



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



October 31, 2018

BSE Limited

25th Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai- 400 001

Ref: BSE Scrip Code 505163

Sub: Intimation regarding Credit Ratings placed on 'rating watch' with developing implication by ICRA.

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the press-release dated October 30, 2018 issued by ICRA, we have to inform you that ICRA has placed credit ratings of our Company on 'rating watch' with developing implication.

| Credit Facility | Amount (Rs. in crore) | Rating | Rating Action |
|---------------------------|-----------------------|------------|--|
| Term Loan | 50.00 | ICRA A+ & | Placed on rating watch with developing implication |
| Long-term fund based | 4.00 | ICRA A+ & | Placed on rating watch with developing implication |
| Short-term non-fund based | 11.65 | ICRA A1+ & | Placed on rating watch with developing implication |

(' & ' denotes under rating watch with developing implications)

Kindly note that the press- release referred above is attached herewith.

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

Yours faithfully,

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


Company Secretary

Encl.: As above



ZF Steering Gears (India) Limited

October 30, 2018

ZF Steering Gears (India) Limited: Ratings placed on rating watch with developing implication

Summary of rated instruments

| Instrument | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---------------------------|--------------------------------------|-------------------------------------|--|
| Term Loan | 50.00 | 50.00 | [ICRA]A+&; Placed on rating watch with developing implication |
| Long-term fund based | 4.00 | 4.00 | [ICRA]A+&; Placed on rating watch with developing implication |
| Short-term non-fund based | 11.65 | 11.65 | [ICRA]A1+&; Placed on rating watch with developing implication |
| Total | 65.65 | 65.65 | |

Material Event

ZF Steering Gears (India) Limited (ZFS/ the company) announced the termination of 236 employees after completion of internal enquiry, wherein these employees allegedly went on mass leave during H2-FY2018. The management is expecting optimum utilisation of the installed capacity at the earliest and it has put in action plan by employing trainee engineers.

Impact of Material Event

ICRA has taken note of the above action by company's management to terminate employees, which could have impact on company's operational performance. As compared to stellar volume growth in underlying M&HCV industry, ZFS reported revenue de-growth of 1.0% during Q2 FY2019 which is partially due to lower productivity and non-cooperation of agitating employees.

ICRA is in discussions with the company's management to understand the impact of the event on ZFS's financial profile post which it will take a suitable rating action.

The previous detailed rating rationale is available on the following link: [Click here](#)