Renewable Energy (Solar and Wind power)	35106	1.89 %

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 Raisoni 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 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
1) Indian									
a) Individual/ HUF*	4,343,139	-	4,343,139	47.87	3,775,603	-	3,775,603	41.61	(6.26)
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt. (s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	-	-	-	-	
e) Banks/ FI	-	-	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	-	-	
Sub-total (A) (1)	4,343,139	-	4,343,139	47.87	3,775,603	-	3,775,603	41.61	(6.26)
2) Foreign	-	-	-	-	-	-	-	-	
a) NRIs- Individual	-	-	-	-	-	-	-	-	
b) Other individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	2,340,155	-	2,340,155	25.79	2,340,155	-	2,340,155	25.79	0.00
d) Banks/ FI	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	
Sub-total (A) (2)	2,340,155	-	2,340,155	25.79	2,340,155	-	2,340,155	25.79	0.00
Total Shareholding Promoters (A)=(A)(I)+(A)(2)	**6,683,294**	**-**	**6,683,294**	**73.66**	**6,115,758**	**-**	**6,115,758**	**67.40**	**(6.26)**
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	50	-	50	0.00	50	-	50	-	0.00
b) Banks / FI	400	500	900	0.00	400	500	900	-	0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	**450**	**500**	**950**	**0.00**	**450**	**500**	**950**	**0.00**	**0.00**

*In view of re-classification of Promoters' Shareholding to 'Public Category' pursuant to Regulation 31A of SEBI (LODR) Regulations, 2015 and BSE's approval dated January 18, 2019.

2) Non-Institutional	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	114,333	30,100	144,433	1.59	91,051	30,100	121,151	1.33	(0.26)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individuals shareholders holding nominal share capital in excess of Rs. 1 lac *	1,715,678	226,808	1,942,486	21.41	1,734,163	195,732	1,929,895	21.27	(0.14)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lac.	183,596	50,100	233,696	2.58	753,740	50,100	803,840	8.86	6.28
c) Others (Specify)	39,815	-	39,815	0.44	45,593	-	45,593	0.50	0.06
Trusts	140	-	140	0.00	265	-	265	0.00	-
Custodians/ Clearing member	-	-	-	-	9,994	-	9,994	0.11	0.11
NRIs	28,286	200	28,486	0.31	45,654	200	45,854	0.51	0.20
Sub-total(b) (2)	**2,081,848**	**307,208**	**2,389,056**	**26.33**	**2,680,460**	**276,132**	**2,956,592**	**32.58**	**6.25**
Total Public Shareholding (B) =(B)(1)+(B)(2)	**2,082,298**	**307,708**	**2,390,006**	**26.34**	**2,680,910**	**276,632**	**2,957,542**	**32.60**	**6.26**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	**8,765,592**	**307,708**	**9,073,300**	**100%**	**8,796,668**	**276,632**	**9,073,300**	**100%**	**0.00**

*In view of re-classification of Promoters' Shareholding to 'Public Category' pursuant to Regulation 31A of SEBI (LODR) Regulations, 2015 and BSE's approval dated January 18, 2019.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			%Change in shareholding during the year
		No. of shares	% of Total Shares of the Company	% of Shares pledged/ encum-bered 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	6.61	0
2	Mr. Utkarsh Munot	1,191,494	13.13	11.57	1,191,494	13.13	11.57	0
3	Mrs. Nandini D. Munot	321,474	3.54	0.00	321,474	3.54	0	0
4	Mrs. Pragati D. Bothra	115,623	1.27	0.00	115,623	1.27	0	0
5	Mrs. Trupti S. Gupta	123,496	1.36	0.00	123,496	1.36	0	0
6	Mr. Jinendra H. Munot	259,659	2.87	0.00	229,259	2.62	0	(0.25)
7	Munot Jinendrakumar Hirachand (HUF)	-	-	-	30,400	0.34	0	0.34
8	Mrs. Amita J. Munot	152,457	1.68	0.00	152,457	1.68	0	0
9	Mr. Piyush J. Munot	122,804	1.35	0.00	122,804	1.35	0	0
10	Mr. Yash J. Munot	123,053	1.36	0.00	123,053	1.36	0	0
11	Mr. Ramesh Munot *	172,239	1.9	0.00	-	-	0	(1.9)
12	Mrs. Manik Munot *	58,382	0.64	0.00	-	-	0	(0.64)
13	Mr. Ashish Munot *	130,250	1.44	0.00	-	-	0	(1.44)
14	Mr. Manish Munot *	162,760	1.79	0.00	-	-	0	(1.79)
15	Ms. Priti M. Munot *	410	0	0.00	-	-	0	0
16	Mr. Harish Munot	269,500	2.98	0.00	269,500	2.98	0	0
17	Mr. Hitesh Munot *	43,495	0.48	0.00	-	-	0	(0.48)
18	Mr. Amol Munot	122,753	1.35	0.00	122,753	1.35	0	0
19	Mrs. Pramila A Munot	24,000	0.26	0.00	24,000	0.26	0	0
20	Robert Bosch Automotive Steering GmbH	2,340,155	25.79	0.00	2,340,155	25.79	0	0
	Total	**6,683,294**	**73.66**	**11.57**	**6,115,758**	**67.40**	**18.18**	**(6.16)**

*In view of re-classification of Promoters' Shareholding to 'Public Category' pursuant to Regulation 31A of SEBI (LODR) Regulations, 2015 and BSE's approval dated January 18, 2019.

(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
	At the beginning of the year	6,683,294	73.66	6,115,758	67.40
	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.)	--------	--------	--------	--------
	At the end of year	**6,683,294**	**73.66**	**6,115,758**	**67.40**

(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	Ramesh Hirachand Munot *	1,72,239	1.9	1,72,239	1.9
2	Manish Rameshchand Munot *	1,62,760	1.79	1,62,760	1.79
3	Urmil Mahasukh Gopani	1,35,802	1.5	1,35,396	1.49
4	Ashish Rameshchand Munot HUF *	1,30,250	1.44	1,30,250	1.44
5	Manik Ramesh Munot *	58,382	0.64	58,382	0.64
6	Hitesh Munot *	43,495	0.48	43,495	0.48
7	Sangeeta Nirmal Bang	31,390	0.35	31,390	0.35
8	Prasanna Holdings Pvt. Ltd.	30,100	0.33	-	-
9	Jaya Hind Industries Ltd. **	-	-	30,100	0.33
10	Kishan Gopan Mohta	26,000	0.29	26,000	0.29
11	Vilaskumar Shankarlal Munot	24,960	0.28	24,960	0.28

* In view of re-classification of Promoters' Shareholding to 'Public Category' pursuant to Regulation 31A of SEBI (LODR) Regulations, 2015 and BSE's approval dated January 18, 2019.

** Not in the list of Top 10 shareholders as on 01.04.2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2019.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the end 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	**Shareholding of Directors:**				
	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. 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
4	**Shareholding of Key Managerial Personnel:**				
	Mr. Jinendra Jain				
	At the beginning of the year	1	0	1	0
	At the end of the year	1	0	1	0
5	Mr. Satish Mehta				
	At the beginning of the year	1	0	1	0
	At the end of the year	1	0	1	0

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	161.19	56.36	-	217.55
ii) Interest due but not paid	1.07	-	-	1.07
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**162.26**	**56.36**	**-**	**218.62**
Change in indebtedness during the financial year				
- Addition	207.20	-	-	207.20
- Reduction	-78.69	-21.62	-	-100.31
Net change	**128.51**	**-21.62**	**-**	**106.89**
Indebtedness at the end of the financial year				
iv) Principal Amount	289.70	34.74	-	324.44
v) Interest due but not paid	2.10	-	-	2.10
vi) Interest accrued but not due	-	-	-	-
Total (iv+v+vi)	**291.80**	**34.74**	**-**	**326.54**

VI. Remuneration of Directors and KEY Managerial Personnel

A. Remuneration to Managing Director, whole-time Directors and/ or Manager **(Rs. in million)**

Sl No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Dinesh Munot (CMD)	Uttakarsh Munot (WTD / CEO)	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	21.47	20.03	41.5
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.95	1.09	3.04
	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)	23.42	21.12	44.54
	Ceiling as per the Act			**51.61**

B. Remuneration to other directors **(Rs. in million)**

Sl No.	Particulars of Remuneration	Name 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 · Commission · Others, please specify	0.24	0.33	0.13	0.44	0.31	0.43	1.88
	Total (1)	**0.24**	**0.33**	**0.13**	**0.44**	**0.31**	**0.43**	**1.88**
		Mrs. Eitika Munot	**Soumitra Bhattacharya**					
2	**Other Non- Executive Director** • Fee for attending board/ committee meetings • Commission Others, please specify	0.29	-	-	-	-	-	0.29
	Total (2)	**0.29**	**-**	**-**		**-**	**-**	**0.29**
	Total (B)=(1+2)							**2.17**
	Overall Ceiling as per the Act.							**56.77**

C. Remuneration to key Managerial Personnel other than MD/ Manager/ WTD **(Rs. in million)**

Sl 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		3.33	1.89	5.22
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		.02		.02
	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		**3.35**	**1.89**	**5.24**
	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)
A. Company Penalty Punishment Compounding	NIL				
B. Directors Penalty Punishment Compounding					
c. Other Officers in default Penalty Punishment Compounding					

For and on behalf of the Board of Directors

Pune
July 31, 2019

Dinesh Munot
Chairman and Managing Director

INDEPENDENT AUDITORS' REPORT

To,

The Members of

ZF STEERING GEAR (INDIA) LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **ZF STEERING GEAR (INDIA) LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2019, the statement of Profit and Loss (including the Statement of Other Comprehensive Income), Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS 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 state of affairs of the Company as at March 31, 2019 and its statement of Profit and Loss (including the Statement of Other Comprehensive Income), Cash Flow Statement and the statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the IND AS Financial Statements section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the IND AS financial statements under the provisions of Companies Act, 2013 and the rules thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment testing of investments in Joint Venture Refer Note 6(a)(i) and Note 35 to the accompanying standalone financial statements as at 31 March 2019, the carrying amount of investment in the Joint Venture company viz. Robert Bosch Automotive Steering Private Limited (the 'Joint Venture') is Rs. 625.00 Million (net of provision for diminution in the value of investment of Rs. 668.50 Million). The net worth of the Joint Venture as at 31 March 2019 is substantially eroded. Management has considered that the losses suffered by the Joint Venture and erosion of its net worth indicates a possible impairment in the carrying value of investment. Accordingly, the management has performed an impairment assessment and has estimated the recoverable amount of its investment in the Joint Venture on the basis of 'Fair Value Less Costs to Sell'. As disclosed in Note 35 to the financial statements, the carrying value of the investment was impaired by Rs.668.50 Million in the current year. Considering the materiality of the amounts involved, the significant management judgement required in estimating the quantum of diminution in the value of investment and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit.	**Our procedures included, but were not limited to the following:** • Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of impairment under Ind AS to determine recoverable value of the investment in the Joint Venture; • Assessed the appropriateness of methodology used by the management to estimate the recoverable value of investment in the Joint Venture; • Verified the important documents such as Settlement Agreement, Board's Approval, other relevant documents and; • Based on our procedures, we also considered the adequacy of disclosures in respect of investment in the said Joint Venture in the notes to the standalone financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purpose of our audit;
   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the Ind AS 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 written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 33 to the standalone financial statements;
      II. The company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.
      III. There is no amount due to be transferred to Investor Education and Protection Fund by the company.

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

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
Date : May 30, 2019

"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:

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, considering the nature of the Fixed Assets, the same have been physically verified by the management at reasonable intervals during the year as per the verification plan adopted by the company, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and the records produced to us for our verification, the discrepancies noticed during such physical verification were not material and the same have been properly dealt with in the books of account.

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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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, GST, Sales 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 31st March, 2019 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, Goods and Service Tax, Sales Tax, Service tax, Customs Duty, 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 Millions)
MVAT Act 2002 & CST Act	Assessed VAT dues by AO	Dy. Commissioner of Sales Tax	FY 2010-11	3.19
Income Tax Act, 1961	Assessment dues	ITAT, Pune	FY 2012-13	4.45
Income Tax Act, 1961	Assessment dues	CIT (Appeal), Pune	FY 2013-14	2.56
Income Tax Act, 1961	Assessed TDS Dues by CPC	CIT (Appeal), Pune	FY 2009-10	0.30

(viii) According to the information and explanations given to us and on the basis of our examination, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) According to the information and explanations given to us and on the basis of our examination, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(x) 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.

(xi) According to the information and explanations given 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.

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) 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.

(xvi) 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
Firm Registration No. 117963W

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
Date: May 30, 2019

"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 (i) 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 31 March 2019 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, 2019, 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 Company
Chartered Accountants
Firm Registration No. 117963W

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
Date: May 30, 2019

Balance Sheet

(Rs. in Million)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,093.16	1,022.51
Capital work in progress		262.90	7.01
Investment property	4	-	10.01
Intangible assets	5	16.25	27.18
Financial assets			
(i) Investments	6[a]	1,517.26	2,306.95
(ii) Loans	6[e]	6.48	6.05
(iii) Others	6[f]	0.65	0.65
Other non-current assets	7	321.47	160.70
Non Current Tax Assets	8	30.91	38.36
Deferred tax Assets (Net)	9	254.70	(5.80)
Total non-current assets		**3,503.78**	**3,573.62**
Current assets			
Inventories	10	402.65	397.00
Financial assets			
(i) Trade receivables	6[b]	772.30	922.70
(ii) Cash and cash equivalents	6[c]	55.11	40.99
(iii) Bank Balances other than Cash and cash equivalents	6[d]	5.79	5.99
(iv) Loans	6[e]	0.74	0.83
(v) Others	6[f]	6.76	32.11
Other current assets	7	122.58	120.81
Total current assets		**1,365.93**	**1,520.43**
Total Assets		**4,869.71**	**5,094.05**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	90.73	90.73
Other equity	12	3,591.37	3,695.42
Total Equity		**3,682.10**	**3,786.15**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13[a]	209.49	146.34
Provisions	14	17.87	22.45
Other non current liabilities	15	0.70	1.01
Total non-current liabilities		**228.06**	**169.80**
Current liabilities			
Financial liabilities			
(i) Borrowings	13[b]	132.65	420.03
(ii) Trade payables			
A) Total outstanding dues of Micro and Small Enterprises	13[c]	87.05	86.93
B) Total outstanding dues of creditors other than Micro and Small Enterprises	13[c]	318.31	422.99
(iii) Others	13[d]	326.77	112.83
Provisions	14	27.72	15.21
Other current liabilities	15	67.05	80.11
Total current liabilities		**959.55**	**1,138.10**
Total liabilities		**1,187.61**	**1,307.90**
Total Equity and Liabilities		**4,869.71**	**5,094.05**

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot Chairman & Managing Director
DIN : 00049801
Utkarsh Munot Chief Executive Officer
DIN : 00049903
S.A. Gundecha Director and Chairman of the Audit Committee
DIN : 00220352

Jinendra Jain Chief Financial Officer
Satish Mehta Company Secretary

Place: Pune
May 30, 2019

Statement of Profit and Loss

(Rs. in Million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	16	4,394.24	4,356.00
Other income	17	88.98	96.68
Total Income		**4,483.22**	**4,452.68**
EXPENSES			
Cost of raw material consumed	18	2,773.46	2,506.34
Change in Inventory of finished goods and work in progress	19	(23.85)	15.78
Excise duty on sale of goods		-	110.53
Employee benefits expense	20	514.81	491.89
Other expenses	21	357.85	349.19
Total Expenses		**3,622.27**	**3,473.73**
Profit before interest, tax, depreciation, amortisation expenses and exceptional items (EBITDA)		**860.95**	**978.95**
Finance costs	22	19.42	32.18
Depreciation and amortisation expense	23	310.27	333.03
Profit before exceptional items and tax		**531.26**	**613.74**
Exceptional items	35	(668.50)	-
Profit before tax		**(137.24)**	**613.74**
Tax Expense	24		
Current tax		134.44	174.56
Deferred tax		(258.62)	(31.49)
Total tax expense		**(124.18)**	**143.07**
Profit for the year		**(13.06)**	**470.67**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		(5.37)	26.36
- Income tax relating to the above items	24	1.88	(9.12)
Other comprehensive income for the year, net of tax		**(3.49)**	**17.24**
Total comprehensive income for the year		**(16.55)**	**487.91**
Earnings per equity share of Rs 10 each	25		
Basic and diluted earnings per share		**(1.44)**	**51.87**
Significant Accounting Policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot — Chairman & Managing Director
DIN : 00049801
Utkarsh Munot — Chief Executive Officer
DIN : 00049903
S.A. Gundecha — Director and Chairman of the Audit Committee
DIN : 00220352
Jinendra Jain — Chief Financial Officer
Satish Mehta — Company Secretary

Place: Pune
May 30, 2019

Statement of Cash Flows

(Rs. in Million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash Flow From Operating Activities:		
Profit/ (Loss) before exceptional items and tax	**531.26**	**613.74**
Adjustments for:		
Depreciation and amortisation expense	310.27	333.03
Interest paid	19.42	32.18
Fair value change in investment	20.30	(47.24)
(Profit)/ Loss on sale of fixed assets	3.54	0.16
(Profit)/ Loss on sale of investment	(85.42)	(8.87)
Interest Income	(5.07)	(6.26)
Dividend received	(2.33)	(21.42)
Operating profit before working capital changes	**791.97**	**895.32**
Adjustments for changes in working capital:		
(Increase)/ Decrease in inventory	(5.65)	(5.82)
(Increase)/ Decrease in trade receivables and financial assets	175.61	(186.83)
(Increase)/ Decrease in other non-current and current assets	2.35	36.07
Increase/ (Decrease) in provisions and other liabilities	(10.81)	30.06
Increase/ (Decrease) in trade payables and financial liabilities	(104.56)	64.42
Cash generated from operations	**848.91**	**833.22**
Income tax paid	(127.43)	(157.83)
Net cash generated from operating activities	**721.48**	**675.39**
Cash Flow From Investing Activities:		
Purchase of property, plant and equipment	(613.90)	(218.26)
Interest received	5.07	4.69
Dividend received	2.33	21.42
Investment	186.31	(353.98)
Net cash used in investing activities	**(420.19)**	**(546.13)**
Cash Flow From Financing Activities:		
Proceeds from borrowings	308.16	480.10
Repayment of borrowings	(488.65)	(465.39)
Dividend paid (including dividend distribution tax)	(87.70)	(87.32)
Interest paid	(18.98)	(32.18)
Net cash used in financing activities	**(287.17)**	**(104.79)**
Net Increase/ (Decrease) in cash and cash equivalents	14.12	24.47
Cash and cash equivalents as at the beginning of the year	40.99	16.52
Cash and cash equivalents as at the end of the year	**55.11**	**40.99**
Cash and cash equivalents comprise of the following:		
Cash on hand	0.03	0.05
Balances with banks - Current accounts	55.08	40.94
	55.11	**40.99**

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot Chairman & Managing Director
DIN : 00049801
Utkarsh Munot Chief Executive Officer
DIN : 00049903
S.A. Gundecha Director and Chairman of the Audit Committee
DIN : 00220352

Jinendra Jain Chief Financial Officer
Satish Mehta Company Secretary

Place: Pune
May 30, 2019

Statement of Changes in Equity

(Rs. in Million)

A. Equity Share Capital

	Notes	Amount
As at April 1, 2017		**90.73**
Changes in equity share capital during the year	11	-
As at March 31, 2018		**90.73**
Changes in equity share capital during the year	11	-
As at March 31, 2019		**90.73**

B. Other Equity

Particulars	Attributable to owners Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2017	**3.50**	**23.23**	**2,350.00**	**918.14**	**3,294.87**
Profit for the year	-	-	-	470.67	470.67
Other comprehensive income for the year net of tax	-	-	-	17.24	17.24
Total comprehensive income for the year	**-**	**-**	**-**	**487.91**	**487.91**
Dividend Paid	-	-	-	(72.58)	(72.58)
Dividend Distribution Tax	-	-	-	(14.78)	(14.78)
Balance at March 31, 2018	**3.50**	**23.23**	**2,350.00**	**1,318.69**	**3,695.42**
Profit for the year	-	-	-	(13.06)	(13.06)
Other comprehensive income for the year net of tax	-	-	-	(3.49)	(3.49)
Total comprehensive income for the year	**-**	**-**	**-**	**(16.55)**	**(16.55)**
Dividend Paid	-	-	-	(72.58)	(72.58)
Dividend Distribution Tax	-	-	-	(14.92)	(14.92)
Balance at March 31, 2019	**3.50**	**23.23**	**2,350.00**	**1,214.64**	**3,591.37**

Note:
As approved by the shareholders a dividend of Rs. 8 Per equity share aggregating to Rs. 87.50 Million including dividend distribution tax in respect of year ended 31st March 2018 has been paid during the year.

Significant Accounting Policies 2
The accompanying notes are an integral part of these financial statements

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot Chairman & Managing Director
DIN : 00049801
Utkarsh Munot Chief Executive Officer
DIN : 00049903
S.A. Gundecha Director and Chairman of the Audit Committee
DIN : 00220352

Jinendra Jain Chief Financial Officer
Satish Mehta Company Secretary

Place: Pune
May 30, 2019

Notes to the Financial Statements for the year ended March 31, 2019

1 Company overview

ZF Steering Gear (India) Limited ("the Company") is listed on Bombay Stock Exchange (BSE) domiciled in India and was incorporated in 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.

2 Significant accounting policies

2.1 Basis of preparation

(i) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the 'Act').

These financial statements were authorised for issue by the Company's Board of Directors on 30th May 2019.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis except for following items:

- Certain financial assets and liabilities which are measured at fair value; and
- Defined benefit plans - plan assets measured at fair value

(iii) Use of estimates

In preparing these financial statements, the management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and accompanying disclosure of contingent liability. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

Note 24 - Recognition of deferred tax assets: Availability of future taxable profit against which tax losses carried forward can be used;

Note 30 - Measurement of defined benefit obligations: Key actuarial assumptions;

Note 14 - Provision for warranty.

Note 35 - Impairment of assets.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which estimates are revised and in future year's.

2.2 Current versus non-current classification

The Company presents assets and liabilities in its Balance Sheet based on current versus non-current classification.

An asset is classified as current when it is:

a) Expected to be realized or intended to sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realized within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period
d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3 Segment reporting

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies. 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. Refer Note 29 for segment information presented.

2.4 Foreign currencies

(i) Functional and presentation currency

The financial statements are presented and accounted in Indian Rupees (INR), which is the Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the Company operates) and items included in the financial statements of the Company are measured using that functional currency.

(ii) Transactions and balances

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

2.5 Revenue

The Company earns revenue primarily from sale of steering gear.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Use of significant judgements in revenue recognition

i The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products/ services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

ii Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

iii The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

iv The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.7 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

2.8 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.9 A Impairment of non financial assets

Property, plant and equipment (PPE) and Intangible assets (IA) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Companys of assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 B Impairment of Investment

The carrying value of assets/ cash generating units at each Balance Sheet date are reviewed for impairment. If, any such indication exists, the Company estimates their recoverable amount and impairment is recognised if, the carrying amount of these assets/ cash generating units exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit & Loss.

2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment, if any.

2.12 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 work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Goods-in-transit are stated at actual cost incurred upto the date of balance sheet. Scrap is valued at net realisable value.

2.13 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

A. Financial Assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(I) Classification

The financial assets are classified in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) Those to be measured at amortised cost.

Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as fair value gains/ losses on financial assets in statement of profit or loss. Interests, dividends and gain/ loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

(II) Measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Amortised Cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include trade and other receivables and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the Statement of Profit and Loss in other income.

(III) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.

(I) Classification

The financial liabilities are classified in the following measurement categories:

a) Those to be measured as financial liabilities at fair value through profit or loss,

b) Those to be measured at amortised cost

(II) Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The EIR is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings.

(III) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(IV) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Investments in Joint Venture

Investments in Joint Venture is recognised at cost as per Ind AS 28 "Investments in Associates and Joint Ventures". Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale. Also in the case, Where recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Transition to Ind AS

On transition to Ind AS, the Company has opted to consider previous GAAP carrying values of investment in Joint Venture as on the date of transition i.e. April 1, 2016 as deemed cost.

2.15 Interest and Dividend income

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividend income

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.16 Property, plant and equipment (PPE)

Property, plant and equipment excluding land are measured at cost/ deemed cost, less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Transition to Ind AS

On transition to Ind AS, the Company has opted to consider previous GAAP carrying value of property, plant and equipment as on the date of transition i.e. April 1, 2016 as deemed cost.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a written down value method

(WDV) method as per Ind AS6 and its life as per Schedule II to the Companies Act, 2013. Except in respect of :

a) Plant & machinery depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on internal technical evaluations, taking in to the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc. Tangible assets residual value is kept at 5% of cost of the assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and recorded in statement of profit or loss.

2.17 Investment Property

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

2.18 Intangible assets

(i) Recognition and measurement

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

(ii) Amortisation methods and periods

The Company amortises .intangible assets with a finite useful life using the following method and useful life:

Class of asset	Method	Life of the asset
SAP related Software	Straight Line Method	3 years
Other Computer Software	Written Down Method	6 years
Patent	Straight Line Method	15 years

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income.

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.21 Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the such obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

2.22 Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

Defined Benefit Plans - Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

2.23 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.24 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

3. Property, plant and equipment (PPE)

	Gross Block				Accumulated Depreciation				Net Block	
	Carrying amount as at 1 April 2018	Additions	Deletions/ Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation for the year	Accumulated depreciation on deletions/ disposals	Balance as at 31 March 2019	as at 31 March 2019	as at 31 March 2018
Property, plant and equipment (PPE)										
Land	3.30	7.60	-	**10.90**	-	-	-	**-**	**10.90**	3.30
Buildings	119.98	11.08	-	**131.06**	16.73	11.12	-	**27.85**	**103.21**	93.24
Plant & Equipment	1,034.36	213.73	(0.78)	**1,247.31**	428.85	216.88	(0.08)	**645.65**	**601.66**	605.51
Plant & Equipment (R & D)	11.80	-	(0.10)	**11.70**	5.61	1.49	-	**7.10**	**4.60**	6.19
Furniture & Fixtures	14.85	5.57	-	**20.42**	6.57	2.53	-	**9.10**	**11.32**	8.28
Vehicles	58.16	0.06	(17.52)	**40.70**	26.00	7.54	(9.34)	**24.20**	**16.50**	32.16
Office Equipment	17.89	6.55	-	**24.44**	9.72	5.54	-	**15.26**	**9.18**	8.17
Electrical Installation	36.83	2.21	-	**39.04**	9.69	7.29	-	**16.98**	**22.06**	27.14
ETP/STP Plant	1.86	-	-	**1.86**	1.05	0.28	-	**1.33**	**0.53**	0.81
Wind Mills	57.49	122.16	-	**179.65**	9.08	11.48	-	**20.56**	**159.09**	48.41
Solar Power Plant	269.22	-	-	**269.22**	79.92	35.19	-	**115.11**	**154.11**	189.30
Total property, plant and equipment	**1,625.74**	**368.96**	**(18.40)**	**1,976.30**	**593.22**	**299.34**	**(9.42)**	**883.14**	**1,093.16**	**1,022.51**

	Gross Block				Accumulated Depreciation				Net Block	
	Carrying amount as at 1 April 2017	Additions	Deletions / Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation for the year	Accumulated depreciation on deletions / disposals	Balance as at 31 March 2018	as at 31 March 2018	as at 31 March 2017
Property, plant and equipment (PPE)										
Land	3.30	-	-	**3.30**	-	-	-	**-**	**3.30**	3.30
Buildings	97.83	11.37	(0.28)	**108.92**	7.28	8.40	-	**15.68**	**93.24**	90.55
Plant & Equipment	941.19	93.26	(0.09)	**1,034.36**	184.20	244.66	(0.01)	**428.85**	**605.51**	756.99
Plant & Equipment (R & D)	11.80	-	-	**11.80**	3.39	2.22	-	**5.61**	**6.19**	8.41
Furniture & Fixtures	14.38	0.47	-	**14.85**	3.82	2.75	-	**6.57**	**8.28**	10.56
Vehicles	58.00	0.73	(0.57)	**58.16**	11.58	14.67	(0.25)	**26.00**	**32.16**	46.42
Office Equipment	13.60	4.29	-	**17.89**	5.05	4.67	-	**9.72**	**8.17**	8.55
Electrical Installation	16.44	20.39	-	**36.83**	3.04	6.65	-	**9.69**	**27.14**	13.40
ETP/STP Plant	1.86	-	-	**1.86**	0.63	0.42	-	**1.05**	**0.81**	1.23
Wind Mills	57.49	-	-	**57.49**	4.75	4.33	-	**9.08**	**48.41**	52.74
Solar Power Plant	235.51	33.71	-	**269.22**	44.03	35.89	-	**79.92**	**189.30**	191.48
Total property, plant and equipment	**1,451.40**	**164.22**	**(0.94)**	**1,614.68**	**267.77**	**324.66**	**(0.26)**	**592.17**	**1,022.51**	**1,183.63**

A. Security

As at March 31, 2019, properties worth Rs. 178.00 Million (March 31, 2018 Rs.161.19 Million) are subject to first charge against borrowings and as March 31,2019 properties worth Rs. 524.74 Million (March 31, 2018 Rs. 559.21 Million) are pledged as second charges against cash credit facilities. See note-13(b).

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

4 INVESTMENT PROPERTY

	31-Mar-2019	31-Mar-2018
Gross carrying amount		
Opening balance	11.06	11.06
Additions	-	-
Closing balance	11.06	11.06
Accumulated depreciation		
Opening balance	1.05	0.54
depreciation charge	-	0.51
Closing balance	1.05	1.05
Net carrying amount (Reclassified to PPE)	**(10.01)**	**-**
Net carrying amount	**-**	**10.01**

(i) Amount recognised in profit and loss for investment properties

	31-Mar-2019	31-Mar-2018
Rental Income		
Rental Income derived from Investment Property	-	-
Profit from investment properties before depreciation	**-**	**-**
Depreciation	-	0.51
Profit (loss) from investment properties	**-**	**0.51**

The direct operating expenses are on the investment property are not separately identifiable and the same is not likely to be material.

(ii) Fair value

	31-Mar-19	31-Mar-18
Investment properties	-	85.34

Estimation of Fair value

The above fair valuation is based on the Annual Statement Rate (ASR), commonly known as Ready Reckoner, issued by the State Government of Maharashtra, and are not based on valuation by an independent valuer.

With effect from April 1,2018, management of the Company has determined its use of building currently recognised as investment property to be owner occupied. Accordingly this would result in reclassification of the asset under investment property to property, plant and equipment.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

5 INTANGIBLE ASSETS

	Computer software	Technical know how	Patent	Total
Year ended March 31, 2019				
Gross Carrying Amount				
Carrying amount as at April 1, 2018	44.81	0.01	0.43	45.25
Additions	-	-	-	-
Disposals / adjustments	-	-	-	-
At March 31, 2019	**44.81**	**0.01**	**0.43**	**45.25**
Accumulated depreciation and impairment, if any				
As at April 1, 2018	18.03	-	0.04	18.07
Charge for the year	10.91	-	0.02	10.93
Disposals / adjustments	-	-	-	-
At March 31, 2019	**28.94**	**-**	**0.06**	**29.00**
Net Block at March 31, 2019	**15.87**	**0.01**	**0.37**	**16.25**

	Computer software	Technical know how	Patent	Total
Year ended March 31, 2018				
Gross Carrying Amount				
Carrying amount as at April 1, 2017	25.72	0.01	0.43	26.16
Additions	19.09	-	-	19.09
Disposals / adjustments	-	-	-	-
At March 31, 2018	**44.81**	**0.01**	**0.43**	**45.25**
Accumulated depreciation and impairment, if any				
As at April 1, 2017	10.19	-	0.02	10.21
Charge for the year	7.84	-	0.02	7.86
Disposals / adjustments	-	-	-	-
At March 31, 2018	**18.03**	**-**	**0.04**	**18.07**
Net Block at March 31, 2018	**26.78**	**0.01**	**0.39**	**27.18**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

6 FINANCIAL ASSETS

[a] INVESTMENTS

	Notes	31-Mar-19	31-Mar-18
Non-Current			
Investment in equity instruments (unquoted, fully paid-up,at cost)	See note (i)	625.00	1,293.50
Investment in equity shares (quoted, fully paid-up, at FVTPL)	See note (ii)	139.37	125.27
Investments in redeemable Non-Convertible Bonds (quoted, fully paid-up, at amortised cost)	See note (iii)	43.97	43.97
Investments in Mutual Funds (quoted, at FVTPL)	See note (iv)	708.92	844.21
		1,517.26	**2,306.95**
Carrying amount of investment, pledged as security with bank (shown in bold)		415.36	323.62

	31-Mar-19	31-Mar-18
Aggregate amount of quoted investments and market value thereof	892.26	1,013.45
Unquoted investment in Joint Venture Company	625.00	1,293.50

(i) Investment in equity share (Unquoted, Joint Venture(JV), at Cost)

	31-Mar-2019		31-Mar-2018	
	Nos	Amount	Nos	Amount
Robert Bosch Automative Steering Private Limited (26% holding, face value Rs. 10)(Refer note-35) *	129,350,000	1,293.50	129,350,000	1,293.50
Less: Provision for diminution in value of investment		(668.50)		-
Net investment in Joint Venture company		**625.00**		**1,293.50**

* The company has made provision for diminution in carrying value of investment of Rs. 668.50 Million in the statement of Profit and Loss, which has been classified under "Exceptional items"(refer note-35).

(ii) Investment in equity shares (Quoted, fully paid-up, at FVTPL)

	31-Mar-2019		31-Mar-2018	
	Nos	Amount	Nos	Amount
ICICI Bank Limited (Face value of Rs. 2 each)	78,424	31.41	78,424	21.87
Tata Consultancy Services Limited (Face value of Rs. 1 each)	24,432	48.90	12,216	34.80
KPIT- Cummins India Limited (Face value of Rs. 2 each) *	-	-	60,000	13.00
KPIT Technology Limited*	60,000	6.54	-	-
Birla Soft Technologies Limited (Face value of Rs. 2 each)*	60,000	5.92	-	-
Borosil Glass Works Limited (Face value of Rs. 1 each)	15,000	3.15	-	-
Infosys Limited (Face value of Rs. 5 each)	5,386	4.01	3,000	3.07
GAIL (India) limited (Face value of Rs. 10 each)	88,933	30.92	66,700	29.35
Mahindra & Mahindra Limited (Face value of Rs. 5 each)	8,000	5.39	10,000	7.37
Balmer Lawrie & Co. Limited (Face value of Rs. 10 each)	-	-	52,458	11.36
HDFC Asset-Management Company Limited (Face value of Rs. 5 each)	140	0.21	-	-
Godrej Consumer Products Limited (Face value of Rs. 1 each)	4,250	2.92	-	-
Oil & Natural Gas Corporation Limited (Face value of Rs. 5 each)	-	-	25,000	4.45
		139.37		**125.27**

Note:

* During the year, the Company has received 60,000 equity shares of KPIT Technologies Limited and 60,000 equity shares of Birla Soft Technologies Limited due to merger and demerger of KPIT Cummins India Limited in which the Company has 60,000 equity shares.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

(iii) Investments in redeemable Non-Convertible Bonds (Quoted, fully paid-up, at amortised cost)

	31-Mar-2019		31-Mar-2018	
	Nos	Amount	Nos	Amount
National Highway Authority of India (NHAI)	**24,724**	**24.38**	**24,724**	**24.38**
Power Finance Corporation Limited (PFC)	**19,935**	**19.59**	**19,935**	**19.59**
		43.97		**43.97**

(iv) Investments in Mutual Funds (Quoted, at FVTPL)

	31-Mar-2019		31-Mar-2018	
	Nos	Amount	Nos	Amount
HDFC Credit Risk Debt Fund - Growth	**4,963,912**	**79.02**	**4,963,912**	**74.13**
Reliance Capital Limited Series B/ 437 - NCD	500	49.40	-	-
Axis Credit Risk Fund - Growth	**5,000,000**	**76.76**	**5,000,000**	**71.18**
Axis Focused 25 Fund - Direct- Growth	860,289	25.15	-	-
Sundaram SMILE Fund - Dividend	-	-	1,000,000	22.46
Sundaram Select Midcap Fund - Dividend	-	-	1,191,838	45.30
Sundaram Rural and Consumption Fund - Direct -Growth	568,239	24.77	-	-
SBI Magnum Balanced Fund - Dividend	-	-	792,290	31.84
Reliance Prime Debt Fund- Growth	**5,427,071**	**217.71**	**5,427,071**	**201.90**
Motilal Oswal Most Focused 25 Fund - Dividend	-	-	1,602,800	26.71
Motilal Oswal Most Focused Multicap 35 Fund - Dividend	-	-	1,369,076	34.51
Motilal Oswal Multicap 35 Fund - Direct - Growth	898,411	24.47	-	-
BOI AXA Corporate Credit Spectrum Fund	-	-	4,829,191	64.46
Invesco India Growth Opportunities Fund - Direct - Growth	689,085	26.05	-	-
IIFL Special opportunities fund	2,020,047	19.87	1,006,571	10.02
Kotak FMP series 220 growth	**5,000,000**	**53.93**	**5,000,000**	**50.00**
Edelweiss Alternative Equity Fund	2,385,644	50.09	2,385,644	49.01
Avendus Absolute Return Fund	5,000,000	55.09	5,000,000	51.63
IRB Invit fund	100,000	6.61	100,000	8.20
Reliance Liquid Fund - Treasury Plan - Growth	-	-	36,641	102.86
		708.92		**844.21**

Fair value measurements related to investments are discussed in Note 27.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

[b] TRADE RECEIVABLES

	31-Mar-19	31-Mar-18
Trade receivables	772.30	922.70
Total receivables	**772.30**	**922.70**
Current portion	772.30	922.70
Non-current portion	-	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Break-up of security details

	31-Mar-19	31-Mar-18
Trade receivables		
Unsecured, considered good	772.30	922.70
Sub-total	**772.30**	**922.70**
Less: Impairment allowance	-	-
Total	**772.30**	**922.70**

(i) There is no trade receivables due from related parties at 31 March 2019 and 31 March 2018.

(ii) The Company's exposure to credit risk, currency risk related to trade receivables are discussed in Note 26.

Transferred receivables

The carrying amount of trade receivables includes receivables which are discounted with banks. The Company has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Company has retained the late payment and credit risk. Accordingly, the Company continues to recognise the transferred assets in entirely in its balance sheet.The amount repayable under the bill discounting arrangement is presented as borrowing.

the relevant carrying amounts are as follows:	**31-Mar-19**	**31-Mar-18**
Total transferred receivables	100.96	367.83

[c] CASH AND CASH EQUIVALENTS

	31-Mar-19	31-Mar-18
Cash on hand	0.03	0.05
Balances with banks - Current accounts	55.08	40.94
	55.11	**40.99**

[d] BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

	31-Mar-19	31-Mar-18
Balances with banks in - on account of unpaid dividends	5.79	5.99
	5.79	**5.99**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

[e] LOANS

	31-Mar-19	31-Mar-18
Non Current (Unsecured, considered good)		
Security Deposits	5.91	4.81
Loan to employees	0.57	1.24
	6.48	**6.05**
Current (Unsecured, considered good)		
Loan to employees	0.74	0.83
	0.74	**0.83**

[f] OTHERS

	31-Mar-19	31-Mar-18
Non Current		
Fixed deposits with banks (maturity > 12 months)	0.65	0.65
	0.65	**0.65**
Current		
Incentives under Government schemes/ Grant	4.43	1.76
Interest on Fixed Deposit/ others	2.33	2.45
Others	-	27.90
	6.76	**32.11**

7 OTHER ASSETS

	31-Mar-19	31-Mar-18
Non Current		
Capital Advances	222.94	58.05
Prepaid rent of leasehold premises	98.53	102.65
	321.47	**160.70**
Current		
Balances with Government authorities	0.39	0.06
VAT receivable	90.86	93.54
Prepaid expenses	9.82	13.18
Advances to suppliers	21.51	14.03
	122.58	**120.81**

8 TAX ASSETS

	31-Mar-19	31-Mar-18
Non Current		
Opening balance	38.36	53.52
Add: Taxes paid during the year	132.30	157.83
Less: Tax expenses during the year	(139.75)	(172.99)
Closing balance	**30.91**	**38.36**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

9 DEFERRED TAX ASSETS (Net)

	31-Mar-19	31-Mar-18
Deferred tax (liabilities)/ assets		
Property, plant and equipment	31.69	(15.93)
Provision for gratuity and leave encashment	12.41	11.08
Investments	210.60	1.52
Others	-	(2.47)
Deferred tax (liabilities)/ assets net	**254.70**	**(5.80)**

(i) Movement in deferred tax (liabilities)/ assets

	31-Mar-17	Recognised in			31-Mar-18
		Profit or loss	OCI	Equity	
Property, plant and equipment	(45.29)	29.36	-	-	(15.93)
Provision for gratuity and leave encashment	30.23	(10.03)	(9.12)	-	11.08
Investments	(15.58)	17.10	-	-	1.52
Others	2.47	(4.94)	-	-	(2.47)
	(28.17)	**31.49**	**(9.12)**	**-**	**(5.80)**

	31-Mar-18	Recognised in			31-Mar-19
		Profit or loss	OCI	Equity	
Property, plant and equipment	(15.93)	47.62	-	-	31.69
Provision for gratuity and leave encashment	11.08	(0.55)	1.88	-	12.41
Investments	1.52	209.08	-	-	210.60
Others	(2.47)	2.47	-	-	-
	(5.80)	**258.62**	**1.88**	**-**	**254.70**

10 INVENTORIES

	31-Mar-19	31-Mar-18
(at lower of cost or net realisable value)		
Raw materials	113.57	131.77
Work - in - Progress	219.74	224.76
Finished Goods	69.34	40.47
Total	**402.65**	**397.00**
Included in inventories goods in transit/ at godown as follows:		
Raw materials	5.77	34.92
Finished goods	61.45	30.27
Total	**67.22**	**65.19**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

11 SHARE CAPITAL

[a] Authorised share capital

	Equity shares of Rs. 10 each (PY Rs. 10 each)	
	No. of shares	**Amount**
As at 31-Mar-2018	10,000,000	100
Increase during the year	-	-
As at 31-Mar-2019	**10,000,000**	**100**

[b] Issued equity share capital, fully paid-up

	Equity shares of Rs. 10 each (PY Rs. 10 each)	
	No. of shares	**Amount**
As at 31-Mar-2018	9,073,300	90.73
Change during the year		-
As at 31-Mar-2019	**9,073,300**	**90.73**

(i) Terms/ rights, preferences and restrictions 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.

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.

[c] Details of shareholders holding more than 5% of the aggregate shares in the Company:

(i) Equity shares of (face value: Rs.10 each)

	31-Mar-19		31-Mar-18	
	No. of shares	**% of total equity shares**	**No. of shares**	**% of total equity shares**
Robert Bosch Automotive Steering GmbH	2,340,155	25.79	2,340,155	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

12 OTHER EQUITY

	31-Mar-19	31-Mar-18
General Reserve	2,350.00	2,350.00
Securities Premium	23.23	23.23
Capital Reserve	3.50	3.50
Retained Earnings	1,214.64	1,318.69
	3,591.37	**3,695.42**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

(i) General Reserve

	31-Mar-19	31-Mar-18
Balance at the beginning of the year	2,350.00	2,350.00
Movement during the year	-	-
Balance at the end of the year	**2,350.00**	**2,350.00**

The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss. As per Companies Act 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

(ii) Securities Premium

	31-Mar-19	31-Mar-18
Balance at the beginning of the year	23.23	23.23
Movement during the year	-	-
Balance at the end of the year	**23.23**	**23.23**

Security premium is used to record the premium on issue of share.

(iii) Capital Reserve

	31-Mar-19	31-Mar-18
Balance at the beginning of the year	3.50	3.50
Movement during the year	-	-
Balance at the end of the year	**3.50**	**3.50**

Capital reserve is created from special capital incentive received from SICOM and MEDA and this amount not required to be repaid. These reserves will be utilised in accordance with the provision of Companies act 2013.

(iv) Retained earnings

	31-Mar-19	31-Mar-18
Balance at the beginning of the year	1318.69	918.14
Net profit for the year	(13.06)	470.67
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(3.49)	17.24
Dividend paid	(72.58)	(72.58)
Dividend distribution tax	(14.92)	(14.78)
Balance at the end of the year	**1214.64**	**918.14**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/ (gain) on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Company.

(Rs. in Million)

13 FINANCIAL LIABILITIES

13[a] NON-CURRENT BORROWINGS

	Maturity Year	Security and terms of repayment	31-Mar-19	31-Mar-18
Secured- Amortised Cost				
(i) Rupee Term loans - From banks				
HDFC Bank Ltd	FY 2021-22	The loan is repayable in equal quarterly installment of Rs. 19.78 Million. This loan carries variable interest rate of 8.45% P.a.. Loan is secured by sole charge on the New Plant and machinery purchased (WDV as on 31 March 2019 - 178.00 Million and on 31 March 2018- 161.19 Million).	98.89	111.59
HDFC Bank Ltd-Pithampur	FY 2023-24	The loan repayment will start from September, 19 and repayable in four years. This loan carries variable interest rate of 8.5% P.a.. Loan is secured by sole charge on the pithampur PPE purchased.	90.76	-
Unsecured				
Deferred payment liabilities	FY 2022-23	See note (i)	19.84	34.75
			209.49	**146.34**

Note (i) - Sales tax deferral under package scheme on incentive

Year	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.)
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
	2.62	**4.28**	**11.18**	**16.67**	**34.75**

(a) Part I of 1988/ Package Scheme of Incentives and Part I of 1993/ 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).

(b) Additional Incentives under Package Scheme 1988

Additional incentive scheme of Govt. of Maharashtra, by way of deferment of sales tax liability, as per Govt. Circular No.IDL1005/ (C.R.354)/ IND-8 Dated 06.11.2006.

(c) 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).

(ii) The Company's exposure to Liquidity risk, market risk related to borrowings are discussed in Note 26.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

13[b] CURRENT BORROWINGS

	Security	31-Mar-19	31-Mar-18
Secured			
(I) From banks			
Cash Credit Facilities	These facilities from banks are Secured by hypothecation of Inventories and trade receivables and second charge on pari passu charges on Land , Building & Plant and machinery at factory.	9.22	22.16
Overdraft Facilities	These facilities are secured against pledge of certain financial asset of the Company (refer note 6a).	22.47	30.04
Bill discounting with banks	Secured against transferred trade receivables.	100.96	367.83
		132.65	**420.03**

The Company's exposure to Liquidity risk, market risk related to borrowings are discussed in Note 26.

13[c] TRADE PAYABLES

	31-Mar-19	31-Mar-18
Current		
Total outstanding dues of Micro and Small Enterprises (Refer note -32)	87.05	86.93
Total outstanding dues of creditors other than Micro and Small Enterprises	318.31	422.99
	405.36	**509.92**

(i) Details of trade payables to related parties are disclosed as part of note 36 - Related party disclosures.

(ii) The Company's exposure to Liquidity risk, currency risk related to trade Payables are discussed in Note 26.

13[d] OTHERS

	31-Mar-19	31-Mar-18
Current		
Payable for capital goods	206.03	35.63
Current maturities of long-term debt	114.95	71.21
Unpaid dividends	5.79	5.99
	326.77	**112.83**

14 PROVISIONS

	31-Mar-19	31-Mar-18
Non-current		
Provision for leave encashment	17.87	22.45
	17.87	**22.45**
Current		
Provision for gratuity (see note 30)	3.16	(0.62)
Provision for leave encashment	16.25	8.13
Warranty provision [See note (i) below]	8.31	7.70
	27.72	**15.21**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

Note (i) - Warranty provision

The Company generally offers a 2 years warranty for its products. Warranty costs are determined as a percentage of sales based on the past trends of the costs required to be incurred for repairs, replacements, material costs and servicing cost. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. As the time value of money is not considered to be material, warranty provisions are not discounted.

Movement in warranty provision

	For the year ended	
	31-Mar-19	31-Mar-18
Carrying amount in the beginning of the year	7.70	7.77
Additional provision made	2.71	5.70
Amount used	(2.10)	(5.77)
unused amount reversed	-	-
Carrying amount at the end of the year	**8.31**	**7.70**

15 OTHER LIABILITIES

	31-Mar-19	31-Mar-18
Non Current		
Deferred Income	0.70	1.01
	0.70	**1.01**
Current		
Advance from customers	22.59	19.01
Deferred revenue	8.91	11.46
Statutory liabilities	35.55	49.64
	67.05	**80.11**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

16 REVENUE FROM OPERATIONS

	For the year ended	
	31-Mar-19	31-Mar-18
Revenue from sale of products (Excluding GST, Inclusive of Excise Duty)		
- Sale of Products	4,292.56	4,252.94
	4,292.56	**4,252.94**
Revenue from rendering services		
- Domestic services	0.09	0.07
	0.09	**0.07**
Other operating income		
- Solar power income	84.76	87.71
- Sale of scrap	16.83	15.28
	101.59	**102.99**
	4,394.24	**4,356.00**

17 OTHER INCOME

	For the year ended			
	31-Mar-19		31-Mar-18	
Dividend income		2.33		21.42
Interest income		5.07		6.26
Net gains on Financial assets Investment measured at FVTPL				
a) Realised Gain	85.42		8.87	
b) Unrealised Gain	(20.30)		47.24	
	65.12	65.12	56.11	56.11
Foreign exchange gain		1.06		-
Government grants		0.32		0.46
Other non operating income		15.08		12.43
		88.98		**96.68**

18 COST OF RAW MATERIAL CONSUMED

	For the year ended	
	31-Mar-19	31-Mar-18
Raw material consumed	2,709.29	2,447.03
Packing material consumed	16.28	17.18
Fabrication and processing charges	47.89	42.13
	2,773.46	**2,506.34**

19 CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended	
	31-Mar-19	31-Mar-18
Opening stock		
Work in progress	224.76	184.75
Finish goods (Includes Goods in transit/ at godown)	40.47	96.26
	265.23	**281.01**
Less: Closing stock		
Work in progress	219.74	224.76
Finish goods (Includes Goods in transit/ at godown)	69.34	40.47
	289.08	**265.23**
	(23.85)	**15.78**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

20 EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	31-Mar-19	**31-Mar-18**
Salaries, wages, bonus etc.	329.30	371.42
Contribution to provident and other funds	10.71	12.52
Staff welfare expenses	48.32	53.27
Contract Labour Expenses	126.48	54.68
	514.81	**491.89**

21 OTHER EXPENSES

	For the year ended	
	31-Mar-19	**31-Mar-18**
Power and fuel (Net of credit of windmill and solar income of Rs. 69.40 Million, PY - Rs. 56.14 Million)	90.38	106.94
Repairs and maintenance		
-Buildings	25.25	9.77
-Machinery	38.42	39.20
-Others	8.69	5.64
Rent	0.24	0.52
Insurance	3.01	3.68
Rates and taxes	7.46	4.73
Selling and distribution expenses	56.35	62.93
Solar energy generation expenses	9.67	8.76
Windmill energy generation expenses	9.91	9.40
Loss on sale/ discard of assets	3.54	0.16
Foreign exchange Loss	-	6.58
Amortisation of prepaid lease	4.12	4.12
CSR expense	12.20	11.00
Audit fees	1.00	0.91
Other miscellaneous expenses	87.61	74.85
	357.85	**349.19**

A. AUDITORS' REMUNERATION

	31-Mar-19	**31-Mar-18**
Audit fees	0.70	0.60
Limited review	0.12	0.12
Tax audit fees	0.10	0.10
GST/VAT audit fees	0.08	0.08
For Certification and other related work	0.02	0.01
	1.02	**0.91**

* The amounts presented are net of GST/ service tax/ other applicable taxes

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

B. Expenditure incurred on corporate social responsibility activities

The Expenditure incurred for complying with provisions for the CSR expenditure required under section 135 of Companies Act, 2013 has been done through contribution to Prime Minister's National Relief Fund, Chief Minister's Distress Relief Fund and various NGO's (Non Government Organisation).

	31-Mar-19	31-Mar-18
Gross amount required to be spent by the company during the year	12.20	11.00
Amount spent during the year on :		
Construction/ Acquisition of any asset	-	-
On purpose other than above	12.20	11.00

22 FINANCE COSTS

	For the year ended	
	31-Mar-19	31-Mar-18
Interest expenses	25.52	12.30
Other borrowing cost	15.50	19.88
Less: borrowing cost capitalised	(21.60)	-
	19.42	**32.18**

23 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended	
	31-Mar-19	31-Mar-18
Depreciation on property, plant and equipment	299.34	325.17
Amortisation of intangible assets	10.93	7.86
	310.27	**333.03**

24 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended	
	31-Mar-19	31-Mar-18
Statement of profit and loss		
Current tax:		
Current tax on profits for the year	139.75	172.99
Taxation of earlier years	(5.31)	1.57
Total current tax expense	**134.44**	**174.56**
Deferred tax:		
Deferred tax expense/ (income)	(258.62)	(31.49)
Total deferred tax expense/ (benefit)	**(258.62)**	**(31.49)**
Income tax expense	**(124.18)**	**143.07**
Other comprehensive income		
Deferred tax related to OCI items:		
- On loss/ (gain) on remeasurements of defined benefit plans	1.88	(9.12)
	1.88	**(9.12)**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

[b] Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate:

	For the year ended	
	31-Mar-19	**31-Mar-18**
Profit before exceptional items and tax	531.26	613.74
Tax at the Indian tax rate of 34.944% (2017-18: 34.608%)	185.64	212.40
Effect of non deductible expenses	22.26	30.21
Effect of exempt/ other income/ deduction	(38.30)	(66.55)
Previously unrecognised tax losses now recouped to reduce tax expenses	(54.87)	(34.56)
Deferred tax on provision for diminution in value of investment in JV company	(233.60)	-
Taxation of earlier years	(5.31)	1.57
Income tax expense	**(124.18)**	**143.07**

25 EARNINGS PER SHARE

	For the year ended	
	31-Mar-19	**31-Mar-18**
Basic and diluted earnings per share (face value of Rs. 10 each)		
- Profit attributable to the equity share holders of the Company	(13.06)	470.67
- Weighted average number of shares	9,073,300	9,073,300
Basic and diluted earnings per share in INR	**(1.44)**	**51.87**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

26 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, viz liquidity risk, market risk and credit risk. The Management of the Company has the overall responsibility for establishing and governing the Company's risk policy framework. The risk management policies are formulated after the identification and analysis of the risks and suitable risk limits and controls are set which are monitored & reviewed periodically. The changes in the market conditions and allied areas are accordingly reflected in the changes of the policy. The key risks and mitigating actions are placed before the Audit Committee of the Company who then evaluates and takes the necessary corrective action. The sources of risk, which the Company is exposed to and how the Company manages these risks with their impact on the Financial Statements is given below:

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables, Cash and cash equivalents	Aging analysis, Credit ratings	Credit limits
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow budgeted V/s actuals	Availability of committed credit lines and borrowing facilities
Market risk - Foreign Currency	Foreign currency receivables and payables; Forecasted foreign currency transactions	Cash flow forecasting and Sensitivity analysis	Insignificant foreign currency exposure
Market risk - Interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	The Company has an insignificant finance cost. Moreover the company keeps looking for low interest rate opinion from time to time.

[A] Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Company holds all the balances with approved bankers only.

Trade receivables

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer are reputed and having good credit credentials as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a fortnightly basis.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31-Mar-19	31-Mar-18
Not past due	673.01	877.06
Past due but not impaired		
- Past due 0 to 180 days	98.99	45.07
- Past due more than 180 days	0.30	0.57
	772.30	**922.70**

[B] Liquidity risk

Liquidity risk is the risk the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Management considers both normal and stressed conditions.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

Maturities of financial liabilities

The below table analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-19					
Non-derivatives					
Borrowings (Includes interest of Rs. 42.06 Million payable till maturity date)	457.09	269.29	229.86	-	499.15
Trade payables	405.36	405.36	-	-	405.36
Capital creditors	206.03	206.03	-	-	206.03
Other financial liabilities	5.79	5.79	-	-	5.79
Total	**1,074.27**	**886.47**	**229.86**	**-**	**1116.33**

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-18					
Non-derivatives					
Borrowings (Includes interest of Rs. 22.89 Million payable till maturity date)	637.58	502.79	157.68	-	660.47
Trade payables	509.92	509.92	-	-	509.92
Capital creditors	35.63	35.63	-	-	35.63
Other financial liabilities	5.99	5.99	-	-	5.99
Total	**1,189.12**	**1,054.33**	**157.68**	**-**	**1,212.01**

(i) Financing arrangements:

Company had access to following undrawn facilities at the end of reporting period:

	31-Mar-2019	31-Mar-2018
Variable rate		
Cash credit and overdraft facilities	308.31	298.90
Term loan facility	638.30	338.81
	946.61	**637.71**

[C] Market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk; and
- Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments.

(i) Foreign currency risk

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material. The risk exposure is with respect to various currencies viz. USD, EURO and YEN. The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	USD	EUR	YEN	Total
31-Mar-19				
Financial assets				
Trade receivables	13.56	-	-	13.56
Net exposure to foreign currency risk (assets)	**13.56**	**-**	**-**	**13.56**
Financial liabilities				
Trade payables	3.78	6.61	-	10.39
Net exposure to foreign currency risk (liabilities)	**3.78**	**6.61**	**-**	**10.39**
31-Mar-18				
Financial assets				
Trade receivables	26.81	-	-	26.81
Net exposure to foreign currency risk (assets)	**26.81**	**-**	**-**	**26.81**
Financial liabilities				
Trade payables	0.03	16.02	-	16.05
Net exposure to foreign currency risk (liabilities)	**0.03**	**16.02**	**-**	**16.05**

(b) Foreign currency sensitivity analysis

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following tables demonstrate the sensitivity to a reasonably possible change in USD,EUR and YEN exchange rates, with all other variables held constant:

	Impact on profit after tax	
	31-Mar-19	**31-Mar-18**
USD		
- Increase by 10%	0.64	1.75
- Decrease by 10%	(0.64)	(1.75)
EUR		
- Increase by 10%	(0.43)	(1.05)
- Decrease by 10%	0.43	1.05
YEN		
- Increase by 10%	-	-
- Decrease by 10%	-	-

ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Interest rate risk exposure

the exposure of the company to change in interest rate at end of the reporting periods are as follows:

	31-Mar-19		31-Mar-18	
	Amount	**% of total borrowings**	**Amount**	**% of total borrowings**
Variable rate borrowings, average borrowing rate 8.5% (P.Y.-8%)	422.35	92.40%	581.22	91.16%

*Remaining 7.60% (FY 2017-18 -8.84%) of total borrowings of the Company represents interest free liabilities of sales tax deferral.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

Sensitivity

Profit and loss is sensitive to higher/Lower interest expenses from borrowing as a result of change in interest rate.

	Impact on profit after tax	
	31-Mar-19	**31-Mar-18**
Interest rate increase by 100 basis points	(3.26)	(3.68)
Interest rate decrease by 100 basis points	3.26	3.68

27 FAIR VALUE MEASUREMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(A) Financial instruments by category

	Mar-19						Mar-18					
	Carrying amount			Fair value			Carrying amount			Fair value		
	FVTPL	Amortised Cost	FVT OCI	Level 1	Level 2	Level 3	FVTPL	Amor-tised Cost	FVT OCI	Level 1	Level 2	Level 3
[i] Financial assets												
Non Current												
Investment												
Investment in equity quoted	139.37			132.83	6.54		125.27			125.27		
Investment in mutual fund	708.92			708.92			844.21			844.21		
Investment in bond		43.97						43.97				
Loans												
Security deposit		5.91						4.81				
Other financial assets		1.22						1.89				
Current												
Trade receivables		772.30						922.70				
Cash and cash equivalents		55.11						40.99				
Other bank balances		5.79						5.99				
Other financial assets		7.50						32.94				
	848.29	**891.80**	**-**	**841.75**	**6.54**		**969.48**	**1,053.29**		**969.48**	**-**	
[ii] Financial liabilities												
Non Current												
Borrowings		324.44						217.55				
Current												
Short term borrowings		132.65						420.03				
Trade payables		405.36						509.92				
Capital creditor		206.03						35.63				
Other financial liabilities		5.79						5.99				
	-	**1,074.27**	**-**	**-**	**-**	**-**	**-**	**1,189.12**	**-**	**-**	**-**	

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

(B) FAIR VALUE HIERARCHY

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company has made certain judgements and estimates in determining the fair values

(a) of the financial instruments that are recognised and measured at fair value

(b) and measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company as classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: Level 2 hierarchy includes financial instruments that are not traded as on year ended 31 March 2019 (but subsequently,traded in stock exchange) in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 hierarchy.

(C) VALUATION TECHNIQUES

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices for mutual funds
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which required level 3 valuation.

28 CAPITAL MANAGEMENT

The company policy is to have robust financial base so as to maintain outsider's confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity shareholders. The company monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, adjusted net debt is defined as total liability, Comprising interest-bearing loans and borrowing and obligations under financial lease, less cash and cash equivalents. Adjusted equity includes the share capital, reserve and surplus.

The Capital Gearing Ratio for 31 March 2019 and 31 March 2018 are as follows:

	31-Mar-19	**31-Mar-18**
Net Debt	401.98	596.59
Total Equity	3,682.10	3,786.15
Net Debt to equity ratio	**0.11**	**0.16**

29 SEGMENT INFORMATION

[A] Description of segment and principal activities

The company's Operating Segments are established on the basis of those components of the company that are evaluated regularly by the CMD (the 'Chief Operating Decision Maker' as defined in Ind AS 108- 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and internal business reporting systems.

The Company has two reportable segments :

a) Auto component :- This is related to auto component manufacturing.

b) Renewable energy:-This is related to electricity generation through solar or windmill.

The accounting policies adopted for segment reporting are in line with the accounting policy of the company with one additional policies for segment reporting. That Segment Assets and segment liability represent assets and liabilities in respective segments. Tax related assets/ liabilities and other assets/ liability that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocable".

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

[B] Information about reportable segments

	31-Mar-19				31-Mar-18			
	Auto component	**Renewable energy**	**Unallocable**	**Total**	**Auto component**	**Renewable energy**	**Unallocable**	**Total**
Segment revenue:								
External revenue	4,398.45	154.17	-	**4,552.62**	4,364.97	143.85	-	**4,508.82**
Less: inter segment revenue	-	(69.40)	-	**(69.40)**	-	(56.14)	-	**(56.14)**
Total segment revenue	**4,398.45**	**84.77**	**-**	**4,483.22**	**4,364.97**	**87.71**	**-**	**4,452.68**
segment profit before tax	**(221.29)**	**84.05**	**-**	**(137.24)**	**531.87**	**81.87**	**-**	**613.74**
Segment results	**(97.11)**	**84.05**	**-**	**(13.06)**	**388.80**	**81.87**	**-**	**470.67**
Segment results includes :								
Interest expenses	19.42	-	-	**19.42**	32.18	-	-	**32.18**
Interest income	5.07	-	-	**5.07**	6.26	-	-	**6.26**
Depreciation	259.73	50.54	-	**310.27**	289.21	43.82	-	**333.03**
Tax expenses	(124.18)	-	-	**(124.18)**	143.07	-	-	**143.07**
Segment assets	**4,421.02**	**417.78**	**30.91**	**4,869.71**	**4,730.32**	**325.37**	**38.36**	**5,094.05**
Segment assets includes:								
Capital expenditure incurred during the year	229.62	139.34	-	**368.96**	149.60	33.71	-	**183.31**
Segment liabilities	**1,186.87**	**0.74**	**-**	**1,187.61**	**1,306.92**	**0.98**	**-**	**1,307.90**

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the related asset.

[C] Information about geographical areas

Revenue from external customers

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table.

	31-Mar-19	31-Mar-18
India	4,392.23	4,367.01
Overseas	90.99	85.67
Total	**4,483.22**	**4,452.68**

Non-current assets other than financial instruments, deferred tax assets

	31-Mar-19	31-Mar-18
India	1,724.69	1,265.77
Total	**1,724.69**	**1,265.77**

[D] Major customers

Revenue of approximately Rs. 2336.73 Million (PY- Rs. 2522.47 Millions) are derived from three major external customers of the company. These revenue is attributed to auto component manufacturing segment.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

30 EMPLOYEE BENEFIT OBLIGATIONS

30(a) Defined Contribution plans

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Amount recognised as expenses in the profit and loss statement in respect of defined contribution plan is Rs. 9.68 Million (Previous year - Rs. 11.25 Million)

30(b) Defined Benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company, is deducted from the gross obligation, and Assumptions used in valuation are discount rate, escalation, mortality rate, etc.

(i) Movement of defined benefit obligation and plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
31-Mar-18	**97.83**	**98.45**	**(0.62)**
Current service cost	4.18		4.18
Interest expenses/ income	7.20	7.46	(0.26)
Total amount recognised in profit and loss	**11.38**	**7.46**	**3.92**
Remeasurements			
Gain/ loss from change in demographic assumption	0.03	-	0.03
Gain/ loss from change in financial assumption	(0.37)	0.20	(0.57)
Experience Gain/ loss	5.39	(0.52)	5.91
Total amount recognised in other comprehensive income	**5.05**	**(0.32)**	**5.37**
Employer contributions	-	27.00	(27.00)
Benefit payments	(3.71)	(24.91)	21.20
Mortality charges and taxes	-	(0.29)	0.29
31-Mar-19	**110.55**	**107.39**	**3.16**

	Present value of obligation	Fair value of plan assets	Net Amount
31-Mar-17	**126.60**	**89.01**	**37.59**
Current service cost	7.73	-	7.73
Interest expenses/ income	8.56	6.61	1.95
Total amount recognised in profit and loss	**16.29**	**6.61**	**9.68**
Remeasurements			
Gain/ loss from change in demographic assumption	-	-	-
Gain/ loss from change in financial assumption	(26.92)	(0.27)	(26.65)
Experience gain/ loss	0.70	0.41	0.29
Total amount recognised in other comprehensive income	**(26.22)**	**0.14**	**(26.36)**
Employer contributions	-	4.77	(4.77)
Benefit payments	(18.84)	(1.80)	(17.04)
Mortality charges and taxes	-	(0.28)	0.28
31-Mar-18	**97.83**	**98.45**	**(0.62)**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

(ii) Net assets / liabilities

An analysis of net (deficit)/ assets is provided below for the Company's principal defined benefit gratuity scheme.

	31-Mar-19	31-Mar-18
Present value of funded obligations	110.55	97.83
Fair value of plan assets	107.39	98.45
Net deficit for funded schemes	**(3.16)**	**0.62**

(iii) Analysis of plan assets is as follows:

	31-Mar-19	31-Mar-18
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
Total	**100%**	**100%**

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-19	31-Mar-18
Mortality table	IALM(2012-14) ult	IALM(2006-08) ult
Discount rate	7.60%	7.50%
Rate of increase in compensation levels	7.00%	7.00%
Expected rate of return on plan assets	7.50%	7.30%
Expected average remaining working lives of employees (in years)	8.69	9.87
Withdrawal Rate	6.00%	6.00%

Notes:

1. **Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
2. **Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
3. Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is

	Impact on present benefit obligation	
	31-Mar-19	31-Mar-18
Discount rate - Increase by 1%	(3.52)	(4.22)
Discount rate - Decrease by 1%	3.91	4.75
Salary increment rate - Increase by 1%	3.33	4.11
Salary increment rate - Decrease by 1%	(3.06)	(3.73)
Withdrawal rate - Increase by 1%	0.11	0.13
Withdrawal rate - Decrease by 1%	(0.11)	(0.14)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous period.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

(v) Expected future benefits payments

The Company monitors the funding levels on annual basis and accordingly decides upon the contribution to the fund. Expected contributions to post-employment benefit plans for the year ending 31 March 2020 are Rs. 5 Million. The expected maturity analysis of undiscounted post employment benefit is as follows:

	Less than a year	1 to 2 years	2-5 Years	More than 5 years
As at 31-Mar-2019	58.46	5.80	24.79	49.66
Defined benefit obligation - Gratuity				
As at 31-Mar-2018	41.79	6.14	22.46	53.39
Defined benefit obligation - Gratuity				

vi) The Company Gratuity liability includes unpaid dues of Rs. 9.12 Million for 202 (Out of 236 employees 202 employees were eligible for gratuity) terminated employees and liability of leave includes dues of Rs. 8.74 Million for 236 employees terminated in October, 2018.

31 OPERATING LEASES

Company, as lessee, has entered into two non cancellable land lease agreements for a period of 30 years. Company has paid entire lease rentals in advance at the inception of lease. These advance rentals payments have been shown as prepaid lease rentals.

32 MICRO, SMALL AND MEDIUM ENTERPRISES

i)

	31-Mar2019	31-Mar-2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period -		
- Principal amount outstanding	87.05	86.93
- Interest thereon	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period -		
- Interest paid in terms of Section 16	-	-
- Interest payable on delayed principal payments	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 -		
- Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms and not as payable under the Act	-	-
- Normal Interest payable during the year, for the period of delay in making payment, as per the agreed terms and not as payable under the Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period -		
- Total interest accrued during the period	-	-
- Total Interest remaining unpaid out of the above as at the balance sheet date	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
- Outstanding interest at the end of previous year	-	-
- Outstanding interest at the end of current year	-	-

ii) The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED.

(Rs. in Million)

33 a) CONTINGENT LIABILITIES

	31-Mar-19	31-Mar-18
Income Tax matters in dispute in respect of penalty matters pending before CIT (Appeal), Pune	32.63	32.63
Income Tax demand for A.Y. 2003-04 adjusted by Assessing Officer against refund order for A.Y. 2015-16. Appeal for the AY 2003-04 is already pending before CIT(A).	1.13	-
Income Tax matters in dispute in respect of Assessment dues (A.Y.2013-14) before ITAT, Pune (during P.Y. before CIT (Appeal), Pune)	4.45	4.45
Income Tax matters in dispute in respect of Assessment dues (A.Y.2014-15) before ITAT, Pune (during P.Y. before CIT (Appeal), Pune)	2.56	4.61
Income Tax matters in dispute in respect of Assessment dues (A.Y.2016-17) before CIT (Appeal), Pune	3.30	-
Assistant commissioner of central excise differential central excise duty	1.09	1.09
Co-acceptance of Import bills by the bankers	65.30	78.62
Bank Guarantees issued by the Company	10.81	26.95
TDS Matter pertaining to A.Y. 2012-13 pending with CIT(A) Pune	0.30	0.30
Sales tax liability under dispute before Dy. Commissioner of Sales Tax for F.Y. 2010-11	3.19	3.19
Sales tax liability for F.Y. 2011-12 (demand rectified vide rectification order passed by Dy. Commissioner of Sales Tax)	-	0.75
Provident Fund : The applicability of the Supreme Court judgement related to inclusion of certain allowances within the scope of “Basic wages” for the purpose of determining contribution to provident fund require further clarifications with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, at present cannot be reasonably ascertained.	Amount not determined	-

b) The Company, at its factory at Village Vadu Budruk, Taluka Shirur, District Pune 412216, employed engineers, in the “supervisory category”. Some of these engineers have initiated legal proceedings claiming that, they are workmen and the charter of demands submitted by them is also a matter of litigation, between the Company and these individuals. Similarly, 236 engineers claimed wages for the period of 46 days when they abstained from working and were not present at their places of duty.

As reported earlier, the Company took disciplinary actions against 236 engineers and terminated their contracts of employment with the Company.

The Company is contesting all these litigations and has taken steps to seek approvals, if any required, for the above referred terminations of contracts of employment, without prejudice to the Company’s stand about non-applicability of relevant legislations to these 236 individuals, whose services have been terminated by the Company.

The above referred proceedings are pending before different forums and the alleged claims made by the concerned claimants are neither quantified nor does the Company recognise the same. The Company is advised that, these alleged claims need not be legally recognised nor any liability, in respect of any of these alleged claims, made by these individuals against the Company, is sustainable.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

34 COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 397.40 Million (March 31, 2018 - Rs. 426.52 Million).

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.

35 The Company has a Joint Venture with Robert Bosch Automotive Steering GmbH ,Germany **(Robert Bosch)** viz. Robert Bosch Automotive Steering Private Limited **("RBASPL")**, an Indian company which was incorporated in 2007.The Company holds 26% of equity share-capital of RBASPL and balance 74% equity share-capital is held by Robert Bosch. The main activity as per the Joint Venture Agreement dated March 31, 2007, includes manufacturing of Steering Gears for Commercial Vehicles, Electrical Steering Systems, for passenger cars and other products.

The Company has invested in equity share-capital of RBASPL, from time to time, to maintain its 26% stake of RBASPL. During the year under report, the Company has not invested any further amount in the equity share-capital of RBASPL (Amount invested in financial year 2017-18 Rs. 98.80 Million). The amount invested by the Company as of March 31, 2019 in RBASPL is Rs. 1,293.5 Million. The investment made by the Company in the equity share-capital of RBASPL as of April 1, 2018 was Rs. 1293.5 Million. The total paid-up equity share-capital of RBASPL is Rs. 4,975 Million as on March 31, 2019.

RBASPL continuously incurred losses from commencement of its business activities till March 31, 2019. The total operating loss of RBASPL as on March 31, 2018 was Rs. 3,002.71 Million, whereas the said loss as on March 31, 2019 was Rs. 3,836.89 Million.

During the year under report, the majority shareholder of RBASPL i.e. Robert Bosch filed a winding up petition for winding up of RBASPL, before the National Company Law Tribunal **(NCLT)** Mumbai, which is yet to be heard by NCLT.

The Company has also received a notice, on February 14, 2019, from Robert Bosch, terminating the joint-venture.

In view of the above developments, the Company has received audited financial statements from RBASPL prepared for the year ended March 31, 2019, which are not prepared on 'Going Concern' basis.

Considering the accumulated losses, and considering uncertainty arising out of above referred winding-up petition and termination of the joint-venture, in order to mitigate further losses, the Company, as a measure of commercial expediency, decided to enter into an agreement **(the Agreement)** to settle the issues with Robert Bosch and has executed the Share Purchase Agreement on May 28, 2019, to sale the Company's entire equity share-holding in RBASPL to Robert Bosch for a consideration of Rs. 625 Million. The Agreement is subject to receipt of necessary approvals.

The Company, based on the above Agreement, has made provision of Rs. 668.5 Million for diminution in the carrying value of equity investment in RBASPL in the year under report and the same has been disclosed under Exceptional Item on the face of the Statement of Profit and Loss and the Company has also created deferred tax asset of Rs. 233.6 Million, on the basis of this provision for diminution in the carrying value of equity investment in RBASPL.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd...)

(Rs. in Million)

36 RELATED PARTY DISCLOSURES

A Names of related parties and related party relationship where control exists:

No.	Nature of relationship	Name of related party
1	Foreign collaborator	Robert Bosch Automotive Steering GmbH
2	Joint Venture company	Robert Bosch Automotive Steering Private Limited (Company has 26% stake in the company)
3	Key managerial personnel	Mr. Dinesh Munot - Chairman & Managing Director
		Mr. Utkarsh Munot - Chief Executive Officer
		Mr. Jinendra Jain - Chief Financial Officer
		Mr. Satish Mehta - Company Secretary
4	Non-executive directors	Mr. Manish Motwani
		Mr. Shridhar S. Kalmadi
		Mr. Ajinkya Arun Firodia
		Mr. Jitendra A. Pandit
		Mr. S. A. Gundecha
		Mrs. Eitika Munot
		Mr. Soumitra Bhattacharya
		Mr. M. L. Rathi (till November 23, 2018)

Note: Mr. Jinendra Munot was Joint Managing Director upto March 31,2018. He was interested in KCTR Varsha Automotive Pvt. Ltd. and Varsha Forgings Ltd.

B Key managerial personnel compensation

	31-Mar-19	31-Mar-18
a. Short term employee benefits	49.78	64.75
b. Post-employment benefits	48.23	56.32
c. Long term employee benefits	5.86	6.21
	103.87	**127.28**

C Transaction with related parties

	For the year ended	
	31-Mar-19	31-Mar-18
Purchase of raw material & components		
Foreign collaborator	241.85	222.08
Director's interested entities		
Varsha Forgings Ltd.	-	186.85
Sitting fees to Non Executive & Independent directors	2.17	2.13
Dividend paid during the year		
Foreign collaborator	18.72	18.72

D Outstanding balances

	31-Mar-19	31-Mar-18
Trade payables		
Foreign collaborator	6.62	14.69
Director's interested entities		
Varsha Forgings Ltd.	-	37.56
Key managerial personnel	1.98	2.08

37 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and,

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not expect any significant impact of the amendment on its financial statements.

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot **DIN : 00049801**	Chairman & Managing Director
Utkarsh Munot **DIN : 00049903**	Chief Executive Officer
S.A. Gundecha **DIN : 00220352**	Director and Chairman of the Audit Committee
Jinendra Jain	Chief Financial Officer
Satish Mehta	Company Secretary

Place: Pune
May 30, 2019

INDEPENDENT AUDITORS' REPORT

To,

The Members of

ZF STEERING GEAR (INDIA) LIMITED

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated IND AS financial statements of **ZF STEERING GEAR (INDIA) LIMITED** (the Holding Company) and its Joint Venture which comprise the Consolidated Balance sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the yearthen ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on other financial information of its Joint Venture Company, the aforesaid Consolidated IND AS 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 Company as at March 31, 2019 and its consolidated statement of Profit and Loss (including the Consolidated Statement of Other Comprehensive Income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Information other than the Consolidated IND AS Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form ofassurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 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. These Financial Statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information of the Joint Venture; whose IND AS financial statements include group's share of net loss of Rs. 997.59 Million for the year ended March 31, 2019, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the Consolidated IND AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this Joint Venture Company 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 IND AS 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 and the financial statements and other information certified by the management.

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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;

   b) Proper books of account as required by law relating to the preparation of the consolidated Ind AS financial statements have been kept by the Company so far as appears from our examination of those books.

   c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) The aforesaid consolidated IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditor of its Joint Venture Company, none of the directors is disqualified as on March 31, 2019, 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 of the Holding Company and the Joint Venture Company, refer to our separate report in "Annexure A"; 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 and based on the consideration of the Report of the other auditors on separate financial statements as also the other financial information of the Joint Venture Company, as noted in the 'Other Matters' paragraph:

   I. The consolidated IND AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its Joint Venture Company – Refer Note 33 to the consolidated financial statements;

   II. The Group and its Joint Venture Company did not have any long term contract 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 Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its Joint Venture Company, incorporated in India during the year ended March 31, 2019.

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

CA Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
Date : May 30, 2019

"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")

We have audited the internal financial controls over financial reporting of ZF Steering Gear (India) Ltd. ("the Company") and its Joint Venture company as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company and its Joint Venture company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding company and its Joint Venture company 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 internal financial controls over financial reporting of the holding company and its Joint Venture company as aforesaid, 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 auditor in terms of their report referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its Joint Venture company as aforesaid.

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 and based on the consideration of reports of the other auditor on internal financial controls over financial reporting of the Joint Venture company, the Holding Company and its Joint Venture company have, 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, 2019, based on the internal control over financial reporting criteria established by the Holding Company and its Joint Venture 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.

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 Joint Venture Company, is based on the corresponding report of the auditor of the Joint Venture Company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

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

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
Date: May 30, 2019

ZF INDIA

Consolidated Balance Sheet

(Rs. in Million)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,093.16	1,022.51
Capital work in progress		262.90	7.01
Investment property	4	-	10.01
Intangible assets	5	16.25	27.18
Financial assets			
(i) Investments	6[a]	1,188.17	1,526.25
(ii) Loans	6[e]	6.48	6.05
(iii) Others	6[f]	0.65	0.65
Other non-current assets	7	321.47	160.70
Non Current Tax Assets	8	30.91	38.36
Deferred tax Assets (Net)	9	254.70	(5.80)
Total non-current assets		**3,174.69**	**2,792.92**
Current assets			
Inventories	10	402.65	397.00
Financial assets			
(i) Trade receivables	6[b]	772.30	922.70
(ii) Cash and cash equivalents	6[c]	55.11	40.99
(iii) Bank Balances other than Cash and cash equivalents	6[d]	5.79	5.99
(iv) Loans	6[e]	0.74	0.83
(v) Others	6[f]	6.76	32.11
Other current assets	7	122.58	120.81
Total current assets		**1,365.93**	**1,520.43**
Total Assets		**4,540.62**	**4,313.35**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	90.73	90.73
Other equity	12	3,262.28	2,914.72
Total Equity		**3,353.01**	**3,005.45**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13[a]	209.49	146.34
Provisions	14	17.87	22.45
Other non current liabilities	15	0.70	1.01
Total non-current liabilities		**228.06**	**169.80**
Current liabilities			
Financial liabilities			
(i) Borrowings	13[b]	132.65	420.03
(ii) Trade payables			
A) Total outstanding dues of Micro and Small Enterprises	13[c]	87.05	86.93
B) Total outstanding dues of creditors other than Micro and Small Enterprises	13[c]	318.31	422.99
(iii) Others	13[d]	326.77	112.83
Provisions	14	27.72	15.21
Other current liabilities	15	67.05	80.11
Total current liabilities		**959.55**	**1,138.10**
Total liabilities		**1,187.61**	**1,307.90**
Total Equity And Liabilities		**4,540.62**	**4,313.35**
Significant Accounting Policies	2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot — Chairman & Managing Director
DIN : 00049801
Utkarsh Munot — Chief Executive Officer
DIN : 00049903
S.A. Gundecha — Director and Chairman of the Audit Committee
DIN : 00220352

Jinendra Jain — Chief Financial Officer
Satish Mehta — Company Secretary

Place: Pune
May 30, 2019

Consolidated Statement of Profit and Loss

(Rs. in Million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	16	4,394.24	4,356.00
Other income	17	88.98	96.68
Total Income		**4,483.22**	**4,452.68**
EXPENSES			
Cost of raw material consumed	18	2,773.46	2,506.34
Change in Inventory of finished goods and work in progress	19	(23.85)	15.78
Excise duty on sale of goods		-	110.53
Employee benefits expense	20	514.81	491.89
Other expenses	21	357.85	349.19
Total Expenses		**3,622.27**	**3,473.73**
Profit before interest, tax, depreciation and amortisation expenses (EBITDA)		**860.95**	**978.95**
Finance costs	22	19.42	32.18
Depreciation and amortisation expense	23	310.27	333.03
Profit before share of Joint Venture		**531.26**	**613.74**
Share of net profit of Joint Venture accounted using equity method		**(216.77)**	**(38.37)**
Profit before tax		**314.49**	**575.37**
Tax Expense	24		
Current tax		134.44	174.56
Deferred tax		(258.62)	(31.49)
Total tax expense		**(124.18)**	**143.07**
Profit for the year		**438.67**	**432.30**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		(5.37)	26.36
- Income tax relating to the above items	24	1.88	(9.12)
- Share of other comprehensive income of Joint Venture		(0.12)	0.06
Other comprehensive income for the year, net of tax		**(3.61)**	**17.30**
Total comprehensive income for the year		**435.06**	**449.60**
Earnings per equity share of Rs 10 each	25		
Basic and diluted earnings per share		**48.35**	**47.65**

Significant Accounting Policies — 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot — Chairman & Managing Director
DIN : 00049801

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S.A. Gundecha — Director and Chairman of the Audit Committee
DIN : 00220352

Jinendra Jain — Chief Financial Officer
Satish Mehta — Company Secretary

Place: Pune
May 30, 2019

Consolidated Statement of Cash Flows

(Rs. in Million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash Flow From Operating Activities:		
Profit/ (Loss) before tax	**314.49**	**575.37**
Adjustments for:		
Share of (profit)/ loss in Joint Venture company	216.77	38.37
Depreciation and amortisation expense	310.27	333.03
Interest paid	19.42	32.18
Fair value change in investment	20.30	(47.24)
(Profit)/ Loss on sale of fixed assets	3.54	0.16
(Profit)/ Loss on sale of investment	(85.42)	(8.87)
Interest Income	(5.07)	(6.26)
Dividend received	(2.33)	(21.42)
Operating profit before working capital changes	**791.97**	**895.32**
Adjustments for changes in working capital:		
(Increase)/ Decrease in inventory	(5.65)	(5.82)
(Increase)/ Decrease in trade receivables and financial assets	175.61	(186.83)
(Increase)/ Decrease in other non-current and current assets	2.35	36.07
Increase/ (Decrease) in provisions and other liabilities	(10.81)	30.06
Increase/ (Decrease) in trade payables and financial liabilities	(104.56)	64.42
Cash generated from operations	**848.91**	**833.22**
Income tax paid	(127.43)	(157.83)
Net cash generated from operating activities	**721.48**	**675.39**
Cash Flow From Investing Activities:		
Purchase of property, plant and equipment	(613.90)	(218.26)
Interest received	5.07	4.69
Dividend received	2.33	21.42
Investment	186.31	(353.98)
Net cash used in investing activities	**(420.19)**	**(546.13)**
Cash Flow From Financing Activities:		
Proceeds from borrowings	308.16	480.10
Repayment of borrowings	(488.65)	(465.39)
Dividend paid (including dividend distribution tax)	(87.70)	(87.32)
Interest paid	(18.98)	(32.18)
Net cash used in financing activities	**(287.17)**	**(104.79)**
Net Increase/ (Decrease) in cash and cash equivalents	14.12	24.47
Cash and cash equivalents as at the beginning of the year	40.99	16.52
Cash and cash equivalents as at the end of the year	**55.11**	**40.99**
Cash and cash equivalents comprise of the following:		
Cash on hand	0.03	0.05
Balances with banks - Current accounts	55.08	40.94
	55.11	**40.99**

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot Chairman & Managing Director
DIN : 00049801
Utkarsh Munot Chief Executive Officer
DIN : 00049903
S.A. Gundecha Director and Chairman of the Audit Committee
DIN : 00220352
Jinendra Jain Chief Financial Officer
Satish Mehta Company Secretary

Place: Pune
May 30, 2019

Consolidated Statement of Changes in Equity

(Rs. in Million)

A. Equity Share Capital

	Notes	Amount
As at April 1, 2017		**90.73**
Changes in equity share capital during the year	11	-
As at March 31, 2018		**90.73**
Changes in equity share capital during the year	11	-
As at March 31, 2019		**90.73**

B. Other Equity

Particulars	Attributable to owners Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2017	**3.50**	**23.23**	**2,350.00**	**175.75**	**2,552.48**
Profit for the year	-	-	-	432.30	432.30
Other comprehensive income for the year net of tax	-	-	-	17.30	17.30
Total comprehensive income for the year	**-**	**-**	**-**	**449.60**	**449.60**
Dividend Paid	-	-	-	(72.58)	(72.58)
Dividend Distribution Tax	-	-	-	(14.78)	(14.78)
Balance at March 31, 2018	**3.50**	**23.23**	**2,350.00**	**537.99**	**2,914.72**
Profit for the year	-	-	-	438.67	438.67
Other comprehensive income for the year net of tax	-	-	-	(3.61)	(3.61)
Total comprehensive income for the year	**-**	**-**	**-**	**435.06**	**435.06**
Dividend Paid	-	-	-	(72.58)	(72.58)
Dividend Distribution Tax	-	-	-	(14.92)	(14.92)
Balance at March 31, 2019	**3.50**	**23.23**	**2,350.00**	**885.55**	**3,262.28**

Note:
As approved by the shareholders a dividend of Rs. 8 Per equity share aggregating to Rs. 87.50 Million including dividend distribution tax in respect of year ended 31st March 2018 has been paid during the year.

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

Dinesh Munot Chairman & Managing Director
DIN : 00049801
Utkarsh Munot Chief Executive Officer
DIN : 00049903
S.A. Gundecha Director and Chairman of the Audit Committee
DIN : 00220352
Jinendra Jain Chief Financial Officer
Satish Mehta Company Secretary

Place: Pune
May 30, 2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

1 Company overview

ZF Steering Gear (India) Limited ("the Company") is listed on Bombay Stock Exchange (BSE) domiciled in India and was incorporated in 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. These consolidated financial statements comprise the company and its interest in Joint Venture.

2 Significant accounting policies

2.1 Basis of preparation

(i) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the 'Act').

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 30th May 2019.

(ii) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for following items:

- Certain financial assets and liabilities which are measured at fair value; and
- Defined benefit plans - plan assets measured at fair value

(iii) Use of estimates

"In preparing these financial statements, the management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and accompanying disclosure of contingent liability. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

Note 24 - Recognition of deferred tax assets:

Availability of future taxable profit against which tax losses carried forward can be used;

Note 30 - Measurement of defined benefit obligations: Key actuarial assumptions;

Note 14 - Provision for warranty.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which estimates are revised and in future year's.

2.2 Principles of consolidation and equity accounting

Joint Venture

Interest in Joint Venture is accounted for using equity method, after initially being recognised at cost in the consolidated financial statements.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of post acquisition profit or loss of the investee's in profit and loss, the company's share in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from Joint Venture are recognised as reduction in the carrying amount of the investment.

The carrying amount in equity accounted investment are tested for impairment.

Transition to Ind AS

On transition to Ind AS, the investment in Joint Ventures is measured as aggregate of carrying amount of assets and liability, that company had proportionately consolidated under previous GAAP and the same is considered as deemed cost as on the date of transition.

2.3 Other significant Accounting Policies

These are set out under "significant Accounting Policies" as given in the Company's standalone financial Statements.

2.4 Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

3. Property, plant and equipment (PPE)

	Gross Block				Accumulated Depreciation				Net Block	
	Carrying amount as at 1 April 2018	Additions	Deletions/ Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation for the year	Accumulated depreciation on deletions/ disposals	Balance as at 31 March 2019	as at 31 March 2019	as at 31 March 2018
Property, plant and equipment (PPE)										
Land	3.30	7.60	-	**10.90**	-	-	-	**-**	**10.90**	3.30
Buildings	119.98	11.08	-	**131.06**	16.73	11.12	-	**27.85**	**103.21**	93.24
Plant & Equipment	1,034.36	213.73	(0.78)	**1,247.31**	428.85	216.88	(0.08)	**645.65**	**601.66**	605.51
Plant & Equipment (R & D)	11.80	-	(0.10)	**11.70**	5.61	1.49	-	**7.10**	**4.60**	6.19
Furniture & Fixtures	14.85	5.57	-	**20.42**	6.57	2.53	-	**9.10**	**11.32**	8.28
Vehicles	58.16	0.06	(17.52)	**40.70**	26.00	7.54	(9.34)	**24.20**	**16.50**	32.16
Office Equipment	17.89	6.55	-	**24.44**	9.72	5.54	-	**15.26**	**9.18**	8.17
Electrical Installation	36.83	2.21	-	**39.04**	9.69	7.29	-	**16.98**	**22.06**	27.14
ETP/STP Plant	1.86	-	-	**1.86**	1.05	0.28	-	**1.33**	**0.53**	0.81
Wind Mills	57.49	122.16	-	**179.65**	9.08	11.48	-	**20.56**	**159.09**	48.41
Solar Power Plant	269.22	-	-	**269.22**	79.92	35.19	-	**115.11**	**154.11**	189.30
Total property, plant and equipment	**1,625.74**	**368.96**	**(18.40)**	**1,976.30**	**593.22**	**299.34**	**(9.42)**	**883.14**	**1,093.16**	**1,022.51**

	Gross Block				Accumulated Depreciation				Net Block	
	Carrying amount as at 1 April 2017	Additions	Deletions / Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation for the year	Accumulated depreciation on deletions / disposals	Balance as at 31 March 2018	as at 31 March 2018	as at 31 March 2017
Property, plant and equipment (PPE)										
Land	3.30	-	-	**3.30**	-	-	-	**-**	**3.30**	3.30
Buildings	97.83	11.37	(0.28)	**108.92**	7.28	8.40	-	**15.68**	**93.24**	90.55
Plant & Equipment	941.19	93.26	(0.09)	**1,034.36**	184.20	244.66	(0.01)	**428.85**	**605.51**	756.99
Plant & Equipment (R & D)	11.80	-	-	**11.80**	3.39	2.22	-	**5.61**	**6.19**	8.41
Furniture & Fixtures	14.38	0.47	-	**14.85**	3.82	2.75	-	**6.57**	**8.28**	10.56
Vehicles	58.00	0.73	(0.57)	**58.16**	11.58	14.67	(0.25)	**26.00**	**32.16**	46.42
Office Equipment	13.60	4.29	-	**17.89**	5.05	4.67	-	**9.72**	**8.17**	8.55
Electrical Installation	16.44	20.39	-	**36.83**	3.04	6.65	-	**9.69**	**27.14**	13.40
ETP/STP Plant	1.86	-	-	**1.86**	0.63	0.42	-	**1.05**	**0.81**	1.23
Wind Mills	57.49	-	-	**57.49**	4.75	4.33	-	**9.08**	**48.41**	52.74
Solar Power Plant	235.51	33.71	-	**269.22**	44.03	35.89	-	**79.92**	**189.30**	191.48
Total property, plant and equipment	**1,451.40**	**164.22**	**(0.94)**	**1,614.68**	**267.77**	**324.66**	**(0.26)**	**592.17**	**1,022.51**	**1,183.63**

A. Security

As at March 31, 2019, properties worth Rs. 178.00 Million (March 31, 2018 Rs.161.19 Million) are subject to first charge against borrowings and as March 31,2019 properties worth Rs. 524.74 Million (March 31, 2018 Rs. 559.21 Million) are pledged as second charges against cash credit facilities. See note-13(b).

(Rs. in Million)

4 INVESTMENT PROPERTY

	31-Mar-2019	31-Mar-2018
Gross carrying amount		
Opening balance	11.06	11.06
Additions	-	-
Closing balance	11.06	11.06
Accumulated depreciation		
Opening balance	1.05	0.54
depreciation charge	-	0.51
Closing balance	1.05	1.05
Net carrying amount (Reclassified to PPE)	**(10.01)**	**-**
Net carrying amount	**-**	**10.01**

(i) Amount recognised in profit and loss for investment properties

	31-Mar-2019	31-Mar-2018
Rental Income		
Rental Income derived from Investment Property	-	-
Profit from investment properties before depreciation	**-**	**-**
Depreciation	-	0.51
Profit (loss) from investment properties	**-**	**0.51**

The direct operating expenses are on the investment property are not separately identifiable and the same is not likely to be material.

(ii) Fair value

	31-Mar-19	31-Mar-18
Investment properties	-	85.34

Estimation of Fair value

The above fair valuation is based on the Annual Statement Rate (ASR), commonly known as Ready Reckoner, issued by the State Government of Maharashtra, and are not based on valuation by an independent valuer.

With effect from April 1,2018, management of the Company has determined its use of building currently recognised as investment property to be owner occupied. Accordingly this would result in reclassification of the asset under investment property to property, plant and equipment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

5 INTANGIBLE ASSETS

	Computer software	Technical know how	Patent	Total
Year ended March 31, 2019				
Gross Carrying Amount				
Carrying amount as at April 1, 2018	44.81	0.01	0.43	45.25
Additions	-	-	-	-
Disposals / adjustments	-	-	-	-
At March 31, 2019	**44.81**	**0.01**	**0.43**	**45.25**
Accumulated depreciation and impairment, if any				
As at April 1, 2018	18.03	-	0.04	18.07
Charge for the year	10.91	-	0.02	10.93
Disposals / adjustments	-	-	-	-
At March 31, 2019	**28.94**	**-**	**0.06**	**29.00**
Net Block at March 31, 2019	**15.87**	**0.01**	**0.37**	**16.25**

	Computer software	Technical know how	Patent	Total
Year ended March 31, 2018				
Gross Carrying Amount				
Carrying amount as at April 1, 2017	25.72	0.01	0.43	26.16
Additions	19.09	-	-	19.09
Disposals / adjustments	-	-	-	-
At March 31, 2018	**44.81**	**0.01**	**0.43**	**45.25**
Accumulated depreciation and impairment, if any				
As at April 1, 2017	10.19	-	0.02	10.21
Charge for the year	7.84	-	0.02	7.86
Disposals / adjustments	-	-	-	-
At March 31, 2018	**18.03**	**-**	**0.04**	**18.07**
Net Block at March 31, 2018	**26.78**	**0.01**	**0.39**	**27.18**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

6 FINANCIAL ASSETS

[a] INVESTMENTS

	Notes	31-Mar-19	31-Mar-18
Non-Current			
Investment in equity instruments (unquoted, fully paid-up equity accounted investment)	See note (i)	295.91	512.80
Investment in equity shares (quoted, fully paid-up, at FVTPL)	See note (ii)	139.37	125.27
Investments in redeemable Non-Convertible Bonds (quoted, fully paid-up, at amortised cost)	See note (iii)	43.97	43.97
Investments in Mutual Funds (quoted, at FVTPL)	See note (iv)	708.92	844.21
		1,188.17	**1,526.25**
Carrying amount of investment, pledged as security with bank (shown in bold)		415.36	323.62

	31-Mar-19	31-Mar-18
Aggregate amount of quoted investments and market value thereof	892.26	1,013.45
Aggregate amount of unquoted investments	295.91	512.80

(i) Investment in equity share (Unquoted, Joint Venture(JV), equity accounted investment)

	31-Mar-2019		31-Mar-2018	
	Nos	Amount	Nos	Amount
Robert Bosch Automative Steering Private Limited (26% holding, face value Rs. 10)(Refer note-35)	129,350,000	295.91	129,350,000	512.80
		295.91		**512.80**

(ii) Investment in equity shares (Quoted, fully paid-up, at FVTPL)

	31-Mar-2019		31-Mar-2018	
	Nos	Amount	Nos	Amount
ICICI Bank Limited (Face value of Rs. 2 each)	78,424	31.41	78,424	21.87
Tata Consultancy Services Limited (Face value of Rs. 1 each)	24,432	48.90	12,216	34.80
KPIT- Cummins India Limited (Face value of Rs. 2 each) *	-	-	60,000	13.00
KPIT Technology Limited*	60,000	6.54	-	-
Birla Soft Technologies Limited (Face value of Rs. 2 each)*	60,000	5.92	-	-
Borosil Glass Works Limited (Face value of Rs. 1 each)	15,000	3.15	-	-
Infosys Limited (Face value of Rs. 5 each)	5,386	4.01	3,000	3.07
GAIL (India) limited (Face value of Rs. 10 each)	88,933	30.92	66,700	29.35
Mahindra & Mahindra Limited (Face value of Rs. 5 each)	8,000	5.39	10,000	7.37
Balmer Lawrie & Co. Limited (Face value of Rs. 10 each)	-	-	52,458	11.36
HDFC Asset-Management Company Limited (Face value of Rs. 5 each)	140	0.21	-	-
Godrej Consumer Products Limited (Face value of Rs. 1 each)	4,250	2.92	-	-
Oil & Natural Gas Corporation Limited (Face value of Rs. 5 each)	-	-	25,000	4.45
		139.37		**125.27**

Note:

* During the year, the Company has received 60,000 equity shares of KPIT Technologies Limited and 60,000 equity shares of Birla Soft Technologies Limited due to merger and demerger of KPIT Cummins India Limited in which the Company has 60,000 equity shares.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

(iii) Investments in redeemable Non-Convertible Bonds (Quoted, fully paid-up, at amortised cost)

	31-Mar-2019		31-Mar-2018	
	Nos	Amount	Nos	Amount
National Highway Authority of India (NHAI)	**24,724**	**24.38**	**24,724**	**24.38**
Power Finance Corporation Limited (PFC)	**19,935**	**19.59**	**19,935**	**19.59**
		43.97		**43.97**

(iv) Investments in Mutual Funds (Quoted, at FVTPL)

	31-Mar-2019		31-Mar-2018	
	Nos	Amount	Nos	Amount
HDFC Credit Risk Debt Fund - Growth	**4,963,912**	**79.02**	**4,963,912**	**74.13**
Reliance Capital Limited Series B/ 437 - NCD	500	49.40	-	-
Axis Credit Risk Fund - Growth	**5,000,000**	**76.76**	**5,000,000**	**71.18**
Axis Focused 25 Fund - Direct- Growth	860,289	25.15	-	-
Sundaram SMILE Fund - Dividend	-	-	1,000,000	22.46
Sundaram Select Midcap Fund - Dividend	-	-	1,191,838	45.30
Sundaram Rural and Consumption Fund - Direct -Growth	568,239	24.77	-	-
SBI Magnum Balanced Fund - Dividend	-	-	792,290	31.84
Reliance Prime Debt Fund- Growth	**5,427,071**	**217.71**	**5,427,071**	**201.90**
Motilal Oswal Most Focused 25 Fund - Dividend	-	-	1,602,800	26.71
Motilal Oswal Most Focused Multicap 35 Fund - Dividend	-	-	1,369,076	34.51
Motilal Oswal Multicap 35 Fund - Direct - Growth	898,411	24.47	-	-
BOI AXA Corporate Credit Spectrum Fund	-	-	4,829,191	64.46
Invesco India Growth Opportunities Fund - Direct - Growth	689,085	26.05	-	-
IIFL Special opportunities fund	2,020,047	19.87	1,006,571	10.02
Kotak FMP series 220 growth	**5,000,000**	**53.93**	**5,000,000**	**50.00**
Edelweiss Alternative Equity Fund	2,385,644	50.09	2,385,644	49.01
Avendus Absolute Return Fund	5,000,000	55.09	5,000,000	51.63
IRB Invit fund	100,000	6.61	100,000	8.20
Reliance Liquid Fund - Treasury Plan - Growth	-	-	36,641	102.86
		708.92		**844.21**

Fair value measurements related to investments are discussed in Note 27.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

[b] TRADE RECEIVABLES

	31-Mar-19	31-Mar-18
Trade receivables	772.30	922.70
Total receivables	**772.30**	**922.70**
Current portion	772.30	922.70
Non-current portion	-	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Break-up of security details

	31-Mar-19	31-Mar-18
Trade receivables		
Unsecured, considered good	772.30	922.70
Sub-total	**772.30**	**922.70**
Less: Impairment allowance	-	-
Total	**772.30**	**922.70**

(i) There is no trade receivables due from related parties at 31-March-2019 and 31-March-2018.

(ii) The Company's exposure to credit risk, currency risk related to trade receivables are discussed in Note 26.

Transferred receivables

The carrying amount of trade receivables includes receivables which are discounted with banks. The Company has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Company has retained the late payment and credit risk. Accordingly, the Company continues to recognise the transferred assets in entirely in its balance sheet.The amount repayable under the bill discounting arrangement is presented as borrowing.

the relevant carrying amounts are as follows:	31-Mar-19	31-Mar-18
Total transferred receivables	100.96	367.83

[c] CASH AND CASH EQUIVALENTS

	31-Mar-19	31-Mar-18
Cash on hand	0.03	0.05
Balances with banks - Current accounts	55.08	40.94
	55.11	**40.99**

[d] BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

	31-Mar-19	31-Mar-18
Balances with banks in - on account of unpaid dividends	5.79	5.99
	5.79	**5.99**

(Rs. in Million)

[e] LOANS

	31-Mar-19	31-Mar-18
Non Current (Unsecured, considered good)		
Security Deposits	5.91	4.81
Loan to employees	0.57	1.24
	6.48	**6.05**
Current (Unsecured, considered good)		
Loan to employees	0.74	0.83
	0.74	**0.83**

[f] OTHERS

	31-Mar-19	31-Mar-18
Non Current		
Fixed deposits with banks (maturity > 12 months)	0.65	0.65
	0.65	**0.65**
Current		
Incentives under Government schemes/ Grant	4.43	1.76
Interest on Fixed Deposit/ others	2.33	2.45
Others	-	27.90
	6.76	**32.11**

7 OTHER ASSETS

	31-Mar-19	31-Mar-18
Non Current		
Capital Advances	222.94	58.05
Prepaid rent of leasehold premises	98.53	102.65
	321.47	**160.70**
Current		
Balances with Government authorities	0.39	0.06
VAT receivable	90.86	93.54
Prepaid expenses	9.82	13.18
Advances to suppliers	21.51	14.03
	122.58	**120.81**

8 NON CURRENT TAX ASSETS

	31-Mar-19	31-Mar-18
Non Current		
Opening balance	38.36	53.52
Add: Taxes paid during the year	132.30	157.83
Less: Tax expenses during the year	(139.75)	(172.99)
Closing balance	**30.91**	**38.36**

(Rs. in Million)

9 DEFERRED TAX ASSETS (Net)

	31-Mar-19	31-Mar-18
Deferred tax (liabilities)/ assets		
Property, plant and equipment	31.69	(15.93)
Provision for gratuity and leave encashment	12.41	11.08
Investments	210.60	1.52
Others	-	(2.47)
Deferred tax (liabilities)/ assets net	**254.70**	**(5.80)**

(i) Movement in deferred tax (liabilities)/ assets

	31-Mar-17	Recognised in			31-Mar-18
		Profit or loss	OCI	Equity	
Property, plant and equipment	(45.29)	29.36	-	-	(15.93)
Provision for gratuity and leave encashment	30.23	(10.03)	(9.12)	-	11.08
Investments	(15.58)	17.10	-	-	1.52
Others	2.47	(4.94)	-	-	(2.47)
	(28.17)	**31.49**	**(9.12)**	**-**	**(5.80)**

	31-Mar-18	Recognised in			31-Mar-19
		Profit or loss	OCI	Equity	
Property, plant and equipment	(15.93)	47.62	-	-	31.69
Provision for gratuity and leave encashment	11.08	(0.55)	1.88	-	12.41
Investments	1.52	209.08	-	-	210.60
Others	(2.47)	2.47	-	-	-
	(5.80)	**258.62**	**1.88**	**-**	**254.70**

10 INVENTORIES

	31-Mar-19	31-Mar-18
(at lower of cost or net realisable value)		
Raw materials	113.57	131.77
Work - in - Progress	219.74	224.76
Finished Goods	69.34	40.47
Total	**402.65**	**397.00**
Included in inventories goods in transit/ at godown as follows:		
Raw materials	5.77	34.92
Finished goods	61.45	30.27
Total	**67.22**	**65.19**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

11 SHARE CAPITAL

[a] Authorised share capital

	Equity shares of Rs. 10 each (PY Rs. 10 each)	
	No. of shares	**Amount**
As at 31-Mar-2018	10,000,000	100
Increase during the year	-	-
As at 31-Mar-2019	**10,000,000**	**100**

[b] Issued equity share capital, fully paid-up

	Equity shares of Rs. 10 each (PY Rs. 10 each)	
	No. of shares	**Amount**
As at 31-Mar-2018	9,073,300	90.73
Change during the year		-
As at 31-Mar-2019	**9,073,300**	**90.73**

(i) Terms/ rights, preferences and restrictions 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. 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.

[c] Details of shareholders holding more than 5% of the aggregate shares in the Company:

(i) Equity shares of (face value: Rs.10 each)

	31-Mar-19		31-Mar-18	
	No. of shares	**% of total equity shares**	**No. of shares**	**% of total equity shares**
Robert Bosch Automotive Steering GmbH	2,340,155	25.79	2,340,155	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

12 OTHER EQUITY

	31-Mar-19	31-Mar-18
General Reserve	2,350.00	2,350.00
Securities Premium	23.23	23.23
Capital Reserve	3.50	3.50
Retained Earnings	885.55	537.99
	3,262.28	**2,914.72**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

(i) General Reserve

	31-Mar-19	31-Mar-18
Balance at the beginning of the year	2,350.00	2,350.00
Movement during the year	-	-
Balance at the end of the year	**2,350.00**	**2,350.00**

The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss. As per Companies Act 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

(ii) Securities Premium

	31-Mar-19	31-Mar-18
Balance at the beginning of the year	23.23	23.23
Movement during the year	-	-
Balance at the end of the year	**23.23**	**23.23**

Security premium is used to record the premium on issue of share.

(iii) Capital Reserve

	31-Mar-19	31-Mar-18
Balance at the beginning of the year	3.50	3.50
Movement during the year	-	-
Balance at the end of the year	**3.50**	**3.50**

Capital reserve is created from special capital incentive received from SICOM and MEDA and this amount not required to be repaid. These reserves will be utilised in accordance with the provision of Companies act 2013.

(iv) Retained earnings

	31-Mar-19	31-Mar-18
Balance at the beginning of the year	537.99	175.75
Net profit for the year	438.67	432.30
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(3.61)	17.30
Dividend paid	(72.58)	(72.58)
Dividend distribution tax	(14.92)	(14.78)
Balance at the end of the year	**885.55**	**537.99**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/ (gain) on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

13 FINANCIAL LIABILITIES

13 [a] NON-CURRENT BORROWINGS

	Maturity Date	Security and terms of repayment	31-Mar-19	31-Mar-18
Secured- Amortised Cost				
(i) Rupee Term loans - From banks				
HDFC Bank Ltd	FY 2021-22	The loan is repayable in equal quarterly installment of Rs. 19.78 Million. This loan carries variable interest rate of 8.45% P.a.. Loan is secured by sole charge on the New Plant and machinery purchased (WDV as on 31 March 2019 - 178.00 Million and on 31 March 2018- 161.19 Million).	98.89	111.59
HDFC Bank Ltd- Pithampur	FY 2023-24	The loan repayment will start from September, 19 and repayable in four years. This loan carries variable interest rate of 8.5% P.a.. Loan is secured by sole charge on the pithampur PPE purchased.	90.76	-
Unsecured				
Deferred payment liabilities	FY 2022-23	See note (i)	19.84	34.75
			209.49	**146.34**

Note (i) - Sales tax deferral under package scheme on incentive

Year	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.)
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
	2.62	**4.28**	**11.18**	**16.67**	**34.75**

(a) Part I of 1988/ Package Scheme of Incentives and Part I of 1993/ 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).

(b) Additional Incentives under Package Scheme 1988
Additional incentive scheme of Govt. of Maharashtra, by way of deferment of sales tax liability, as per Govt. Circular No.IDL1005/ (C.R.354)/ IND-8 Dated 06.11.2006.

(c) 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).

(ii) The Company's exposure to Liquidity risk, market risk related to borrowings are discussed in Note 26.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

13 [b] CURRENT BORROWINGS

	Security	31-Mar-19	31-Mar-18
Secured			
(I) From banks			
Cash Credit Facilities	These facilities from banks are Secured by hypothecation of Inventories and trade receivables and second charge on pari passu charges on Land , Building & Plant and machinery at factory.	9.22	22.16
Overdraft Facilities	These facilities are secured against pledge of certain financial asset of the Company (refer note 6a).	22.47	30.04
Bill discounting with banks	Secured against transferred trade receivables.	100.96	367.83
		132.65	**420.03**

The Company's exposure to Liquidity risk, market risk related to borrowings are discussed in Note 26.

13 [c] TRADE PAYABLES

	31-Mar-19	31-Mar-18
Current		
Total outstanding dues of Micro and Small Enterprises (Refer note -32)	87.05	86.93
Total outstanding dues of creditors other than Micro and Small Enterprises	318.31	422.99
	405.36	**509.92**

(i) Details of trade payables to related parties are disclosed as part of note 36 - Related party disclosures.

(ii) The Company's exposure to Liquidity risk, currency risk related to trade Payables are discussed in Note 26.

13 [d] OTHERS

	31-Mar-19	31-Mar-18
Current		
Payable for capital goods	206.03	35.63
Current maturities of long-term debt	114.95	71.21
Unpaid dividends	5.79	5.99
	326.77	**112.83**

14 PROVISIONS

	31-Mar-19	31-Mar-18
Non-current		
Provision for leave encashment	17.87	22.45
	17.87	**22.45**
Current		
Provision for gratuity (see note 30)	3.16	(0.62)
Provision for leave encashment	16.25	8.13
Warranty provision [See note (i) below]	8.31	7.70
	27.72	**15.21**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

Note (i) - Warranty provision

The Company generally offers a 2 years warranty for its products. Warranty costs are determined as a percentage of sales based on the past trends of the costs required to be incurred for repairs, replacements, material costs and servicing cost. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. As the time value of money is not considered to be material, warranty provisions are not discounted.

Movement in warranty provision

	For the year ended	
	31-Mar-19	**31-Mar-18**
Carrying amount in the beginning of the year	7.70	7.77
Additional provision made	2.71	5.70
Amount used	(2.10)	(5.77)
unused amount reversed	-	-
Carrying amount at the end of the year	**8.31**	**7.70**

15 OTHER LIABILITIES

	31-Mar-19	31-Mar-18
Non Current		
Deferred Income	0.70	1.01
	0.70	**1.01**
Current		
Advance from customers	22.59	19.01
Deferred revenue	8.91	11.46
Statutory liabilities	35.55	49.64
	67.05	**80.11**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

16 REVENUE FROM OPERATIONS

	For the year ended	
	31-Mar-19	**31-Mar-18**
Revenue from sale of products (Excluding GST, Inclusive of Excise Duty)		
- Sale of Products	4,292.56	4,252.94
	4,292.56	**4,252.94**
Revenue from rendering services		
- Domestic services	0.09	0.07
	0.09	**0.07**
Other operating income		
- Solar power income	84.76	87.71
- Sale of scrap	16.83	15.28
	101.59	**102.99**
	4,394.24	**4,356.00**

17 OTHER INCOME

	For the year ended 31-Mar-19		For the year ended 31-Mar-18	
Dividend income		2.33		21.42
Interest income		5.07		6.26
Net gains on Financial assets Investment measured at FVTPL				
a) Realised Gain	85.42		8.87	
b) Unrealised Gain	(20.30)		47.24	
	65.12	65.12	56.11	56.11
Foreign exchange gain		1.06		-
Government grants		0.32		0.46
Other non operating income		15.08		12.43
		88.98		**96.68**

18 COST OF RAW MATERIAL CONSUMED

	For the year ended	
	31-Mar-19	**31-Mar-18**
Raw material consumed	2,709.29	2,447.03
Packing material consumed	16.28	17.18
Fabrication and processing charges	47.89	42.13
	2,773.46	**2,506.34**

19 CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended	
	31-Mar-19	**31-Mar-18**
Opening stock		
Work in progress	224.76	184.75
Finish goods (Includes Goods in transit/ at godown)	40.47	96.26
	265.23	**281.01**
Less: Closing stock		
Work in progress	219.74	224.76
Finish goods (Includes Goods in transit/ at godown)	69.34	40.47
	289.08	**265.23**
	(23.85)	**15.78**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

20 EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	31-Mar-19	**31-Mar-18**
Salaries, wages, bonus etc.	329.30	371.42
Contribution to provident and other funds	10.71	12.52
Staff welfare expenses	48.32	53.27
Contract Labour Expenses	126.48	54.68
	514.81	**491.89**

21 OTHER EXPENSES

	For the year ended	
	31-Mar-19	**31-Mar-18**
Power and fuel (Net of credit of windmill and solar income of Rs. 69.40 Million, PY - Rs. 56.14 Million)	90.38	106.94
Repairs and maintenance		
-Buildings	25.25	9.77
-Machinery	38.42	39.20
-Others	8.69	5.64
Rent	0.24	0.52
Insurance	3.01	3.68
Rates and taxes	7.46	4.73
Selling and distribution expenses	56.35	62.93
Solar energy generation expenses	9.67	8.76
Windmill energy generation expenses	9.91	9.40
Loss on sale/ discard of assets	3.54	0.16
Foreign exchange Loss	-	6.58
Amortisation of prepaid lease	4.12	4.12
CSR expense	12.20	11.00
Audit fees	1.00	0.91
Other miscellaneous expenses	87.61	74.85
	357.85	**349.19**

A. AUDITORS' REMUNERATION

	31-Mar-19	**31-Mar-18**
Audit fees	0.70	0.60
Limited review	0.12	0.12
Tax audit fees	0.10	0.10
GST/VAT audit fees	0.08	0.08
For Certification and other related work	0.02	0.01
	1.02	**0.91**

* The amounts presented are net of GST/ service tax/ other applicable taxes

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

B. Expenditure incurred on corporate social responsibility activities

The Expenditure incurred for complying with provisions for the CSR expenditure required under section 135 of Companies Act, 2013 has been done through contribution to Prime Minister's National Relief Fund, Chief Minister's Distress Relief Fund and various NGO's (Non Government Organisation).

	31-Mar-19	31-Mar-18
Gross amount required to be spent by the company during the year	12.20	11.00
Amount spent during the year on :		
Construction/ Acquisition of any asset	-	-
On purpose other than above	12.20	11.00

22 FINANCE COSTS

	For the year ended	
	31-Mar-19	31-Mar-18
Interest expenses	25.52	12.30
Other borrowing cost	15.50	19.88
Less: borrowing cost capitalised	(21.60)	-
	19.42	**32.18**

23 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended	
	31-Mar-19	31-Mar-18
Depreciation on property, plant and equipment	299.34	325.17
Amortisation of intangible assets	10.93	7.86
	310.27	**333.03**

24 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended	
	31-Mar-19	31-Mar-18
Statement of profit and loss		
Current tax:		
Current tax on profits for the year	139.75	172.99
Taxation of earlier years	(5.31)	1.57
Total current tax expense	**134.44**	**174.56**
Deferred tax:		
Deferred tax expense/ (income)	(258.62)	(31.49)
Total deferred tax expense/ (benefit)	**(258.62)**	**(31.49)**
Income tax expense	**(124.18)**	**143.07**
Other comprehensive income		
Deferred tax related to OCI items:		
- On loss/ (gain) on remeasurements of defined benefit plans	1.88	(9.12)
	1.88	**(9.12)**

(Rs. in Million)

[b] Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate:

	For the year ended	
	31-Mar-19	31-Mar-18
Profit/ (loss) before tax	314.49	575.37
Tax at the Indian tax rate of 34.944% (2017-18: 34.608%)	109.89	199.12
Effect of non deductible expenses	22.26	30.21
Effect of exempt/ other income/ deduction	(38.30)	(66.55)
Previously unrecognised tax losses now recouped to reduce tax expenses	(54.87)	(34.56)
Deferred tax on provision for diminution in value of investment in JV company	(233.60)	-
Unreognised undistributed share of equity accounted investee	75.75	13.28
Taxation of earlier years	(5.31)	1.57
Income tax expense	**(124.18)**	**143.07**

25 EARNINGS PER SHARE

	For the year ended	
	31-Mar-19	31-Mar-18
Basic and diluted earnings per share (face value of Rs. 10 each)		
- Profit attributable to the equity share holders of the Company	438.67	432.30
- Weighted average number of shares	9,073,300	9,073,300
Basic and diluted earnings per share in INR	**48.35**	**47.65**

(Rs. in Million)

26 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, viz liquidity risk, market risk and credit risk. The Management of the Company has the overall responsibility for establishing and governing the Company's risk policy framework. The risk management policies are formulated after the identification and analysis of the risks and suitable risk limits and controls are set which are monitored & reviewed periodically. The changes in the market conditions and allied areas are accordingly reflected in the changes of the policy. The key risks and mitigating actions are placed before the Audit Committee of the Company who then evaluates and takes the necessary corrective action. The sources of risk, which the Company is exposed to and how the Company manages these risks with their impact on the Financial Statements is given below:

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables, Cash and cash equivalents	Aging analysis, Credit ratings	Credit limits
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow budgeted Vs actuals	Availability of committed credit lines and borrowing facilities
Market risk - Foreign Currency	Foreign currency receivables and payables; Forecasted foreign currency transactions	Cash flow forecasting and Sensitivity analysis	Insignificant foreign currency exposure
Market risk - Interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	The Company has an insignificant finance cost. Moreover the Company keeps looking for low interest rate option from time to time.

[A] Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Company holds all the balances with approved bankers only.

Trade receivables

Credit Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer are reputed and having good credit credentials as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a fortnightly basis.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31-Mar-19	31-Mar-18
Not past due	673.01	877.06
Past due but not impaired		
- Past due 0 to 180 days	98.99	45.07
- Past due more than 180 days	0.30	0.57
	772.30	**922.70**

[B] Liquidity risk

Liquidity risk is the risk the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Management considers both normal and stressed conditions.

(Rs. in Million)

Maturities of financial liabilities

The below table analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-19					
Non-derivatives					
Borrowings (Includes interest of Rs. 42.06 Million payable till maturity date)	457.09	269.29	229.86	-	499.15
Trade payables	405.36	405.36	-	-	405.36
Capital creditors	206.03	206.03	-	-	206.03
Other financial liabilities	5.79	5.79	-	-	5.79
Total	**1,074.27**	**886.47**	**229.86**	**-**	**1,116.33**

	Carrying amount	Upto 1 year	Between 2 and 5 years	" More than 5 years "	Total
31-Mar-18					
Non-derivatives					
Borrowings (Includes interest of Rs. 22.89 Million payable till maturity date)	637.58	502.79	157.68	-	660.47
Trade payables	509.92	509.92	-	-	509.92
Capital creditors	35.63	35.63	-	-	35.63
Other financial liabilities	5.99	5.99	-	-	5.99
Total	**1,189.12**	**1,054.33**	**157.68**	**-**	**1,212.01**

(i) Financing arrangements:

Company had access to following undrawn facilities at the end of reporting period:

	31-Mar-2019	31-Mar-2018
Variable rate		
Cash credit and overdraft facilities	308.31	298.90
Term loan facility	638.30	338.81
	946.61	**637.71**

[C] Market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk; and
- Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

(i) Foreign currency risk

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material. The risk exposure is with respect to various currencies viz. USD, EURO and YEN. The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	USD	EUR	YEN	Total
31-Mar-19				
Financial assets				
Trade receivables	13.56	-	-	13.56
Net exposure to foreign currency risk (assets)	**13.56**	**-**	**-**	**13.56**
Financial liabilities				
Trade payables	3.78	6.61	-	10.39
Net exposure to foreign currency risk (liabilities)	**3.78**	**6.61**	**-**	**10.39**
31-Mar-18				
Financial assets				
Trade receivables	26.81	-	-	26.81
Net exposure to foreign currency risk (assets)	**26.81**	**-**	**-**	**26.81**
Financial liabilities				
Trade payables	0.03	16.02	-	16.05
Net exposure to foreign currency risk (liabilities)	**0.03**	**16.02**	**-**	**16.05**

(b) Foreign currency sensitivity analysis

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following tables demonstrate the sensitivity to a reasonably possible change in USD,EUR and YEN exchange rates, with all other variables held constant:

	Impact on profit after tax	
	31-Mar-19	**31-Mar-18**
USD		
- Increase by 10%	0.64	1.75
- Decrease by 10%	(0.64)	(1.75)
EUR		
- Increase by 10%	(0.43)	(1.05)
- Decrease by 10%	0.43	1.05
YEN		
- Increase by 10%	-	-
- Decrease by 10%	-	-

ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

Interest rate risk exposure

the exposure of the company to change in interest rate at end of the reporting periods are as follows:

	31-Mar-19		31-Mar-18	
	Amount	% of total borrowings	Amount	% of total borrowings
Variable rate borrowings, average borrowing rate 8.5% (P.Y.-8%)	422.35	92.40%	581.22	91.16%

*Remaining 7.60% (FY2017-18 -8.84%) of total borrowings of the Company represents interest free liabilities of sales tax deferral.

Sensitivity

Profit and loss is sensitive to higher/lower interest expenses from borrowing as a result of change in interest rate.

	Impact on profit after tax	
	31-Mar-19	31-Mar-18
Interest rate increase by 100 basis points	(3.26)	(3.68)
Interest rate decrease by 100 basis points	3.26	3.68

27 FAIR VALUE MEASUREMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(A) Financial instruments by category

	Mar-19						Mar-18					
	Carrying amount			Fair value			Carrying amount			Fair value		
	FVTPL	Amortised Cost	FVT OCI	Level 1	Level 2	Level 3	FVTPL	Amortised Cost	FVT OCI	Level 1	Level 2	Level 3
[i] Financial assets												
Non Current												
Investment												
Investment in equity quoted	139.37			132.83	6.54		125.27			125.27		
Investment in mutual fund	708.92			708.92			844.21			844.21		
Investment in bond		43.97						43.97				
Loans												
Security deposit		5.91						4.81				
Other financial assets		1.22						1.89				
Current												
Trade receivables		772.30						922.70				
Cash and cash equivalents		55.11						40.99				
Other bank balances		5.79						5.99				
Other financial assets		7.50						32.94				
	848.29	**891.80**	**-**	**841.75**	**6.54**		**969.48**	**1,053.29**		**969.48**	**-**	
[ii] Financial liabilities												
Non Current												
Borrowings		324.44						217.55				
Current												
Short term borrowings		132.65						420.03				
Trade payables		405.36						509.92				
Capital creditor		206.03						35.63				
Other financial liabilities		5.79						5.99				
	-	**1,074.27**	**-**	**-**	**-**	**-**	**-**	**1,189.12**	**-**	**-**	**-**	

(Rs. in Million)

(B) FAIR VALUE HIERARCHY

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company has made certain judgements and estimates in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value

(b) and measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company as classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: Level 2 hierarchy includes financial instruments that are not traded as on year ended 31 March, 2019 (But subsequently traded in stock exchange) in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 hierarchy.

(C) VALUATION TECHNIQUES

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices for mutual funds
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which required level 3 valuation.

28 CAPITAL MANAGEMENT

The company policy is to have robust financial base so as to maintain outsider's confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity shareholders. The company monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, adjusted net debt is defined as total liability, Comprising interest-bearing loans and borrowing and obligations under financial lease, less cash and cash equivalents. Adjusted equity includes the share capital, reserve and surplus.

The Capital Gearing Ratio for 31 March 2019 and 31 March 2018 are as follows:

	31-Mar-19	31-Mar-18
Net Debt	401.98	596.59
Total Equity	3,353.01	3,005.45
Net Debt to equity ratio	**0.12**	**0.20**

29 SEGMENT INFORMATION

[A] Description of segment and principal activities

The company's Operating Segments are established on the basis of those components of the company that are evaluated regularly by the CMD (the 'Chief Operating Decision Maker' as defined in Ind AS 108- 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and internal business reporting systems.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

The Company has two reportable segments :

a) Auto component :- This is related to auto component manufacturing.

b) Renewable energy:-This is related to electricity generation through solar or windmill.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with one additional policies for segment reporting. That Segment Assets and segment liability represent assets and liabilities in respective segments. Tax related assets/ liabilities and other assets/ liability that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocable".

[B] Information about reportable segments

	31-Mar-19				31-Mar-18			
	Auto component	Renewable energy	Unallocable	Total	Auto component	Renewable energy	Unallocable	Total
Segment revenue:								
External revenue	4,398.45	154.17	-	**4,552.62**	4,364.97	143.85	-	**4,508.82**
Less: inter segment revenue	-	(69.40)	-	**(69.40)**	-	(56.14)	-	**(56.14)**
Total segment revenue	**4,398.45**	**84.77**	**-**	**4,483.22**	**4,364.97**	**87.71**	**-**	**4,452.68**
segment profit before tax	**230.44**	**84.05**	**-**	**314.49**	**493.50**	**81.87**	**-**	**575.37**
Segment results	**354.62**	**84.05**	**-**	**438.67**	**350.43**	**81.87**	**-**	**432.30**
Segment results includes :								
Interest expenses	19.42	-	-	**19.42**	32.18	-	-	**32.18**
Interest income	5.07	-	-	**5.07**	6.26	-	-	**6.26**
Depreciation	259.73	50.54	-	**310.27**	289.21	43.82	-	**333.03**
Tax expenses	(124.18)	-	-	**(124.18)**	143.07	-	-	**143.07**
Share of profit/ (loss) of Joint Venture using equity Method	(216.77)	-	-	**(216.77)**	(38.37)	-	-	**(38.37)**
Segment assets	**4,091.93**	**417.78**	**30.91**	**4,540.62**	**3,949.62**	**325.37**	**38.36**	**4,313.35**
Segment assets includes:								
Investment in Joint Venture accounted using equity method	295.91	-	-	**295.91**	512.80	-	-	**512.80**
Capital expenditure incurred during the year	229.62	139.34	-	**368.96**	149.60	33.71	-	**528.52**
Segment liabilities	**1,186.87**	**0.74**	**-**	**1,187.61**	**1,306.92**	**0.98**	**-**	**1,307.90**

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the related asset.

(Rs. in Million)

[C] Information about geographical areas

Revenue from external customers

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table.

	31-Mar-19	31-Mar-18
India	4,392.23	4,367.01
Overseas	90.99	85.67
Total	**4,483.22**	**4,452.68**

Non-current assets other than financial instruments, deferred tax assets

	31-Mar-19	31-Mar-18
India	1,724.69	1,265.77
Total	**1,724.69**	**1,265.77**

[D] Major customers

Revenue of approximately Rs. 2336.73 Million (PY- Rs. 2522.47 Million) are derived from three major external customers of the company. These revenue is attributed to auto component manufacturing segment.

30 EMPLOYEE BENEFIT OBLIGATIONS

30 (a) Defined Contribution plans

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Amount recognised as expenses in the profit and loss statement in respect of defined contribution plan is Rs. 9.68 Million (Previous year - Rs. 11.25 Million)

30 (b) Defined Benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company, is deducted from the gross obligation, and Assumptions used in valuation are discount rate, escalation, mortality rate, etc.

(i) Movement of defined benefit obligation and plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
31-Mar-18	**97.83**	**98.45**	**(0.62)**
Current service cost	4.18		4.18
Interest expenses/ income	7.20	7.46	(0.26)
Total amount recognised in profit and loss	**11.38**	**7.46**	**3.92**
Remeasurements			
Gain/ loss from change in demographic assumption	0.03	-	0.03
Gain/ loss from change in financial assumption	(0.37)	0.20	(0.57)
Experience Gain/ loss	5.39	(0.52)	5.91
Total amount recognised in other comprehensive income	**5.05**	**(0.32)**	**5.37**
Employer contributions	-	27.00	(27.00)
Benefit payments	(3.71)	(24.91)	21.20
Mortality charges and taxes	-	(0.29)	0.29
31-Mar-19	**110.55**	**107.39**	**3.16**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

	Present value of obligation	Fair value of plan assets	Net Amount
31-Mar-17	**126.60**	**89.01**	**37.59**
Current service cost	7.73	-	7.73
Interest expenses/ income	8.56	6.61	1.95
Total amount recognised in profit and loss	**16.29**	**6.61**	**9.68**
Remeasurements			
Gain/ loss from change in demographic assumption	-	-	-
Gain/ loss from change in financial assumption	(26.92)	(0.27)	(26.65)
Experience gain/ loss	0.70	0.41	0.29
Total amount recognised in other comprehensive income	**(26.22)**	**0.14**	**(26.36)**
Employer contributions	-	4.77	(4.77)
Benefit payments	(18.84)	(1.80)	(17.04)
Mortality charges and taxes	-	(0.28)	0.28
31-Mar-18	**97.83**	**98.45**	**(0.62)**

(ii) Net assets / liabilities

An analysis of net (deficit)/ assets is provided below for the Company's principal defined benefit gratuity scheme.

	31-Mar-19	31-Mar-18
Present value of funded obligations	110.55	97.83
Fair value of plan assets	107.39	98.45
Net deficit for funded schemes	**(3.16)**	**0.62**

(iii) Analysis of plan assets is as follows:

	31-Mar-19	31-Mar-18
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
Total	**100%**	**100%**

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-19	31-Mar-18
Mortality table	IALM(2012-14) ult	IALM(2006-08) ult
Discount rate	7.60%	7.50%
Rate of increase in compensation levels	7.00%	7.00%
Expected rate of return on plan assets	7.50%	7.30%
Expected average remaining working lives of employees (in years)	8.69	9.87
Withdrawal Rate	6.00%	6.00%

(Rs. in Million)

Notes:

1. **Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
2. **Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
3. Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is

	Impact on present benefit obligation	
	31-Mar-19	31-Mar-18
Discount rate - Increase by 1%	(3.52)	(4.22)
Discount rate - Decrease by 1%	3.91	4.75
Salary increment rate - Increase by 1%	3.33	4.11
Salary increment rate - Decrease by 1%	(3.06)	(3.73)
Withdrawal rate - Increase by 1%	0.11	0.13
Withdrawal rate - Decrease by 1%	(0.11)	(0.14)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous period.

(v) Expected future benefits payments

The Company monitors the funding levels on annual basis and accordingly decides upon the contribution to the fund. Expected contributions to post-employment benefit plans for the year ending 31 March 2020 are Rs. 5 Million. The expected maturity analysis of undiscounted post employment benefit is as follows:

	Less than a year	1 to 2 years	2-5 Years	More than 5 years
As at 31-Mar-2019	58.46	5.80	24.79	49.66
Defined benefit obligation - Gratuity				
As at 31-Mar-2018	41.79	6.14	22.46	53.39
Defined benefit obligation - Gratuity				

vi) The Company Gratuity liability includes unpaid dues of Rs. 9.12 Million for 202 (Out of 236 employees 202 employees were eligible for gratuity) terminated employees and liability of leave includes dues of Rs. 8.74 Million for 236 employees terminated in October, 2018.

31 OPERATING LEASES

Company, as lessee, has entered into two non cancellable land lease agreements for a period of 30 years. Company has paid entire lease rentals in advance at the inception of lease. These advance rentals payments have been shown as prepaid lease rentals.

(Rs. in Million)

32 MICRO, SMALL AND MEDIUM ENTERPRISES

i)

	31-Mar2019	31-Mar-2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period -		
- Principal amount outstanding	87.05	86.93
- Interest thereon	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period -		
- Interest paid in terms of Section 16	-	-
- Interest payable on delayed principal payments	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 -		
- Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms and not as payable under the Act	-	-
- Normal Interest payable during the year, for the period of delay in making payment, as per the agreed terms and not as payable under the Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period -		
- Total interest accrued during the period	-	-
- Total Interest remaining unpaid out of the above as at the balance sheet date	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
- Outstanding interest at the end of previous year	-	-
- Outstanding interest at the end of current year	-	-

ii) The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED.

33 a) CONTINGENT LIABILITIES

	31-Mar-19	31-Mar-18
Income Tax matters in dispute in respect of penalty matters pending before CIT (Appeal), Pune	32.63	32.63
Income Tax demand for A.Y. 2003-04 adjusted by Assessing Officer against refund order for A.Y. 2015-16. Appeal for the AY 2003-04 is already pending before CIT(A).	1.13	-
Income Tax matters in dispute in respect of Assessment dues (A.Y.2013-14) before ITAT, Pune (during P.Y. before CIT (Appeal), Pune)	4.45	4.45
Income Tax matters in dispute in respect of Assessment dues (A.Y.2014-15) before ITAT, Pune (during P.Y. before CIT (Appeal), Pune)	2.56	4.61
Income Tax matters in dispute in respect of Assessment dues (A.Y.2016-17) before CIT (Appeal), Pune	3.30	-
Assistant commissioner of central excise differential central excise duty	1.09	1.09
Co-acceptance of Import bills by the bankers	65.30	78.62
Bank Guarantees issued by the Company	10.81	26.95
TDS Matter pertaining to A.Y. 2012-13 pending with CIT(A) Pune	0.30	0.30
Sales tax liability under dispute before Dy. Commissioner of Sales Tax for F.Y. 2010-11	3.19	3.19
Sales tax liability for F.Y. 2011-12 (demand rectified vide rectification order passed by Dy. Commissioner of Sales Tax)	-	0.75
Provident Fund : The applicability of the Supreme Court judgement related to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund require further clarifications with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, at present cannot be reasonably ascertained.	Amount not determined	-

(Rs. in Million)

b) The Company, at its factory at Village Vadu Budruk, Taluka Shirur, District Pune 412216, employed engineers, in the "supervisory category". Some of these engineers have initiated legal proceedings claiming that, they are workmen and the charter of demands submitted by them is also a matter of litigation, between the Company and these individuals. Similarly, 236 engineers claimed wages for the period of 46 days when they abstained from working and were not present at their places of duty.

As reported earlier, the Company took disciplinary actions against 236 engineers and terminated their contracts of employment with the Company.

The Company is contesting all these litigations and has taken steps to seek approvals, if any required, for the above referred terminations of contracts of employment, without prejudice to the Company's stand about non-applicability of relevant legislations to these 236 individuals, whose services have been terminated by the Company.

The above referred proceedings are pending before different forums and the alleged claims made by the concerned claimants are neither quantified nor does the Company recognise the same. The Company is advised that, these alleged claims need not be legally recognised nor any liability, in respect of any of these alleged claims, made by these individuals against the Company, is sustainable.

34 COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 397.40 Million (March 31, 2018 - Rs. 426.52 Million).

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.

35 INVESTMENT IN Joint Venture

a) The Company has 26% Joint Venture interest in Robert Bosch Automotive Steering Private Limited, a Company incorporated in India. As on March 31, 2019 the Company has further invested Rs. Nil (previous year Rs. 98.80 Million) in the share capital of this Joint Venture.

Summarised financial information for Joint Venture

Summarised balance sheet	31-Mar-19	31-Mar-18
Current assets		
Cash and cash equivalents	1,147.18	414.97
Other assets	854.44	1,554.89
Total current assets	**2,001.62**	**1,969.86**
Total non-current assets	**-**	**741.75**
Current liabilities		
Financial liabilities (excluding trade payable)	190.52	217.92
Other liabilities	672.99	502.91
Total current liabilities	**863.51**	**720.83**
Non-current liabilities		
Provisions	-	18.49
Total non-current liabilities	**-**	**18.49**
Net assets	**1,138.11**	**1,972.29**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

Summarised statement of profit and loss	For the year ended	
	31-Mar-19	31-Mar-18
Revenue	3,138.40	3,448.15
Interest income	-	-
Depreciation and amortization	599.82	332.46
Interest expense	-	-
Income tax expense	-	-
Profit/ (Loss) for the year	**(833.73)**	**(147.59)**
Other comprehensive income	(0.45)	0.23
Total comprehensive income	**(834.18)**	**(147.36)**
Dividend received	**-**	**-**

Reconciliation to carrying amounts

	31-Mar-19	31-Mar-18
Opening net assets	1,972.29	1,739.65
Profit/ (Loss) for the year	(833.73)	(147.59)
Other comprehensive income	(0.45)	0.23
Additional capital investment by Joint Venturers	-	380.00
Dividend paid	-	-
Closing net assets	**1,138.11**	**1,972.29**
Company's share in %	26	26
Company's share in INR	295.91	512.80
Carrying amount	**295.91**	**512.80**

The Joint Venture has estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. Nil (March 31, 2018 Rs. 0.90 Million).

b) The Company has a Joint Venture with Robert Bosch Automotive Steering GmbH ,Germany **(Robert Bosch)** viz. Robert Bosch Automotive Steering Private Limited **("RBASPL")**, an Indian company which was incorporated in 2007.The Company holds 26% of equity share-capital of RBASPL and balance 74% equity share-capital is held by Robert Bosch. The main activity as per the joint-venture Agreement dated March 31, 2007 , includes manufacturing of Steering Gears for Commercial Vehicles, Electrical Steering Systems, for passenger cars and other products.

The Company has invested in equity share-capital of RBASPL, from time to time, to maintain its 26% stake of RBASPL. During the year under report, the Company has not invested any further amount in the equity share-capital of RBASPL (Amount invested in financial year 2017-18 Rs. 98.80 Million). The amount invested by the Company as of March 31, 2019 in RBASPL is Rs. 1,293.5 Million. The investment made by the Company in the equity share-capital of RBASPL as of April 1, 2018 was Rs. 1293.5 Million. The total paid-up equity share-capital of RBASPL is Rs. 4,975 Million as on March 31, 2019.

RBASPL continuously incurred losses from commencement of its business activities till March 31, 2019. The total operating loss of RBASPL as on March 31, 2018 was Rs. 3,002.71 Million, whereas the said loss as on March 31, 2019 was Rs. 3,836.89 Million.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

During the year under report, the majority shareholder of RBASPL i.e. Robert Bosch filed a winding up petition for winding up of RBASPL, before the National Company Law Tribunal (**NCLT**) Mumbai, which is yet to be heard by NCLT.

The Company has also received a notice, on February 14, 2019, from Robert Bosch, terminating the Joint Venture.

In view of the above developments, the Company has received audited financial statements from RBASPL prepared for the year ended March 31, 2019, which are not prepared on 'Going Concern' basis.

Considering the accumulated losses, and considering uncertainty arising out of above referred winding-up petition and termination of the joint-venture, in order to mitigate further losses, the Company, as a measure of commercial expediency, decided to enter into an agreement **(the Agreement)** to settle the issues with Robert Bosch and has executed the Share Purchase Agreement on May 28, 2019, to sale the Company's entire equity share-holding in RBASPL to Robert Bosch for a consideration of Rs. 625 Million. The Agreement is subject to receipt of necessary approvals.

The results and assets and liabilities of RBASPL (being a joint-venture) are incorporated in these Consolidated Financial Statements, using the equity method of accounting. Accordingly, the investment in the equity share capital of RBASPL was initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company 's share of the losses of RBASPL.

As a result of above, the value of equity investment in RBASPL, as of March 31, 2019, is Rs. 295.91 Million. Thus, the Company's share in the accumulated losses of RBASPL are reflected in the Other Equity.

The Company has continued with the deferred tax asset of Rs. 233.6 Million in its consolidated financial statements.

36 RELATED PARTY DISCLOSURES

A Names of related parties and related party relationship where control exists:

No.	Nature of relationship	Name of related party
1	Foreign collaborator	Robert Bosch Automotive Steering GmbH
2	Joint Venture company	Robert Bosch Automotive Steering Private Limited (Company has 26% stake in the company)
3	Key managerial personnel	Mr. Dinesh Munot - Chairman & Managing Director
		Mr. Utkarsh Munot - Chief Executive Officer
		Mr. Jinendra Jain - Chief Financial Officer
		Mr. Satish Mehta - Company Secretary
4	Non-executive directors	Mr. Manish Motwani
		Mr. Shridhar S. Kalmadi
		Mr. Ajinkya Arun Firodia
		Mr. Jitendra A. Pandit
		Mr. S. A. Gundecha
		Mrs. Eitika Munot
		Mr. Soumitra Bhattacharya
		Mr. M. L. Rathi (till November 23, 2018)

Note: Mr. Jinendra Munot was Joint Managing Director upto March 31,2018. He was interested in KCTR Varsha Automotive Pvt. Ltd. and Varsha Forgings Ltd.

(Rs. in Million)

B Key managerial personnel compensation

	31-Mar-19	31-Mar-18
a. Short term employee benefits	49.78	64.75
b. Post-employment benefits	48.23	56.32
c. Long term employee benefits	5.86	6.21
	103.87	**127.28**

C Transaction with related parties

	For the year ended	
	31-Mar-19	31-Mar-18
Purchase of raw material & components		
Foreign collaborator	241.85	222.08
Director's interested entities		
Varsha Forgings Ltd.	-	186.85
Sitting fees to Non Executive & Independent directors	2.17	2.13
Dividend paid during the year		
Foreign collaborator	18.72	18.72

D Outstanding balances

	31-Mar-19	31-Mar-18
Trade payables		
Foreign collaborator	6.62	14.69
Director's interested entities		
Varsha Forgings Ltd.	-	37.56
Key managerial personnel	1.98	2.08

37 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and,

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company does not expect any significant impact of the amendment on its financial statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Contd.)

(Rs. in Million)

Additional Information as required by Schedule III of the Act.

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated	Amount	As % of consolidated	Amount	As % of consolidated	Amount	As % of consolidated	Amount
ZF STEERING GEAR (INDIA) LIMITED	110%	3,682.10	149%	655.44	97%	(3.49)	150%	651.95
Joint Venture ROBERT BOSCH AUTOMOTIVE STEERING PVT LTD	-10%	(329.09)	-49%	(216.77)	3%	(0.12)	-50%	(216.89)

AOC-1

Part "B": Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Venture	ROBERT BOSCH AUTOMOTIVE STEERING PVT LTD
1	Latest audited balance sheet date	March 31,2019
2	**Share of Associates/ Joint Ventures held by the company on the year end**	
a	No.	129,350,000
b	Amount of investment in Joint Venture	1293.50 Million
c	Extend of holding	26%
3	Description of how there is significant influence	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 Companies Act 2013, for the purpose of 'Significant influence'. ii) The Company enjoys some 'special Rights' under The Articles of Association of the Associate/Joint Venture company.
4	Reason why the Joint Venture is not consolidated	NA
5	Net worth attributable to shareholding as per latest Balance sheet	1138.11
6	**Profit/ Loss for the year**	
a	Considered in consolidation	(216.77)
b	Not considered in consolidation	(616.96)

As per our report of even date

For **MGM and Company**
Firm Registration Number: 117963W
Chartered Accountants

Mangesh Katariya
Partner
Membership No. 104633

Place: Pune
May 30, 2019

For and on behalf of the Board of Directors

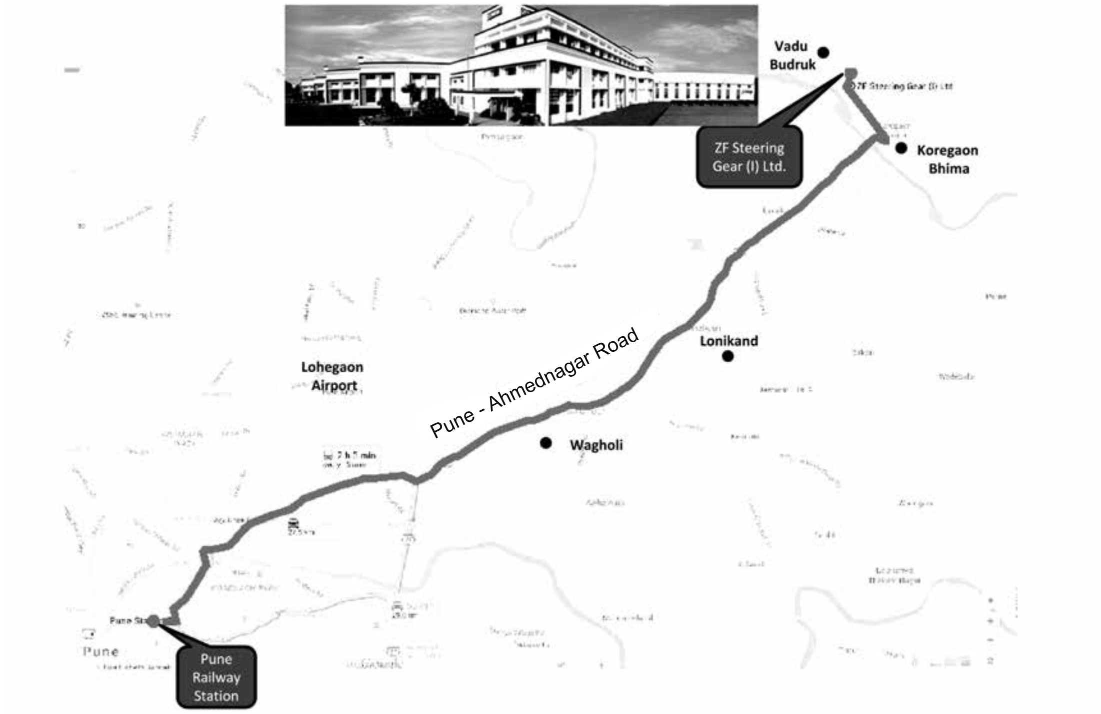
Dinesh Munot Chairman & Managing Director
DIN : 00049801
Utkarsh Munot Chief Executive Officer
DIN : 00049903
S.A. Gundecha Director and Chairman of the Audit Committee
DIN : 00220352

Jinendra Jain Chief Financial Officer
Satish Mehta Company Secretary

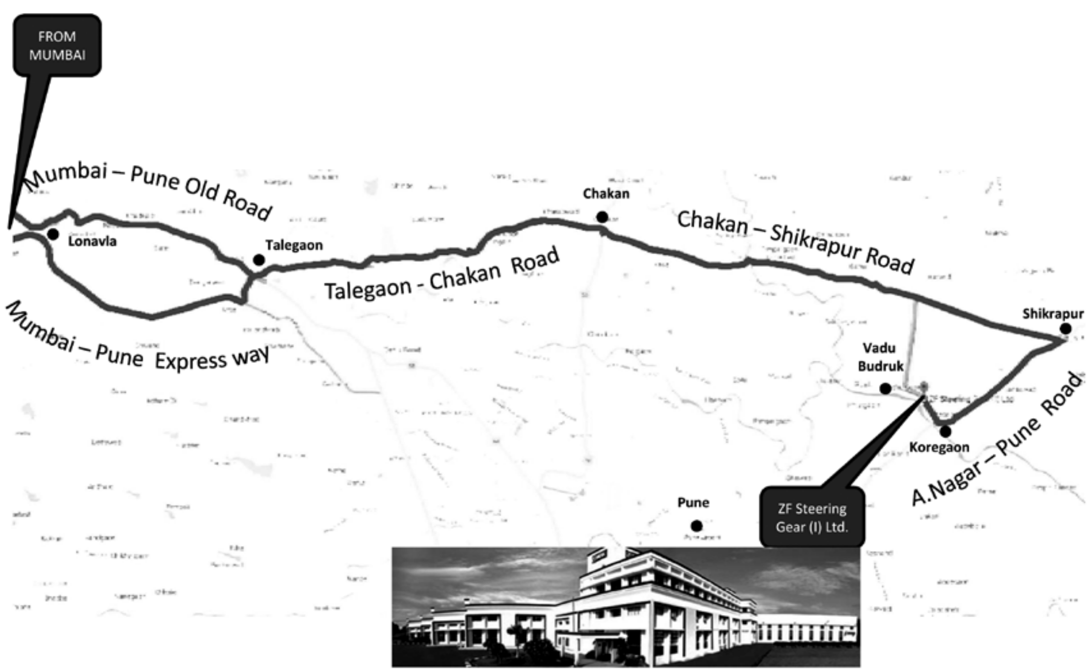
Place: Pune
May 30, 2019

ROUTE MAP TO 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



Mission

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

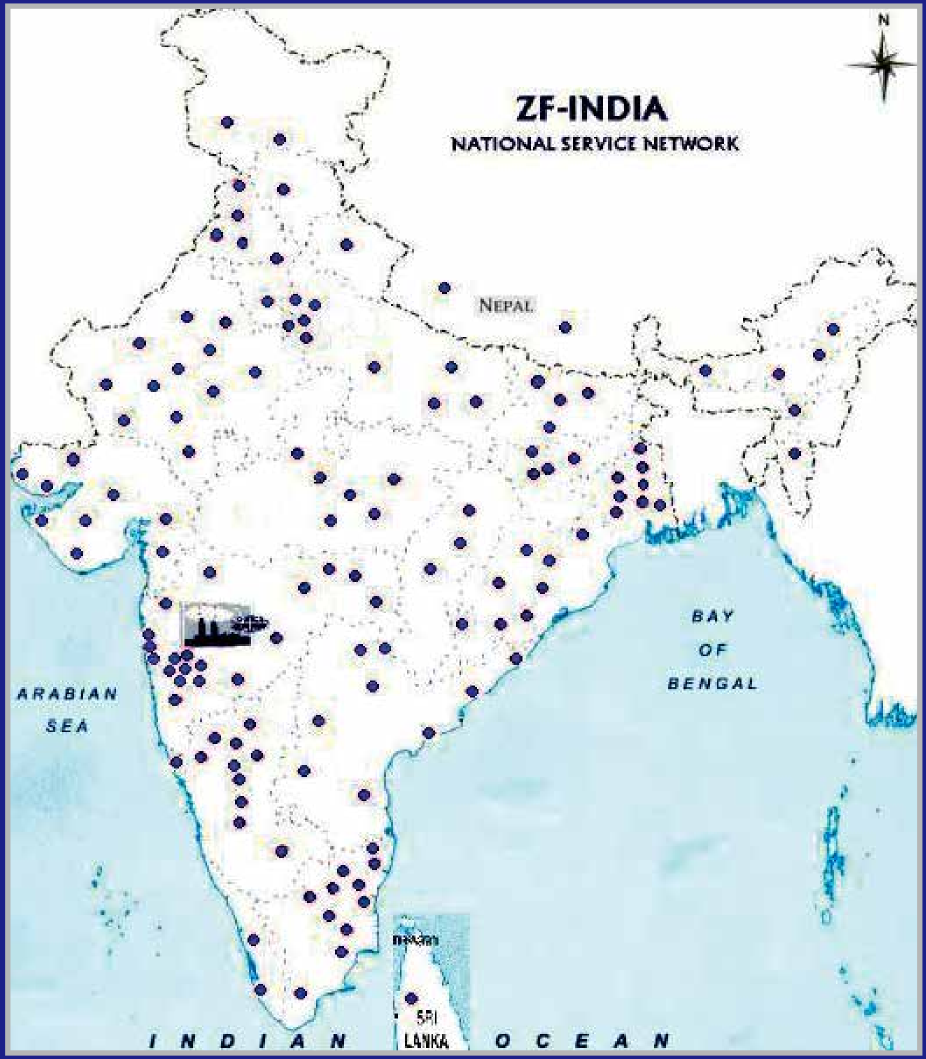
We shall ensure that our products give the necessary comfort and safety in driving.

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

NATIONAL SERVICE NETWORK



ZF STEERING GEAR (INDIA) LIMITED

ZF INDIA
Steering Success with Safety

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

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: 02137-305100, Fax: 02137-305302

THIRTY-NINTH ANNUAL GENERAL MEETING ON SEPTEMBER 20, 2019

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 **Friday, September 20, 2019 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

EVENT NO.	*Sequence No./ PAN
190164	

** 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 39th Annual General Meeting to be held on **Friday, September 20, 2019 at 3.00 p.m.**

2. The remote e-Voting period starts from 9.00 a.m. on Monday, September 16, 2019 and ends on Thursday, September 19, 2019 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: 02137-305100, Fax: 02137-305302

THIRTY-NINTH ANNUAL GENERAL MEETING ON SEPTEMBER 20, 2019

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 :
   Address :
   Email id : Signature: ______ or failing him/ her
2. Name :
   Address :
   Email id : Signature: ______or failing him/ her
3. Name :
   Address :
   Email id : Signature: ______

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **Thirty Ninth Annual General Meeting** of the Company, to be held on **Friday, September 20, 2019 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:

1. To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, 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, 2019, together with the Report of the Auditors thereon.
2. Vacancy on the Board, caused due to retirement by rotation of Mr. Soumitra Bhattacharya, be not filled-up.
3. To appoint M/s. Joshi Apte & Co., Chartered Accountants, as Statutory Auditors of the Company.
4. Re-appointment of Mr. Shridhar S Kalmadi as an Independent Director.
5. Re-appointment of Mr. Jitendra A. Pandit as an Independent Director
6. Appointment of Mr. Sandeep N. as a Director of the Company.
7. Appointment of Mr. Adit Rathi as an Independent Director
8. Re- Classification of some of the Promoters of the Company.

Affix Revenue Stamp not less than Re. One

Signed this ______day of______ 2019

Signature of Member:______ Signature of Proxy holder(s):______

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.