



ZF STEERING GEAR (INDIA) LTD.

Regd. Office & Works :

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

Tel : 02137-305100, Fax : 02137-305302

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

Corporate Identity Number (CIN) : L29130PN1981PLC023734



September 29, 2016

The Secretary
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001.

Company's Scrip Code: 505163

Sub: Chairman's Speech delivered at the 36th Annual General Meeting of the Company

Dear Sir,

We are pleased to enclose herewith the Speech delivered by Mr. Dinesh Munot, Chairman & Managing Director of the Company at the 36th Annual General Meeting held on September 28, 2016, for your information and records.

Thanking you

Yours faithfully,

For ZF Steering Gear (India) Ltd.


Company Secretary





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,
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CHAIRMAN'S SPEECH

(at the 36th Annual General Meeting of the Company held on September 28, 2016)

Dear Members,

It is a great pleasure welcoming you all to the 36th Annual General Meeting of '**ZF Steering Gear (India) Limited**'. I thank you all, for your presence here today, and I appreciate your interest in the Company.

I trust, the Notice convening the Meeting and other documents forming part of the Annual Report for the financial year 2015-16 have reached you in time.

Changes in the Board

Before proceeding further, I would like to apprise you about the changes in the Board of Directors of your Company.

I am delighted to welcome Mr. Soumitra Bhattacharya, who is Joint Managing-Director of Bosch India, to his first AGM of our Company. Mr. Bhattacharya was inducted into the Board of our Company, on November 4, 2015.

Mr. Utkarsh Munot has been re-designated as the Chief Executive Officer (CEO) of the Company with effect from May 19, 2016. He has also been elected on the Executive Committee of Automotive Component Manufacturers Association of India (ACMA) and also elected as National Coordinator of Young Business Leaders Forum (YBLF-ACMA).

" Congratulations to Mr. Utkarsh Munot"

Financial Performance of the Company for the FY 2015-16 & Q1 of FY 2016-17

Your Company recorded improved performance for the financial year 2015-16. The sales were up by 16% and Profit for the year was up by 27%. Dividend was hiked from Rs. 10 to Rs. 12.50 per share, which was paid in March 2016, as Interim Dividend. The Company allocated Rs. 88 lac, during the year, towards the various Corporate Social Responsibility (CSR) Projects.

In the first quarter of the current financial year, your Company attained Net Sales of Rs. 111 crore compared to Rs.84 crore in the Q1 of FY 2015-16. Profit before Interest, Depreciation and Tax was Rs. 25.2 crore and Profit after Tax was Rs.13.5 crore vis-a-vis Rs.16.8 crore and Rs. 8.9 crore respectively.

Joint Venture (JV)

‘Robert Bosch Automotive Steering Private Limited’ – the Joint Venture Company (**the JV Company**), in which Robert Bosch Automotive Steering GmbH’ is holding 74% equity capital and your Company is holding 26% equity capital, is making steady progress. Your Company has so far invested Rs. 109 crore (Rs. 1,090 million). Both the partners will be further investing, into the JV Company, in the current financial year as well.

Economic Scenario and outlook for future

At the macro level, while the global economy is struggling to get back on its feet, the Indian economy is witnessing an uptick along many key indicators. There are definite signs of an infrastructure led recovery, a recovery that is also being driven by increased consumption and a better monsoon. The implementation of the recommendations of the 7th Central Pay Commission and passing of the landmark GST Bill are some of the other important events.

The Indian Government is formulating the ‘scrapping policy’ to mandatorily phase out all trucks and buses over 15-years old, in order to address the issue of Air-pollution and Safety. The Automotive Research Association of India (ARAI) is developing standards on how ‘end of life’ vehicles need to be scrapped. All these initiatives augur well for the economy, and in particular for Commercial Vehicle Industry. Some slowdown seen in the demand for Commercial Vehicles over the past couple of months appears to be temporary phenomena and we expect the Medium & Heavy Commercial Vehicle market, this year, to grow by at least 10 per cent.



With a view to expand the installed capacity and to have geographical advantage, the Company has decided to set-up a new manufacturing unit at Pithampur in Madhya Pradesh. The Company has already taken possession of the leased plot and is working on its factory building and ordering of the machinery. The plant is expected to commence production in about 18 months from now. The Company plans to invest approximately Rs.150 crore in setting-up the new plant.

Your Company continues to be optimistic on medium and long term prospects of the Company.

Performance - First Five Months of the Current-year

(Quantity in Numbers)

Particulars	April to August 2016	April to August 2015	% of (+ or -) over April to August 2015
Power Steering Gears – CV/ MU/ BUS	113,409	94,383	+ 20.2%
Mechanical Steering Gear- Tractors	57,269	52,949	+ 8.2%
Total Qty (Nos.)	170,678	147,332	+ 15.8%

Acknowledgements

To conclude, I express my sincere gratitude to the Government, our valued customers, suppliers, bankers and our shareholders.

My special thanks and appreciation go to the employees of the Company at all levels for their dedication and continued commitment to achieve Company's mission.

Thank you for your kind attention.

Dinesh Munot
Chairman & Managing Director

September 28, 2016