



## 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](http://www.zfindia.com), Email Id : [enquiry@zfindia.com](mailto:enquiry@zfindia.com)  
Corporate Identity Number (CIN) : L29130PN1981PLC023734



August 17, 2024

**BSE Limited**

25<sup>th</sup> Floor, P. J. Towers,  
Dalal Street, Fort,  
Mumbai- 400 001

**Sub: Annual Report for the Financial Year 2023-24**

**Ref: BSE Scrip Code: 505163**

Dear Sir/ Madam,

This is to inform you that pursuant to the Regulation 34(1) read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith, 44<sup>th</sup> Annual Report for the Financial Year 2023-24 along with notice for 44<sup>th</sup> Annual General Meeting of the Company, as circulated to the shareholders through electronic mode.

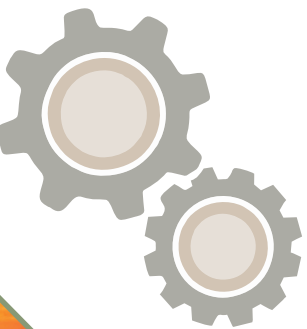
Aforesaid documents are also available on the website of the Company, i.e., <http://www.zfindia.com/annual-reports.php> and on website of Central Depository Services (India) Limited at <https://www.cdslindia.com/index.html>

You are requested to take the aforesaid on your record.

Thank You,

Yours faithfully  
for **ZF Steering Gear (India) Limited**

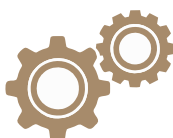
**Company Secretary**



Steering Towards Future

# ZF STEERING GEAR (INDIA) LIMITED

## 44<sup>th</sup> Annual Report 2023-2024



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

## BOARD OF DIRECTORS

### Chairman

Mr. Dinesh Munot

### Managing Director

Mr. Utkarsh Munot

### Non-Executive Directors

Mr. Manish Motwani

(upto March 31, 2024)

Mr. Shridhar S. Kalmadi

Mr. S. A. Gundecha

Mr. Adit Rath

(upto January 31, 2024)

Mrs. Smita A. Lahoti

Dr. Dinesh Bothra

(from February 3, 2024)

Mr. Rohit Rath

(from August 6, 2024)

## SENIOR MANAGEMENT

Mr. Anant Kalvit –

President (Busi. Development & Design)

Mr. Ajit Gugale –

President (Works)

Dr. Rathina Singaravelan –

Vice-President (Projects)

(upto May 28, 2024)

Mr. Jinendra Jain –

Chief Financial Officer

Mr. Sachin Gugale –

Chief Information Officer

Mr. Aniket Kadam –

Deputy Chief Financial Officer and Head of Accounts

### COMPANY SECRETARY

Mr. Satish Mehta

## BOARD COMMITTEES

### Audit Committee

Mr. S. A. Gundecha – Chairman

Mr. Manish Motwani

(up to March 31, 2024)

Mr. Utkarsh Munot

Mrs. Smita A. Lahoti

Mr. Shridhar S. Kalmadi

(from April 1, 2024)

### Stakeholders' Relationship Committee

Mr. S. A. Gundecha – Chairman

Mr. Shridhar S. Kalmadi

Mr. Utkarsh Munot

### Nomination and Remuneration Committee

Mr. S. A. Gundecha – Chairman

Mr. Manish Motwani

(up to March 31, 2024)

Mrs. Smita Lahoti

Mr. Shridhar S. Kalmadi

(from April 1, 2024)

### Corporate Social Responsibility Committee

Mr. Dinesh Munot – Chairman

Mr. Utkarsh Munot

Mr. Shridhar S. Kalmadi

## REGISTERED OFFICE & WORKS

Gat Nos. 1242 / 1244,

Village Vadubdruk,

Tal. Shirur, Dist. Pune – 412 216

Maharashtra

CIN: L29130PN1981PLC023734

Tel: 02137-305100

Fax: 02137- 305302

E-mail Id: investor@zfindia.com

Web: www.zfindia.com

## BANKERS

HDFC BANK

Kotak Mahindra Bank

## REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

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

AkshayComplex, Off. Dhole Patil Road,

Pune – 411 001

Tel: 020-26160084,

Fax: 020- 26163503

E- mail: pune@linkintime.co.in

## AUDITORS

M/s. Joshi Apte & Co.

Chartered Accountants

## INTERNAL AUDITORS

M/s. Kirtane & Pandit, LLP

Chartered Accountants

## SECRETARIAL AUDITOR

M/s. SIUT & Company, LLP

Company Secretaries

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# NOTICE



## NOTICE

Notice is hereby given that **Forty-Fourth Annual General Meeting** of the Members of **ZF STEERING GEAR (INDIA) LIMITED** will be held through two-way Video Conferencing or Other Audio-Visual Means (“**VC/ OAVM**”):

**Day:** Tuesday

**Date:** September 10, 2024

**Time:** 10:30 am (IST)

to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company, for the Financial Year ended on March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon.
  - b. the Audited Consolidated Financial Statements of the Company, for the Financial Year ended on March 31, 2024, and the Report of the Auditors thereon.
2. To declare dividend of Rs. 8/- (**Rupees Eight Only**) on equity shares of Rs. 10/- (**Rupees Ten Only**) each, for the Financial Year ended on March 31, 2024.
3. To appoint a Director in place of Mr. Utkarsh Munot (**DIN:** 00049903), who retires by rotation under the provisions of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for reappointment.
4. Reappointment of M/s. Joshi Apte & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office for the second consecutive term of 5 (five) Financial Years from the conclusion of this 44<sup>th</sup> Annual General Meeting of the Company until the conclusion of 49<sup>th</sup> Annual General Meeting 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**the Act**), read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Joshi Apte & Co., Chartered Accountants (Firm Registration No. 104370W), be and are hereby, reappointed as the Statutory Auditors of the Company, for the second consecutive term of 5 (five) years, to hold office from the conclusion of 44<sup>th</sup> Annual General Meeting until the conclusion of 49<sup>th</sup> Annual General Meeting, on a remuneration of Rs. 9,75,000 (Rupees Nine lakh Seventy-Five thousand only), as statutory audit fees for the Financial Year 2024-25, which will increase by 5% (Five) per annum, from next financial year,

during their tenure, plus applicable taxes and reimbursement of out of pocket expenses, and fees for other work, as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. Appointment of Mr. Rohit Rathi (DIN: 00018654) as an Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 (**the Act**), read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 16, Regulation 17, Regulation 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), in accordance with the provisions of Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Rohit Rathi (DIN: 00018654), who was appointed as an Additional Director in the capacity of Non-Executive, Independent Director of the Company, by the Board of Directors with effect from August 6, 2024, for whom the Company has received a notice in writing under Section 160(1) of the Act from a Member and who has submitted a declaration that he meets the criteria of Independence as specified under Section 149 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, of the Act and Regulation 25(8) read with Regulation 16 of the Listing Regulations, be and is hereby, appointed as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a term of 5 (**Five**) consecutive years, commencing from August 6, 2024 to August 5, 2029.”

6. Approval to be granted for Material Related Party Transactions of the Company with its Subsidiary

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

“**RESOLVED THAT** pursuant to the provisions Regulation 23 read with Regulations 2(1)(zb) and 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), the Company's policy on Materiality of and Dealing with Related Party Transactions and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, consent of the Members of the Company, be and is hereby, accorded to enter into the related party transaction(s)/ contract(s)/ arrangement(s)/ agreement(s), with Metacast Auto Private Limited (**Metacast**), a subsidiary of the Company, for giving Loan/ Guarantee/ providing Security or Undertaking, of

an aggregate amount not exceeding Rs. 75,00,00,000 (Rupees Seventy-Five crore only), terms of which shall be at arm's length, as more specifically set out in the explanatory statement to this resolution;

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby, authorised to do all such acts, deeds, and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s), guarantee(s) and such other document(s) as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer of the Senior Management of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever, that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

7. Issuance of equity shares, for an amount not exceeding Rs. 200,00,00,000 (Rupees Two hundred crore only)

**"RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62 (1)(c), 179 and other relevant provisions, if any, of the Companies Act, 2013 (**the Act**), and the Rules made thereunder, including but not limited to the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Securities Contracts (Regulation) Act, 1956, read with the Securities Contracts (Regulation) Rules, 1957, and other applicable laws, statutes, rules, regulations, guidelines, notifications, circulars and clarifications issued/ to be issued thereon by the Government of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India (SEBI), BSE Limited (the Stock Exchange), and/ or any other regulatory/ statutory authorities, under any applicable laws, from time to time (hereinafter singly or collectively referred to as the "Appropriate Authorities") to the extent applicable and subject to the term(s), condition(s), modification(s), consent(s), sanction(s) and approval(s) / of any of the Appropriate Authorities issued/ obtained, from time to time and subject to such conditions and modifications, as may be prescribed by any Appropriate Authorities, while granting such approvals, consents and sanctions or subject to which such approval, consent or sanction may be granted and which are agreed to by the Board of Directors of the

Company (**the Board**) or any modification or correction, in such terms and conditions, as may be prescribed, from time to time and agreed by the Board, approval of the Members, be and is hereby accorded, to the Board and the Board, be and is hereby, authorized to raise funds, by way of issuance of equity shares of the Company (equity shares) through one or more permissible modes, including but not limited to a private placement, preferential issue, qualified institutions placement and/ or by way of issuance and allotment in one or more tranches of private placement or public offerings (including on preferential allotment basis), through prospectus, offer letter, offering circular, offering memorandum, placement document or other permissible/ requisite offer documents, at the option of the Company, to be exercised by the Board, and in such manner and on such terms and condition(s) or such modification(s) thereto as the Board may determine, if required, in consultation with the Lead Manager(s), Arrangers and/ or Merchant Bankers and/ or other advisors or intermediary appointed but subject to applicable laws, provided that the aggregate amount, to be raised by issuance of such equity shares, shall not exceed Rs 200,00,00,000 (Rupees two hundred crore only) with share premium.

**RESOLVED FURTHER THAT** with respect to the issuance of and allotment of equity shares by way of qualified institutions placement, the Board, in consultation with the Lead Manager(s) and/ or Merchant Bankers, may offer a discount of not more than 5% (five percent) or such other percentage as may be permitted under applicable laws on the price, calculated, as per the applicable laws.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to offer, issue and allot the equity shares, subject to such terms and conditions, as the Board may deem fit and/ or proper, in its absolute discretion, including terms for further issue of equity shares and for issue, allotment, disposal of equity shares, which are not subscribed to, by issue of such equity shares to banks, financial institutions, mutual funds or other eligible investors, to determine the terms and conditions of the issue(s), including but without limitation, timing of the issue(s), the class of investors to whom the equity shares are to be issued, number of shares to be offered, number of issues in tranches, issue price, listing, premium/ discount, allotment of equity shares, timing for issuance of such shares and by the Board shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, and/ or change / vary such decisions, subject to applicable laws to finalize, approve and issue any document(s), including but not limited to prospectus, placement document and/ or letter of offer, offering circular, offering memorandum and/ or circular, documents and agreements including filing of such documents (in draft or final form) with any Appropriate Authority or Stock Exchange, and including without limitation to determine terms and conditions, for issuance of such shares, including the number of equity shares that may be offered at discount,

**RESOLVED FURTHER THAT** the Board, be and is hereby, authorised to seek any approval that is required in relation to the issuance, allotment and listing of the equity shares, from any Appropriate Authority or the Stock Exchange, as may be required to do all such acts, deeds, matters and take all such steps as may be necessary or required, including without limitation, appointment of Registered Valuer(s), Lead Manager(s), Merchant Banker(s), and such other intermediaries, as may be required or deemed necessary for that purpose.

**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolution: (a) the equity shares to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and (b) the equity shares to be offered, issued and allotted in terms of this resolution / approval, shall rank pari passu, with the existing equity shares of the Company, in all respects, including but not limited to listing, right to receive dividend, right to vote/voting power and any other right or entitlement of the holders.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of equity shares, the Board, be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things, as it may, in its absolute discretion require or deemed necessary or desirable for that purpose and for entering into and executing arrangements for managing, marketing, listing, trading, to appoint/ engage depositories, custodians, registrars, stabilizing agents, escrow agents, bankers, legal advisors/lawyers, credit rating agencies or any other professionals and execute agreements, appointment letters, required therefore, to amend or supplement thereto, as may be necessary or appropriate and sign all deeds, documents, papers and writings and to pay fees, commissions, remuneration, expenses, relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of equity shares and to take all steps which are incidental and ancillary in this connection,

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised, on behalf of the Company, and to sign and execute or grant power to execute all deeds, documents, undertakings, agreements, papers and/or writings, as may be required in this regard including without limitation, a private placement offer letter(s) [along with the application form(s)], information memorandum, disclosure document(s), placement document(s), placement agreement(s) and any other documents, as may be required, and to settle all questions, difficulties or doubts those may arise, in relation to any stage or from time to time.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to delegate (to the extent permitted by law) all or any of the powers herein conferred to any whole-time director(s), committee(s), executive(s), officer(s) or to any other person duly authorized by the Board to do all such acts, deeds, matters and things, to execute such documents, writings or paper, in relation thereto, as may be necessary or reasonable and to take all such steps as may be necessary, proper or expedient to give effect to this entire resolution and matters connected therewith or incidental thereto, including in relation to utilization of the issue proceeds, as the Board may in its absolute discretion deem fit, without being required to seek further consent or approval of the Members or otherwise, as if express approval for that end, object and intent shall be deemed to have been hereby given/ granted and/ or Members' approval thereto shall be deemed to be expressly granted, "vide this resolution".

By Order of the Board of Directors  
for **ZF Steering Gear (India) Limited**

Satish Mehta  
Company Secretary  
ICSI Membership Number: F3219

**Registered Office:**

**Gat No. 1242 / 44, Village Vadu Budruk,**

**Tal. Shirur, Dist. Pune – 412216**

**CIN: L29130PN1981PLC023734**

**August 10, 2024**

## Notes

1. **The Ministry of Corporate Affairs (“MCA”) has allowed the Companies to conduct Annual General Meeting through video conferencing (“VC”) or other audio-visual means (“OAVM”). In this regard, MCA issued Circular 02/2022 dated May 5, 2022, Circular No. 14/ 2020 dated April 8, 2020, Circular No.17/ 2020 dated April 13, 2020, Circular No.20/ 2020 dated May 5, 2020 and Circular No.02/ 2021 dated January 13, 2021, Circular No. 10/ 2022 dated December 28, 2022, and Circular No. 9/ 2023 dated September 25, 2023 (“MCA Circulars”), prescribing the procedure and manner of conducting the Annual General Meeting through VC/ OAVM. Further, the Securities and Exchange Board of India (“SEBI”) also vide its Circular No. SEBI/ HO/ CFD/ PoD-2/ P/ CIR/ 2023/ 4 dated January 5, 2023 (“SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In compliance with the applicable provisions of the Companies Act 2013 (“the Act”), MCA Circulars and SEBI Circular/ Listing Regulations, the Board of Directors has approved conducting of the 44th Annual General Meeting (AGM) of the Company through VC/ OAVM.**
1. An Explanatory Statement pursuant to Section 102 of the Act, setting out material facts relating to business under item numbers 4, 5, and 6 to be transacted at the meeting, is annexed hereto and forms part of this Notice.
2. As the AGM shall be conducted through VC/ OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Brief profile of Mr. Utkarsh Munot, Director of the Company, seeking re-appointment, as stipulated under Regulation 36 of the Listing Regulations, and Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India, from time to time, as provided for under Section 118(10) of the Act, are given in the annexure to the Notice of the Annual General Meeting.
4. In terms of provisions of Section 107 of the Act, the resolutions as set out in the notice are being conducted through e-voting, and therefore the said resolutions will not be decided on a show of hands at the AGM.
5. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Institutional/ Corporate Members (i.e. other than individuals, Hindu Undivided Family (**HUF**), Non-Resident Indians (**NRI**), etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or Governing Body Resolution/ Authority Letter etc., authorizing its representative(s) to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting and e-voting at AGM. The said resolution/ Authority Letter shall be sent through its registered email address to [cs@siut.in](mailto:cs@siut.in) with a copy marked to [helpdesk.evotingindia@cdslindia.com](mailto:helpdesk.evotingindia@cdslindia.com).
7. In case of any queries regarding the Annual Report or any matter to be placed at the AGM, Members are requested to write to us at least ten (10) days before the AGM through email on [investor@zfindia.com](mailto:investor@zfindia.com). The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
8. Non-resident Indian Members are requested to inform immediately about the following to the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be:
  - a. The change in the residential status on return to India for permanent settlement
  - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
9. The SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in the dematerialized form are, therefore, requested to submit their PAN details to their DPs.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. The dividend, as recommended by the Board of Directors, if declared at the 44th AGM, will be paid within 30 days from Tuesday, September 10, 2024, i.e. date of AGM, to those Members who hold shares in physical form and whose name appears on the Company's Register of Members as holders of Equity Shares on September 3, 2024 and in respect of shares held in electronic form, to the Beneficial Owners of the shares as at the close of business hours on September 3, 2024, as per details to be furnished by respective depositories.
12. Pursuant to the Finance Act 2020, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source (**TDS**) from dividend paid to the Members at prescribed rates as per Income Tax Act, 1961 (**the IT Act**). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, Permanent Account Number (**PAN**), Category as per the IT Act with their Depository Participants (**DPS**) for shares held in electronic form and in case shares are held in physical form, with the Company by sending relevant documents by September 3, 2024.
13. 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 2015-16 have been transferred to the IEPF. Unclaimed dividend for FY. 2016-17, is due for transfer in September 2024. Members who have not yet claimed the dividend warrants for financial years 2016-17, and thereafter are requested to contact the Company at the earliest.

14. 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.
15. 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](http://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.
16. It is in the Member's interest to claim any unclaimed 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.
17. 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](http://www.mca.gov.in) and on the website of the Company viz. <http://www.zfindia.com/unclaimed-dividend.php>.
18. Members holding shares in dematerialized form are requested to update/ intimate all changes, if any pertaining to their bank details such as name of the bank and branch address, bank account number, MICR Code, IFSC Code, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, Permanent Account Number (PAN), nominations, power of attorney, change of address, change of name, email address, contact numbers, mobile number, etc., to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd., Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune -411001. The requisite forms for Investor Service Request are available on the Company's Website <http://www.zfindia.com/investor-service-request.php>.
19. Members can avail the facility of Nomination in respect of securities held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form duly filled – in to Company's RTA. The nomination forms can be obtained from RTA. Members holding shares in dematerialized form may contact their Depository Participant for availing this facility.

20.

**As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred/ transmitted only in dematerialized form with effect from January 25, 2022. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd. Further, the requisite forms for Investors' Service Requisition were sent to the physical shareholders' at their registered address and the said forms are also available on the website of the Company <http://www.zfindia.com/investor-service-request.php>.**

21. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate.
22. The statutory documents (i.e., The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
23. The Register of Members of the Company shall remain closed from September 4, 2024 to September 10, 2024 (both days inclusive).
24. A person, whose name is recorded in the register by the depositories as on the cut-off date i.e. Tuesday, September 3, 2024, only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM. The remote e-voting period commences from Saturday, September 7, 2024 (9:00 a.m. IST) and ends on Monday, September 9, 2024 (5:00 p.m. IST).
25. M/s. SIUT & Co., LLP, Company Secretaries, has been appointed as the Scrutinizers to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner. The Members who have cast their votes by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their votes again. The scrutinizer shall close



the e-voting facility after expiry of 15 minutes from the conclusion of voting at the AGM. The scrutinizer shall first count the votes casted electronically at the meeting and there after unblock the votes cast through remote e-voting and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizers' report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

26. The results declared along with the report of the scrutinizer shall be placed on the website of the Company <http://www.zfindia.com/> and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited where the shares of the Company are listed.
27. In compliance with the aforesaid MCA Circulars and the SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report 2023-24, is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2024-25, will also be available on the Company's [www.zfindia.com](http://www.zfindia.com), websites of the Stock Exchanges i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
28. The Notice calling the AGM has been uploaded on the website of the Company at [www.zfindia.com](http://www.zfindia.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
29. To support the 'Green Initiative', members who have not registered/ updated their email addresses and mobile number are requested to register/ update 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.
30. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.

#### **Instructions for Remote Electronic Voting (Remote E – Voting) and E – Voting during AGM and joining AGM through VC/ OAVM:**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated May 5, 2022, April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (**CDSL**) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. Pursuant to Para 3, Part A, Sub – Para X of the MCA Circular No. 14/ 2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.

## THE INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:

**Step 1** : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on September 7, 2024, 9:00 am IST and ends on September 9, 2024, 5:00 pm (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 3, 2024, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to the SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (**ESPs**) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of **SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by the Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to the aforementioned SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>1) If the user is not registered for Easi/Easiest, option to register is available CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>2) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If users are already registered for NSDL IDeAS facility, the said users are requested to visit the e-Services website of NSDL, Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, users shall click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. Users will have to enter their User ID and Password. After successful authentication, users will be able to see e-Voting services. Users shall click on “Access to e-Voting” under e-Voting services and they will be able to see e-Voting page. Further Users are instructed to click on company name or e-Voting service provider name and user will be re-directed to e-Voting service provider website for casting his/ her vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Users are requested to Visit the e-Voting website of NSDL and Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. Users will have to enter their User ID (i.e. sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, they will be redirected to NSDL Depository site wherein users can see e-Voting page. Click on company name or e-Voting service provider name and users shall be redirected to e-Voting service provider website for casting their vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	Users can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After Successful login, they will be able to see e-Voting option. Users are requested to click on e-Voting option, they will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein they can see e-Voting feature. Click on company name or e-Voting service provider name and the users shall be redirected to e-Voting service provider website for casting their vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at the aforementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) first-time users are requested to follow the steps given below:

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

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Please note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(ix) Users are requested to click on the EVSN for the relevant <ZF Steering Gear (India) Ltd.> on which they shall choose to vote.

(x) On the voting page, users will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired.

The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Users shall click on the “RESOLUTIONS FILE LINK” if they wish to view the entire Resolution details.

(xii) After selecting the resolution, users have decided to vote on, they shall click on “SUBMIT”. A confirmation box will be displayed. If users wish to confirm their vote, they shall click on “OK”, else to change their vote, click on “CANCEL” in order to modify their vote.

(xiii) Once users “CONFIRM” their vote on the resolution, they will not be allowed to modify the same.

(xiv) Users can also take a print-out of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote e-Voting Only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: [investor@zfndia.com](mailto:investor@zfndia.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



## INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/ OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investor@zfindia.com](mailto:investor@zfindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at [investor@zfindia.com](mailto:investor@zfindia.com). These queries will be resolved by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/ OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company** at [investor@zfindia.com](mailto:investor@zfindia.com) or to RTA at [pune@linkintime.co.in](mailto:pune@linkintime.co.in).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

**If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact toll free no. 1800 22 55 33.**

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.



## Annexure to the Notice of the Annual General meeting (AGM)

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

The following Statement sets out the material facts, relating to the Item No. 4 and Special Business mentioned in the Notice, as per the provisions of Section 102 of the Companies Act, 2013 (hereinafter referred to as **the Act**), and contents required disclosures, under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **the Listing Regulations**).

#### Item No. 4

M/s. Joshi Apte & Co., Chartered Accountants (Firm Registration No.: 104370W) were appointed as the Statutory Auditors of the Company with effect from 39<sup>th</sup> Annual General Meeting till the conclusion of this 44<sup>th</sup> Annual General Meeting (**AGM**) of the Company. In terms of provisions of Section 139 of the Act, a listed company can appoint an audit firm as Statutory Auditors for two terms of five consecutive years. In furtherance of the same, the reappointment 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, commencing from the conclusion of this 44<sup>th</sup> AGM till the conclusion of 49<sup>th</sup> AGM, is recommended by the Audit Committee and the Board of Directors of the Company, after due consideration of their qualifications and experience.

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.

Pursuant to Section 139 of the Act read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, the Company has received written consent from M/s. Joshi Apte and Co., Chartered Accountants, to be reappointed as the Statutory Auditors of the Company along with a certificate stating that:

- They are eligible for reappointment and are not disqualified to be reappointed as the 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, the Chartered Accountants Act, 1949, and the Rules or Regulations made thereunder;
- The proposed appointment is as per the term provided under the Act;
- The proposed appointment is as per the limits specified under the Act;

- There are no proceedings against the firm with respect to professional matters of conduct; and
- That they satisfy the criteria specified under Section 141 of the Act.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the said transaction.

The Board recommends the **Ordinary Resolution** set forth at Item No. 4 for approval of the Members.

#### Item No. 5

Pursuant to the provisions of Section 149, 150, 151, 152 and Section 178 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Meeting of Board and its Powers) Rules, 2014, along with Schedule IV to the Act, Regulation 16, Regulation 17, and Regulation 25 of the Listing Regulations, and based on the recommendations of the Nomination and Remuneration Committee in terms of Regulation 19 read with Para A of Part D of Schedule II to the Listing Regulations, and subject to the Remuneration Policy and the Articles of Association of the Company, Mr. Rohit Rath (DIN: 00018654) was appointed as an Additional Director, in capacity of Non-Executive, Independent Director, by the Board of Directors, at their Meeting held on August 6, 2024, for five consecutive years with effect from August 6, 2024 to August 5, 2029, which is subject to the approval of the Members of the Company. Pursuant to the provisions of Section 161 of the Act, Mr. Rath holds office up to the date of Annual General Meeting (**AGM**) of the Company and is eligible to be appointed as a director.

The Company has received a Notice in writing, under Section 160 of the Act, from a Member proposing the candidature of Mr. Rath, as a Director of the Company.

Pursuant to the Explanation to Section 152(6) of the Act, the period of office of Mr. Rath, as an Independent Director of the Company, shall not be liable to determination by retirement of directors by rotation at every AGM.

Currently, Mr. Rath is Managing Director of Rhodenum Private Limited, from October 2018.

Mr. Rohit Rath has completed Bachelor of Science in Chemical Engineering from North Carolina State University, USA and Master in Business Administration (**MBA**) from Duke University, USA. He has worked with PricewaterhouseCoopers, Atlanta, as a Management Consultant for 2 years. He has also worked as one of the business heads at Sudarshan Chemical Industries Limited, for 6 years. His previous venture spanning over a decade involved starting a master-batch company called Prescient Color Limited.

As stipulated in proviso to Section 152(5) of the Act, in the opinion of the Board, Mr. Rath meets the criteria of independence as stipulated under Section 149(6) of the Act and Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, framed there under and Regulation

25(8) read with Regulation 16 of the Listing Regulations and that he is independent of the management. Mr. Rathi is entitled to sitting fees for attending the meetings of the Board and its Committee(s).

In compliance with Section 150 of the Act and the Rules framed there under, Mr. Rathi has registered himself with the Indian Institute of Corporate Affairs (IICA) and his name is included in the data bank maintained by the IICA.

Necessary information in compliance with Regulation 36(3) of the Listing Regulations and Secretarial Standard – 2 (SS-2) issued by the ICSI, relating to Mr. Rathi has been provided separately in a table.

The necessary documents relating to Mr. Rathi's appointment shall be open for inspection, by the Members, at the Registered Office of the Company.

Considering the knowledge and experience of Mr. Rathi, the Board is of opinion that the appointment of Mr. Rathi as an Independent Director of the Company shall be of immense benefit to the Company.

Apart from Mr. Rohit Rathi and his relatives, to the extent of their shareholding, none of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the said transaction.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 25 of the Listing

Regulations, the appointment of Mr. Rathi as an Independent Director is now being proposed before the Members for their approval by way of a **Special Resolution**.

The Board recommends the **Special Resolution** set forth at Item No. 5 for approval of the Members.

#### Item No. 6

Metacast Auto Private Limited (**Metacast**), subsidiary of the Company, has availed loans from its Promoters and credit facilities from Bank, for which guarantee/ security/ undertaking has been provided by the Promoters. These funds have been utilized by Metacast for capital expenditure, more particularly for manufacture of castings.

Metacast is about to start its Commercial Production. Metacast would require additional funds during initial phase of operations. The Company may give loan/ guarantee/ provide security to Metacast of an aggregate amount not exceeding Rs. 75,00,00,000 (Rupees Seventy-Five crore only), which would become Material Related Party Transaction in terms of Regulation 2(1)(zc)(i) read with Regulation 23 of the Listing Regulations. In accordance with the provisions of Regulation 23 of the Listing Regulations, approval of the Members is sought for these material related party transactions. Material transactions are transactions with a related party, in a financial year, exceeding 10% of the annual consolidated turnover, as per the last Audited Financial Statements of the Company. Metacast, being a subsidiary of the Company, is treated as a Related Party.

The details of transactions as required under Regulation 23(4) of the Listing Regulations read with Section III-B of the SEBI Master Circular bearing reference no. **SEBI/HO/ CFD/PoD2/CIR/P/2023/120** dated July 11, 2023 are set forth herein below:

Sr. No.	Particulars	Details
1	<b>Type, material terms and particulars of the proposed transaction;</b>	Giving of Loan to and/ or giving Guarantee/ Security/ and/ or letter of Comfort, for loan which may be taken by the Subsidiary of the Company.
2	<b>Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);</b>	<b>Name of the Related Party:</b> Metacast Auto Private Limited ( <b>Metacast</b> ) <b>Relationship:</b> Subsidiary of the Company
3	<b>Value of the proposed transaction;</b>	Not exceeding Rs. 75,00,00,000 (Rupees Seventy-Five crore only)
4	<b>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);</b>	The proposed ceiling of Rs. 75 crore in aggregate of transactions is 15.70% of the Annual Consolidated Turnover of the Company for the Financial Year 2023-24. <b>Percentage of the subsidiary's turnover:</b> Not Applicable, as Metacast is yet to commence commercial production.

Sr. No.	Particulars	Details
5	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Yes.
	a. details of the source of funds in connection with the proposed transaction;	The Company may give loans to Metacast from its own funds/ internal accruals.
	b. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments;	Not Applicable
	c. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	i. <b>Tenure:</b> 7 years (maximum) ii. <b>Interest Rate:</b> Repo Rate + 2.4% iii. <b>Repayment:</b> Repayment shall be as per the terms, mutually agreed between the parties, but without pre-payment premium or penalty. iv. <b>Whether Secured/ Unsecured:</b> Unsecured
	d. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	The funds will be utilized by Metacast for procurement of raw material required for Manufacture of Castings and for Working Capital.
6	Justification as to why the RPT is in the interest of the listed entity;	Metacast is the Company's Subsidiary, set up in order to ensure uninterrupted supply of castings required by the Company's Wholly-Owned Subsidiary, DriveSys Systems Private Limited. It is proposed to grant loan to Metacast from available funds and internal accruals.

The proposed related party transaction of the Company with its subsidiary is at arm's length basis and as per the provisions of the Act and other applicable laws.

Further, the proposed related party transaction set out in the Notice was approved by the Audit Committee, including the Independent Directors thereon, and the Board of Directors of the Company.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the said transaction.

The Board recommends the **Ordinary Resolution** set forth at Item No. 6 for approval of the Members.

#### Item No. 7

The Board of Directors (**the Board**), at its meeting held on August 10, 2024, has decided raising of funds, inter alia, by way of issuance of equity shares through permissible modes, including but not limited to a private placement, preferential issue, qualified institutions placement and/ or by way of issuance and

allotment in one or more tranches of private or public offerings (including on preferential allotment basis) through prospectus/ offer letter/ offering circular/ offering memorandum, placement document and/ or other permissible/ requisite offer documents for an aggregate amount of Rs. 200,00,00,000 (Rupees two hundred crore only), with share premium, subject to receipt of approval of the Members.

Funds are planned to be raised to make resources available for the projects, being undertaken/ planned by the Company and/ or under the Company's subsidiaries. This increase in paid-up share capital of the Company, will provide the Company a pool of growth capital, for expanding its businesses, including of its subsidiaries. This exercise will also help the Company in maintaining its long-term growth trajectory and remaining ahead, whilst navigating the rapidly changing dynamics of the sector. Proper capitalization will allow the Company to efficiently take advantage of business opportunities and effectively compete in its fields of operations. Hence, the Board believes that necessary approvals of the Members of the Company shall now be obtained, for accessing various opportunities for growth capital/ fund raising, at this juncture and be ready in planned manner to take advantage of emerging growth opportunities.

The detailed terms and conditions of such issuance will be determined by the Board (including any Committee thereof), considering prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, merchant bankers and such other intermediaries, as may be necessary and subject, as applicable, as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (**ICDR Regulations**) and other applicable law, guidelines.

The issue of equity shares may be consummated in one or more tranches at such time or times, at such price, as may be determined by the Board (including any Committee thereof) in its absolute discretion, taking into consideration prevailing market conditions and other relevant factors subject, as applicable, to the ICDR Regulations and other applicable law, rules, regulations, guidelines and notifications. The Company is yet to identify the investor(s) and decide the quantum of shares to be issued to them.

This proposed enabling Special Resolution seeks to confer upon the Board (including any Committee thereof) the absolute discretion to issue such equity shares, wherever necessary in consultation with advisors, lead managers and such other intermediary, consultants or advisors, as may be required. Such issue(s) of the equity shares may be in one or more tranches, as may be determined by the Board, including but not limited to the terms of the aforementioned issuance of shares, appointment of registered valuer/s for determining the price(s), discount, proportion and timing of such issuance, based on analysis of the specific requirements or circumstances prevalent from time to time.

Accordingly, the Board (including any Committee thereof) may, in its discretion, adopt any one or more of the mechanisms prescribed above, to meet its objectives, as stated above, without the need for fresh approval from the Members of the Company.

The relevant date (where applicable) for the purpose of pricing the equity shares shall be the date of the meeting in which the Board or any Committee duly authorised by the Board decides to open the issue of such equity shares, in terms of the applicable laws. For the purposes of clarity, in the event that the equity shares are issued by way of a Qualified Institutional Placement (**QIP**), the relevant date for the purpose of pricing of such shares shall be the date of the meeting in which the Board/ its committee decides to open the issue of such shares. Issuance of shares may result in the issuance of such shares to investors, who may or may not be the members, of the Company. Therefore, consent of the Members is being sought, for passing this Special Resolution, as set out in the Notice, pursuant to applicable provisions, of the Companies Act, 2013, (**the Act**) and any other law for the time being in force and being applicable and in terms of the provisions of the Listing Regulations.

With respect to the issuance of and allotment of equity shares, by way of qualified institutional placement, the Board, in consultation with the lead manager(s) and/ or merchant bankers/ Bankers to the issue, may offer a discount of not more than 5% (five percent) or such other percentage, as may be permitted, under applicable law on the price, calculated, as per applicable Law, Rules and Regulations.

In connection with the proposed issue of equity shares, the Company is required, inter alia, to prepare various documentation and execute various agreements. Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of shares, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company, including deployment of proceeds of issue(s). Accordingly, approval of the Members is being sought for issuing equity shares by such permissible mode, as the Company may deem appropriate to persons/parties, including other than the existing shareholders/Members.

The Board believes that the issue of equity shares of the Company is in the best interest of the Company and none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 7 of the Notice, except to the extent of their shareholding, if any, and to the extent of any equity shares that may be subscribed by the companies/ institutions, in which they are directors or members.

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

By Order of the Board of Directors  
for **ZF Steering Gear (India) Limited**

Satish Mehta  
Company Secretary  
ICSI Membership Number: F3219

**Registered Office:**  
**Gat No. 1242/ 44, Village Vadu Budruk,**  
**Tal. Shirur, Dist. Pune – 412216**  
CIN: L29130PN1981PLC023734  
**August 10, 2024**

Profile of the Directors being appointed/ reappointed, as required under Regulation 36(3) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, on General Meetings issued by The Institute of Company Secretaries of India, pursuant to Section 118(10) of the Companies Act, 2013.

**Brief Profile of Mr. Utkarsh Munot and Mr. Rohit Rath**

Name of the Director	Mr. Utkarsh Munot	Mr. Rohit Rath
<b>DIN</b>	00049903	00018654
<b>Designation</b>	Managing Director	Non-Executive, Independent Director
<b>Age</b>	43 Years	49 Years
<b>Date of Appointment</b>	October 31, 2006.	August 6, 2024
<b>Qualification</b>	B.E. (Mech. and Mfg.) and Diploma in Business Administration from North eastern University, Boston, U.S.A.	Master in Business Administration (MBA), Duke University, USA Bachelor of Science in Chemical Engineering, North Carolina State University, USA.
<b>Experience</b>	Mr. Utkarsh Munot was working as 'Manager Works' in the Company since May 14, 2004. He was appointed as 'Executive Director' of the Company from October 31, 2006. He was appointed as 'Whole-time Director & Chief Executive Officer' on May 19, 2016. He took charge as the Managing Director of the Company with effect from August 1, 2019.	Currently, Mr. Rohit Rath is Managing Director of Rhodenum Private Limited, from October 2018. Mr. Rath has worked at PricewaterhouseCoopers, Atlanta, as a Management Consultant for two years and later he was as one of the business heads at Sudarshan Chemical Industries Limited for six years. His previous venture spanning over a decade involved starting a master-batch company called Prescient Color Limited.
<b>Expertise (in specific functional areas)</b>	Management & Strategy, Operations & Engineering, Business Development, New Projects, Sales & Marketing and related other areas.	Top Management, Strategies, Entrepreneurship etc.
<b>Directorships held in other Companies</b>	DriveSys Systems Private Limited NexSteer Systems Private Limited Emtech Solutions Private Limited Yelben Engineering Private Limited Indo-Bio Active Labs Private Limited	Rhodenum Private Limited
<b>Membership of the Committees (in the Company)</b>	Audit Committee Stakeholders' Relationship Committee Corporate Social Responsibility Committee	Not Applicable
<b>Membership of the Committees (Others)</b>	Executive Committee Member of ACMA and Management Committee Member of Indira Institute of Management, Pune.	Nil



<b>No. of Equity Shares held in the Company</b>	25,91,494 equity shares of Rs. 10 each	Nil
<b>Number of Board Meetings attended for the Financial Year 2023-24</b>	Four out of Four.	Not Applicable
<b>Relationship Between Directors/ KMP inter-se</b>	Mr. Utkarsh Munot is son of Mr. Dinesh Munot - Chairman and Whole-Time Director of the Company.	Nil

By Order of the Board of Directors  
for **ZF Steering Gear (India) Limited**

Satish Mehta  
Company Secretary  
ICSI Membership Number: F3219

**Registered Office:**  
**Gat No. 1242 / 44, Village Vadu Budruk,**  
**Tal. Shirur, Dist. Pune – 412216**

CIN: L29130PN1981PLC023734  
**August 10, 2024**

# **BOARD'S REPORT**

## Board's Report

### To the Members,

The Board of Directors (**the Board**) is delighted to present 44<sup>th</sup> Annual Report on the business and operations of ZF Steering Gear (India) Limited (**the Company**) along with the summary of Standalone and Consolidated financial statements for the financial year (**FY**) ended on March 31, 2024.

### I) Performance Review and state of the Company's affairs

(Rs. in crore)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from Operations and other Income	515.60	464.41	512.11	463.71
Profit before Depreciation and Tax	89.44	69.38	85.58	68.48
Depreciation and Amortization Expenses	33.40	32.18	33.71	32.18
Profit before Tax (PBT)	56.04	37.20	51.87	36.30
Tax Expense	8.32	11.76	8.19	11.76
Profit for the year	47.72	25.44	43.68	24.54
Other comprehensive Income	0.38	(0.97)	0.38	(0.97)
Total Comprehensive Income for the year	48.10	24.47	44.06	23.57
Balance of Profit Brought Forward from previous year	172.84	148.37	171.94	148.37
Transfer to General Reserve	Nil	Nil	Nil	Nil
Closing balance as per the Profit and Loss Statement c/f	216.40	172.84	211.47	171.94
Earnings Per Share Basic and Diluted (Rs.)	52.59	28.04	48.14	27.05

### II) Dividend

The Board is pleased to recommend a Dividend of Rs. 8 per equity share, having face value of Rs. 10 each, for the Financial Year ended on March 31, 2024, subject to the approval of the Members at 44<sup>th</sup> Annual General Meeting. In the previous year, the Company paid a dividend of Rs. 5 per equity share, having face value of Rs. 10 each.

### III) Share Capital

During the year under review, there was no change in the paid-up capital of the Company.

As on March 31, 2024, the paid-up share capital of the Company stood at Rs. 9,07,73,000 (Nine crore Seven Lakh Seventy-Three Thousand only), comprising 90,73,300 (Ninety Lakh Seventy-Three Thousand and Three Hundred) equity shares of face value of Rs. 10 fully paid-up. Out of the above, the Promoters held 60,94,198 equity shares comprising 67.2% of the equity share capital of the Company.

During the year, the Authorised Share Capital of the Company was increased from Rs. 10 crore comprising 1 crore equity shares of Rs. 10 each to Rs. 20 crore comprising 2 crore equity shares of Rs. 10 each.

### IV) Consolidated Financial Statements

#### Subsidiaries, Associates and Joint Ventures

The Company has prepared Consolidated Financial Statements for the Financial Year ended on March 31, 2024, in addition to the Standalone Financial Statements, as there were three Subsidiaries of the Company as of March 31, 2024.

The detailed information on Subsidiaries of the Company along with Loans and Investments made therein is provided under the para 'Investment in Subsidiaries' of the Management Discussion and Analysis Report, forming part of this Report. Form AOC-1 is attached to the Consolidated Financial Statements for the Financial Year ended on March 31, 2024, forming part of this Annual Report, giving key financials of the subsidiaries.

The Company did not have any Associate Company as of March 31, 2024.

## V) Management discussion and Analysis

### 1. Indian Economy

#### FY 2023-24 (the year under review)

India is now the world's fifth largest economy in terms of nominal **GDP** (Gross Domestic Product) and the third largest in terms of Purchasing Power Parity (**PPP**). As per the Economic Survey for FY 2023-24 released in July 2024 by Ministry of Finance, India's real GDP grew by 8.2% for FY 2023-24, posting a growth of over 7% for third consecutive year. With this, India has further consolidated its position as the fastest growing major economy. One of the major contributors to the growth rate was Manufacturing sector.

#### FY 2024-25 (Outlook)

The Government is expecting real GDP growth of 6.5%-7% in FY 2024-25. IMF (International Monetary Fund) too, had recently raised India's GDP growth forecast for FY 2024-25 to 7%.

Major factors propelling economic growth in India are robust private consumption growth, robust investment activity, increased foreign direct investments (FDI) in various sectors (including Automobiles) and manufacturing resurgence, thanks to initiatives like 'Make in India' program and PLI schemes. India is fast emerging as an attractive alternative destination for manufacturing.

Reserve Bank of India (**RBI**) has highlighted risks of geopolitical tensions, volatility in international financial markets, geo-economic fragmentation, rising Red Sea disruptions and extreme weather events, which may operate as headwinds to the economic growth.

### 2. Industry Overview

#### Number of Commercial Vehicles (CV) Sold

Your Company caters to requirements of steering gear systems for a range of Commercial Vehicles (including buses) and Tractors. The Company's Power Steering Systems are fitted on Commercial Vehicles as well as some models of Tractors having less than 45 HP. Mechanical Steering Gear Systems of the Company are fitted on various types of Tractors.

The overall Commercial Vehicle sales dropped to 10.34 lakh units in FY 2023-24, as compared to 10.41 lakh units in FY 2022-23, registering decline of 0.7%. Sales of Medium and Heavy Commercial Vehicles increased from 3.81 lakh to 3.91 lakh units (2.7% increase) and Light Commercial Vehicles dipped from 6.60 lakh to 6.42 lakh units (2.7% decrease) in FY-2023-24, compared to the previous year. **(Source: SIAM)**

Decline in sales of Commercial Vehicles was due to the base effect, coupled with perceived slowdown in the infrastructure activities ahead of the implementation of the Model Code of Conduct for the General Elections held in 2024. Moreover, Light Commercial Vehicles Segment faced volume contraction owing to continued slowdown in the e-commerce demand and due to some market share captured by Three-Wheeler Electric Vehicles.

### 3. Company Overview

#### Your Company Sales: (Numbers)

Type	FY 2023-24	FY 2022-23	Growth
Power Steering	3,30,058	2,43,858	35.3%
Mechanical Steering	49,686	43,520	14.2%

### 4. Renewable Energy

#### Solar Energy

The Company's 5 MW Solar Power Project at Gujarat Solar Park, Charnka Village, District Patan (Kutch), Gujarat, generated 0.74 crore Units of Electricity with sales-revenue of Rs. 7.94 crore in the FY 2023-24. The entire electricity is purchased by Gujarat Urja Vikas Nigam Limited (**GUVN**), a Government of Gujarat Company, in terms of the multi-year Power Purchase Agreement.

The Company's rooftop solar project, situated at its Vadu Budruk plant, generated around 0.09 crore units of electricity in FY 2023-24, which are captively consumed in the said plant.

#### Wind Energy

Wind Turbine Machines, owned and operated by the Company, located in districts of Satara, Ahmednagar and Aurangabad, having aggregate capacity of over 8.10 MW generated a total of 1.07 crore units in FY 2023-24. Out of this, 0.65 crore units were used as captive consumption, which accounted for approximately 42.4% per cent of the energy-consumption of the Company's factory at Village Vadu Budruk, and remaining 0.42 crore units were sold to Maharashtra State Electricity Board.

### 5. Financials of the Company

#### Revenue from Operations

During the financial year under review, revenue from sales of auto-components, that is Steering Gear Systems and its components, went up by 6.3%, and

Revenue from Renewable Energy declined by 2.2%. Consequently, Total Revenue from Operations went up by 6.1%.

### Finance Cost

Finance cost was Rs. 0.91 crore (1.6% of PBT) for FY 2023-24 (compared to Rs. 0.72 crore (1.9% of PBT) in FY 2022-23.

### Other Income

During the year under review, Other Income was Rs. 37.78 crore as against Rs. 13.98 crore in the Financial Year 2022-23. Other Income (mainly) is aggregate of the realised gains during the financial year, on sale of financial investments & investment property during the year and the unrealised gains, based on mark to market valuation as of March 31, 2024, on the financial investments held as of that date. For details of Other Income, kindly refer to Note No. 16 to the Financial Statements.

### Financial Investments

As of March 31, 2024, Financial Investments of the Company stood at Rs. 142.12 crore as against Rs. 155.46 crore as of March 31, 2023. Both the amounts reflect the fair/ market value of the financial investments held by the Company, at the end of the respective financial years, apart from the bonds and equity investments in the subsidiaries held by the Company, which are valued at cost. For complete list of Investments held by the Company at year-end, kindly refer to Note No. 5[a] of the Financial Statements.

### Profitability

In view of the surge in the Other Income, as explained above, Profit before Tax soared to Rs. 56.04 crore for FY 2023-24, in comparison to Rs. 37.20 crore for FY 2022-23. Profit for the year (after tax) is Rs. 47.72 crore (up 88%) and Total comprehensive income was Rs. 48.10 crore (almost doubled). Earnings per share was Rs. 52.59.

## 6. Credit Rating

In the Month of May 2024, ICRA – the Credit Rating Agency, retained the Credit Rating, in respect of the various credit facilities sanctioned to the Company, as **A+** for Long Term Fund based and Non-Fund based Credit Facilities and **A1+** for Short Term Non-Fund Based Credit Facilities. Further, the outlook on ratings of the Long Term Credit facilities was also retained as 'Stable'.

## 7. Key Financial Ratios

In accordance with Regulation 34 read with Schedule V, Part C to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (the Listing Regulations), the key financial ratios are as under:

Particulars	FY 2023-24	FY 2022-23
Debt Equity Ratio (in times)	0.07	0.10
Inventory Turnover Ratio (in times)	7.48	7.54
Interest Coverage Ratio (in times)	62.58	52.67
Debtors Turnover Ratio (in times)	4.67	4.57
Current Ratio (in times)	2.44	2.04
Operating Profit Margin(%)	11	12
Net Profit Margin(%)	10	5.6

### Debt Equity Ratio:

Improvement in Debt equity ratio is attributable to reduction in Borrowings and increase in Net Worth, compared to previous year.

### Net Profit Margin:

Net profit Margin has spiraled up mainly due to Other Income.

## 8. Return on Net Worth

Particulars	FY 2023-24	FY 2022-23
Return on Net Worth (%)	10.8	6.3

The return on net worth spiraled up due to increase in Profit for the year/ Net Profit by Rs.22.28 crore, due to better return on investments of the Company.

## 9. Segment wise Profitability

Auto-Components Segment reported Profit before Tax (PBT) of Rs. 14.91 crore. Renewable Energy Segment reported PBT of Rs. 10.06 crore and PBT from other (Un-allocable) segment/ Other Income was Rs. 31.07 crore.

## 10. Outlook, Opportunities and Threats

### Indian economy vis-à-vis Commercial Vehicle (CV) Industry (Forecast)

As the dealers are carrying higher inventory, Commercial vehicle (CV) sales in India are likely to marginally decline in financial year 2024-25 (FY25) in volume by 4-7 per cent, according to ICRA - the Rating Agency.

Demand is expected to pick up in the second-half of the financial year.



## VI) Communication received from ZF Friedrichshafen AG

As reported earlier, the Company had received a communication dated 19 October 2022, from ZF Friedrichshafen AG ('ZF AG'), regarding alleged infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and amongst other alleged demands, ZF Friedrichshafen AG, has claimed a sum of Rs.100 crores in damages from the Company. The Company continues to be of the opinion that, it has not committed any act of infringement and/or passing off, in any manner whatsoever. The Company vide communication dated 12 April 2023, had sent a detailed reply to ZF Friedrichshafen AG. The allegations of ZF Friedrichshafen AG and/or ZF India Private Limited are neither accepted nor acceptable to the Company. The Company has also sent a letter to certain affiliates of ZF Friedrichshafen AG, to cease and desist the use of the name "ZF" and/or "ZF India", in relation to certain products, as per the terms of the No-Objection Letter dated 28 July 2006, issued by the Company to ZF Friedrichshafen AG. In addition to the same, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune. This disclosure is made, without prejudice to the rights of the Company and only in order to comply with the applicable disclosure requirements to the Company, as a listed entity.

## VII) Strategic Initiatives, Expansion and Capital Expenditure

### 1. Investment in Subsidiaries

The Company, as a strategy, has chalked out an Expansion Plan, by way of backward integration, mainly for manufacturing of some of the key components, required for the Company's end product i.e. Steering Gear Systems. This backward integration is being undertaken through its three subsidiaries.

Names of the Subsidiaries are:

- (i) DriveSys Systems Private Limited (**DriveSys**)
- (ii) NexSteer Systems Private Limited (**NexSteer**)
- (iii) Metacast Auto Private Limited (**Metacast**)

#### DriveSys – Wholly Owned Subsidiary

DriveSys has been formed to ensure in-house reliable source of supply of semi-finished components required for the Company's existing business line. External market is planned to be tapped once internal requirement is fulfilled. DriveSys manufactures Machined Components viz. housing machining, sector shaft machining, piston machining, oil tanks, plastic injection moulding, Steering Pump Assembly etc.

As of March 31, 2024, your Company has invested, in DriveSys, Rs. 8 crore by way of capital and Rs 19.17

crore by way of loans. DriveSys has also availed Rs. 27.49 crore loan from a bank at the year-end.

DriveSys, under its Phase I Program, has commenced commercial production from the Month of March 2024. Thereafter, it has rammed up its operations with additional set of Machinery from the Month of June 2024.

Phase II of DriveSys is expected to be completed by end of March 2026. Estimated additional investment in DriveSys is expected to be around Rs. 100 crore, over a period of 2 years, which will be funded through loans from your Company/ banks. In Phase II, Metacast - your Company's another subsidiary will partner DriveSys as its Captive Process Vendor for supply of castings required by DriveSys, for manufacturing of machined components. This would ensure reliable source of supply of castings to DriveSys.

#### Metacast – 51% Subsidiary and Joint-Venture

Metacast, formed in May 2023, is a Joint-Venture with Supreme Iron (India) Private Limited. It is in the foundry business.

As stated above, Metacast will operate as the Captive Process Vendor (**CPV**) for DriveSys for supply of castings. The estimated outlay for Metacast is around Rs. 50-60 crore to be infused by the promoters of Metacast and loan from Bank.

Your Company has invested Rs. 2.55 lakh by way of 51% equity participation. As of March 31, 2024, Metacast has availed Loans from (both) the Promoters of Rs. 20.37 crore. Additionally, Metacast has availed bank-loans of Rs 10.16 crore.

Factory building is almost ready. Most of the machineries have arrived and are installed/ being installed. Metacast is expected to commence production by end of September 2024.

#### NexSteer - Wholly Owned Subsidiary

Total project cost for NexSteer is Rs. 25 crore. Construction work for the factory is delayed and the same is expected to be completed by December 2024.

As of March 31, 2024, your Company has invested Rs. 0.8 crore in equity share capital of NexSteer. Further, your Company has also given Loan of Rs. 13.03 crore to NexSteer.

### 2. Capital Expenditure

In the current Financial Year, your Company has planned Rs 50 crore towards replacement of old machinery, procuring balancing equipment etc. for its Pune and Pithampur factories.

### 3. Financing of Projects and Fund Raising

In order to finance the above mentioned projects and with a view to have a pool of growth capital for expanding the Company's businesses and seize the business opportunities emerging from time to time, the Board has decided to make further issue of equity shares, in one or more tranches, for an amount not exceeding Rs. 200 crore (including share premium) through permissible modes such as private placement, preferential issue, qualified institutions placement etc. Notice of 44th AGM contains this item of business for the Members' consideration and approval.

#### VIII) Internal Control System and its Adequacy

Your Company has aligned its current systems of internal financial control with the requirement of the Companies Act, 2013 (**the Act**). The Internal Control framework is intended to increase transparency and accountability in the Company's process of designing and implementing systems of internal control. The framework requires a company to identify and analyse risks and manage appropriate responses.

The Company has successfully laid down the framework and ensured its effectiveness.

The Company has an effective Internal Control System commensurate with the size, scale and complexity of its operations. The Company's Audit Committee periodically reviews adequacy and effectiveness of the Internal Control System. Further, the Internal Audit Department of the Company checks all the vouchers, financial reports, registers etc. To maintain its objectivity and independence, the Board has also appointed an external Chartered Accountant firm, M/s. Kirtane & Pandit LLP, Chartered Accountants, as Internal Auditors, which report to the Audit Committee of the Board. The scope of the Internal Audit is decided by the Audit Committee and the Board.

The Internal Auditors monitor and evaluate 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, and important internal audit observations are also placed before the Audit Committee and 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.

Based on its evaluation, the Company's Audit Committee has concluded that, as of March 31, 2024, the Company's internal financial controls were adequate and operating effectively.

#### IX) 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.

#### X) 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.

#### XI) Board of Directors and Key Managerial Personnel:

As at March 31, 2024 as well as on the date of this Report, the Company's Board comprised seven Directors, all professionals in their own right, who bring in a wide range of skills and experience to the Board. Two of them are Executive Directors, four are Independent Directors (including one Woman Independent Director) and one being Non-Executive/ Non-Independent Director.

Following are the changes in composition of the Board of Directors the Company, after the last Board Report of July 22, 2023.

Mr. Adit Rathi, Non-Executive, Independent Director of the Company, ceased to be a Director, following his resignation, for personal reasons, with effect from close of business hours on January 31, 2024.

Mr. Manish Motwani, Non-Executive, Independent Director, ceased to be a Director of the Company, pursuant to the conclusion of his second consecutive term, as an Independent Director of the Company, with effect from April 1, 2024. The Board places on record the appreciation for the valuable contribution, support and guidance rendered by Mr. Manish Motwani and Mr. Adit Rathi during their tenures as Directors of the Company.

Based on recommendation of the Nomination and Remuneration Committee of the Board, Dr. Dinesh Bothra, was appointed as a Non-Executive, Non-Independent Director of the Company, by the Board, with effect from February 3, 2024. The Members of the Company have approved the appointment of Dr. Bothra as Director of the Company by way of Postal Ballot on April 19, 2024.

Pursuant to the requirements under Section 152(6) of the Act, Mr. Utkarsh Munot retires by rotation and he offers himself for reappointment at the ensuing 44<sup>th</sup> Annual General Meeting of the Company. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the reappointment of Mr. Utkarsh Munot (DIN: 00049903) in the ensuing Annual General Meeting.

Further, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, appointed Mr. Rohit Rathi (DIN: 00018654) as an Additional Director, in the capacity of Non-Executive, Independent Director, with effect from August 6, 2024. As per the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr. Rohit Rathi, shall hold office as Additional Director up to the date of the ensuing 44<sup>th</sup> Annual General Meeting and is eligible for appointment as an Independent Director. The Company has also received the Notice of candidature of Mr. Rohit Rathi, from a Member, in terms of Section 161 of the Act. Further, Mr. Rohit Rathi has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence in terms of Regulation 25(8) of the Listing Regulations, and has also furnished declaration in terms of Section 149(7) of the Act, that he meets the criteria prescribed for Independence under Section 149(6) of the Act, along with the affirmation pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that his registration on Independent Directors' Databank is in force.

The Board recommends appointment of Mr. Rohit Rathi as the Non-Executive, Independent Director of the Company, with effect from August 6, 2024 to August 5, 2029, to the members for their approval at the forthcoming 44<sup>th</sup> Annual General Meeting.

The Resolutions for reappointment/ appointment of Mr. Utkarsh Munot and Mr. Rohit Rathi, along with their brief profiles, forms a part of the Notice of 44<sup>th</sup> Annual General Meeting of the Company.

There was no change in the Key Managerial Personnel during the year.

## 1. Board Diversity

The Company recognizes and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage differences in thought, perception, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage.

## 2. Independent Directors

Pursuant to the provisions of Section 149 of the Act and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations) Regulations, 2015 (**the Listing Regulations**), the Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed there under and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("**MCA**") Notification dated October 22, 2019, regarding the requirement relating to enrolment in the Data Bank created by MCA for Independent Directors, has been received from all Independent Directors of the Company. Further, all the Independent Directors have either qualified or are exempted from the self-assessment conducted by the Independent Directors' Databank.

### Familiarisation Programmes for Independent Directors

Independent Directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision-making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance.

Details of familiarization programme, imparted to the Independent Directors, are available on the website of the Company at [www.zfindia.com](http://www.zfindia.com).

At the time of appointing a new Independent Director, a formal letter of appointment is issued to the Director, inter alia, explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the compliances required from him/ her under the Act, SEBI Regulations and other relevant regulations.

## 3. Performance Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual Directors pursuant to the provisions of the Act and the Listing Regulations.

Your Board has constituted the Nomination and Remuneration Committee (hereinafter referred to as “the Committee”), in order to oversee, inter-alia, matters relating to:

- (i) Identification of persons who are qualified to become directors and persons who can be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- (ii) Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- (iii) Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- (iv) Carry out evaluation of every director’s performance including that of Independent Directors; and
- (v) Devise a policy to be followed for identification, appointment, remuneration and evaluation of performance of directors including Company’s Board diversity etc., as approved by the Board.

Further, 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 Board evaluated its performance after seeking inputs from all the Directors based on criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

In a separate meeting of Independent Directors, performance of the Non-Independent Directors and the Board as a whole and the Chairman of the Company was evaluated taking into account the views of Executive Directors and Non-Executive Directors.

The above evaluations were then discussed at the Board meeting that followed the meeting of the Independent Directors and the Nomination and Remuneration Committee, at which the performance of the Board, its Committees, and individual Directors

was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Company has carried out the performance evaluation during the year under report. The Board of Directors expressed satisfaction with the evaluation process.

## XII) Directors’ Responsibility Statement

1. In the preparation of the Annual Financial Statements for the financial year ended on March 31, 2024, the applicable Accounting Standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
2. 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, 2024, and of the profit of the Company for the financial year ended on that date;
3. 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;
4. the Directors have prepared the annual financial statement on a ‘going concern’ basis;
5. 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
6. 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.

## XIII) Corporate Governance

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

## XIV) Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report, for the year ended on March 31, 2024, as stipulated under Regulation 34 of the Listing Regulations, forms part of this Annual Report. The Business Responsibility and Sustainability Report is also available on the Company’s website at [www.zfindia.com](http://www.zfindia.com).



## XV) Other Aspects

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

The Particulars of Loans given Investments made, Guarantees given and Securities provided by the Company, are disclosed in the Financial Statements forming part of this Annual Report.

### 2. Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company during FY 2023-24, with related parties were on an arm's length basis and in the ordinary course of business.

Prior approval of the members of the Audit Committee, who are Independent Directors, was obtained for all the related party transactions in terms of provisions of Regulation 23(2) of the Listing Regulations.

There were no material Related Party Transactions (RPTs) undertaken by the Company during the year that require Shareholders' approval under the provisions of Regulation 23(4) of the Listing Regulations or Section 188 of the Act. Certain transactions which were repetitive in nature were approved through omnibus route. The Audit Committee reviews the details of the Related Party Transactions entered pursuant to the omnibus approval, on a quarterly basis.

All the transactions were in compliance with the applicable provisions of the Act and the Listing Regulations. The details of RPTs during FY 2023-24, are provided in the Note 36 accompanying the financial statements. Given that the Company does not have any RPTs to report pursuant to provisions of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC-2, is not required to be attached to the Financial Statements of the Company.

During FY 2023-24, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and reimbursement of expenses, as applicable.

Further, the Board recommends the proposed resolution, for approval of the Members, forming part of Notice of 44<sup>th</sup> AGM, in respect of giving loan/s to or giving guarantee/ security/ undertaking for credit facilities availed/ to be availed by Metacast Auto Private Limited (**Metacast**), a subsidiary of the Company, of an amount not exceeding Rs. 75 crore, in one or more tranches. The transaction/s being a material related party transaction has been approved and recommended by the Audit Committee and approved by the Board of Directors of the Company, now requires Members' approval.

The Company has formulated a policy on Related Party Transactions (RPTs) in accordance with the Act and the Listing Regulations including any amendments thereto for identifying, reviewing approving and monitoring of RPTs. The said policy is available on the Company's website: <http://www.zfindia.com/policies-codes.php>.

### 3. Corporate Social Responsibility (CSR)

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

### 4. Risk Management

The Company follows a specific, well-defined risk management framework which is integrated with its operations.

The Company's Risk Management approach has been developed after taking cognizance of the relevant statutory guidelines, stakeholders' feedback, forecast and expert judgment.

Your Company is not required to constitute a separate Risk-Management Committee.

The Audit Committee of the Board of Directors has been entrusted to identify/ anticipate the possible risk and certify the Risk Mitigation Plan. Further, the Company's Senior Management Team addresses functional, operational, and strategic risks in their corresponding area of responsibility covering overall risks in the area of commercial, technical, information technology and statutory compliance.

The Company's Risk Management Framework inter-alia provides for the following:

- i. pro-active processes within the Risk Management Framework for reporting, evaluating and resolving risks;
- ii. Identifying and assessing risks associated with various business decisions before they materialize;
- iii. Take informed decisions at all levels of the organization in line with the Company's risk appetite;
- iv. Ensuring protection of shareholders' stake by establishing an integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting all risks;
- v. Adoption and implementation of risk mitigation measures at every level in order to achieve long-term goals effectively and sustainably; and
- vi. Regularly review Risk Tolerance levels of the Company.

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.

## 5. Auditors and Auditors' Report

### Statutory Auditors

The Company in its 39<sup>th</sup> Annual General Meeting held on September 20, 2019 had appointed M/s. Joshi Apte & Company, Chartered Accountants (Firm Registration No. 104370W), as Statutory Auditors of the Company, for a period of five consecutive years from the conclusion of 39<sup>th</sup> Annual General Meeting until the conclusion of 44<sup>th</sup> Annual General Meeting.

There are no qualifications, reservations or adverse remarks in the Statutory Auditor's Report for the Financial Year 2023-24. The Statutory Auditors' Report is enclosed with the financial statements in the Annual Report.

Further, pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Joshi Apte & Company, Chartered Accountants (Firm Registration No. 104370W), are proposed to be reappointed in 44<sup>th</sup> Annual General Meeting, subject to the approval of the members of the Company, for a second term, till the conclusion of 49<sup>th</sup> Annual General Meeting of the Company.

A resolution seeking their reappointment forms a part of the Notice convening 44<sup>th</sup> Annual General Meeting for the approval of the Members of the Company.

### Secretarial Auditors

The Board had appointed M/s. SIUT & Co., LLP, Company Secretaries, to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the same is annexed herewith as **Annexure IV**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 6. Disclosures

### Meetings of the Board

Four Meetings of the Board of Directors were held during the financial year 2023-24. Detailed information is given in the Report on Corporate Governance, forming part of this Annual Report.

## 7. Committees of the Board

### Audit Committee

The Company has an Audit Committee pursuant to the requirements of the Act read with the rules framed there under and the Listing Regulations. The details

relating to the same are given, in the Corporate Governance Report, forming part of this Report. All the recommendations made by the Audit Committee were accepted by the Board.

The Audit Committee performs its functions as set out under Part C of Schedule II to the Listing Regulations.

The detailed terms of reference of the Audit Committee are set out in the Corporate Governance Report.

### Nomination and Remuneration Committee

The Company has Nomination and remuneration Committee (**the Committee**) pursuant to Section 178 of the Act read with rules made there under and Regulation 19 of the Listing Regulations. The brief details pertaining to the same are given in Corporate Governance Report, forming part of this Report. All the recommendations made by the Committee were accepted by the Board.

The Nomination and Remuneration Committee performs its functions as set out under Part D Para A of Schedule II to the Listing Regulations.

The detailed terms of reference and functions are set out in Corporate Governance Report.

### Remuneration Policy

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

### Stakeholders' Relationship Committee

The Board has constituted Stakeholders' Relationship Committee in accordance with the provisions of Section 178 of the Act read with rules made thereunder and Regulation 20 of the Listing Regulations.

The Stakeholders' Relationship Committee performs its functions as set out under Part D Para B of Schedule II to the Listing Regulations.

The detailed terms of reference and functions are set out in Corporate Governance Report.

### Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee pursuant to the Section 135 of the Act and Rules made thereunder. The detailed functions and constitution thereof of the Corporate Social Responsibility Committee are set out in Corporate Governance Report.

## 8. Vigil Mechanism/ Whistle Blower Policy

The Company has devised Vigil Mechanism, in terms of Section 177 of the Act and Regulation 22 of the Listing Regulations.

The Audit Committee periodically reviews the functioning of the Vigil Mechanism and ensures that:

- a. All the Directors/ Employees are made aware of the Company's Vigil Mechanism;
- b. The Vigil Mechanism provides adequate safeguards against victimization of person who use such mechanism and also provides direct access to the Chairman of the Audit Committee in appropriate/ exceptional cases; and
- c. The Company had Whistle Blower Policy in terms of Section 177 of the Act and Regulation 22 of the Listing Regulations, which outlined procedures for a person who is willing to use the Vigil Mechanism to address their concerns.

Further, no concerns were raised by any of the employees of the Company during the Financial Year.

The Policy on Vigil Mechanism and Whistle Blower may be accessed on the website of the Company at <http://www.zfindia.com/annual-return.php>.

## 9. Annual Return

The Annual return is placed on the Company's website [www.zfindia.com](http://www.zfindia.com).

## 10. 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 Board's Report is being sent to the Members of the Company, excluding details of particulars of employees and related disclosures. The said information/ details is 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.

## 11. 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 there under. 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.

## 12. General

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

- (iii) During the year under review, no shares were issued as sweat equity to any of the employees or others.
- (iv) The Company had three Subsidiaries during the Financial Year 2023-24. However, no remuneration was received by any Whole-time Director/ Employees of the Company, from any of the subsidiaries.
- (v) 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.
- (vi) There has been no instance of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed there under either to the Company or to the Central Government.
- (vii) 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.
- (viii) During FY 2023-24, the Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ix) There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this report.
- (x) The Company has not filed any application or no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2023-24.
- (xi) The Company has not made any one-time settlement application during the year and thus disclosure for difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions, is not applicable to the Company.

## XVI) Acknowledgement

The Board of Directors takes this opportunity to thank the Company's members, customers, suppliers, bankers/ business partners, employees, and Central and State Governments for their consistent support and co-operation to the Company.

Pune

August 10, 2024

**Dinesh Munot**  
**Chairman**  
**(DIN: 00049801)**

## Annexure – I to the Board's 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

##### i. Steps Taken during the year

- Automatic power factor controller installed for entire factory to maintain power factor at unit.
- Factory shop floor's 250 W and 150 W overhead lamps replaced by 75W LED lamps, which provides better illumination and saves energy.
- Waste – water is treated and recycled for gardening of factory.
- To reduce wastage of water from G.I. pipeline, the said G.I. pipeline replaced by PVC pipeline.
- Energy Conservation (EC) initiatives Implemented in Pithampur plant:-
  - APFC -Automatic Power Factor Controller is added with low capacity capacitor to improve the power factor.
  - Maximum Demand (MD) controller is implemented.
  - Compressor is set to Dynamic mode to earn power savings during low production hours.

##### ii. Steps taken by the Company for utilising alternate source of energy

##### Solar Energy

The Company's 5 MW Solar Energy Plant generated 0.74 crore units of electricity with sales-revenue of Rs. 7.94 crore in F.Y. 2023-24. These units were sold to GUVNL (Gujarat Urja Vikas Nigam Limited), as per the Power Purchase Agreement (PPA) signed with Government of Gujarat. During the F.Y.2023-24, its Rooftop Solar Project at its Vadu Budruk plant has generated 0.09 crore units of electricity in FY 2023-2024, which was captively consumed in the said plant.

##### Wind Energy

Windmills of aggregate 8.10 MW capacities as on 31<sup>st</sup> March 2024, generated 1.07 crore units of electricity in F.Y.2023-24. Out of this 0.65 crore units were captively consumed in the Company's plant at Vadu Budruk. This covered 42.42 % of total power consumption of that plant for the year. Balance 0.42 crore units were sold to Maharashtra State Electricity Board.

#### B. Technology Absorption, Research and Development

##### 1. Efforts made towards Technology Absorption during the year

- a. 8049 Steering gear developed and productionised. This has eliminated the auxiliary cylinder requirement on Vehicles and is a cost saving proposal for customer.
- b. Developed a small hydraulic steering gear MO30 for last mile vehicles
- c. Developed a small aluminium pump for last mile vehicles.
- d. Developed a middle version of 8043 and 8046, which is known as M043 which is well suited for ICV and HCV.
- e. Implemented the alternate material in forging to avoid the use of Nickel & Moly
- f. Developed Hydraulic steering gear for Tractor segment of Mahindra, Tafe motors and Qucev vehicles.
- g. Implemented Scada software for Pit Furnace to effective data monitoring.

##### 2. Benefits Derived as a result of aforesaid efforts

- a. Product quality and cost reduction to meet customer expectation.
- b. Indigenization of various components of vane pump like mounter, pressure plate & front plate.
- c. Reduction in foreign exchange outgo.
- d. Improvements in Manufacturing methods and quality standards.
- e. Aiming towards self-sufficiency in engineering skills for manufacturing range of steering gears and connected products.
- f. Development of cost effective, high performance engineering products
- g. Reduction in usage of Corrugated boxes & implemented returnable packaging for raw material & finish goods to avoid the use of Paper.
- h. VAVE projects to maintain the material ratio



### 3. Imported Technology in last three years

Low Bake CED coating technology from PPG Europe through Asian PPG India. (CED coating had been installed during Pithampur plant which is older than 3 years.) Developed Indigenous Aluminium pumps for models 7613955837 & 7613955838 which was imported earlier from Germany.

### 4. Expenditure on Research & Development (R & D) during the year:

The Company has so far incurred Capital expenditure of Rs. 0.10 Crores on R & D.

### C. Foreign Exchange Earnings and Outgo for FY 2023-24:

Sr. No.	Particulars	Amount (Rs. In crore)
1	Earnings in Foreign Exchange	12.25
2	Expenditure in Foreign Exchange	1.29
3	Value calculated on CIF basis	
	- Raw Material, Components etc.	7.68
	- Capital Goods	3.34

Pune  
August 10, 2024

For and on behalf of the Board of Directors  
**Dinesh Munot**  
 Chairman  
 (DIN: 00049801)

## ANNEXURE- II to the Board's Report Corporate Governance Report

[Under Schedule V Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### 1. ENTITY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At ZF India, we are committed to strong corporate governance that is aligned with our objective of maximizing our stakeholders' interests. We adhere to the highest standards of governance, integrity, ethics and transparency.

The Company's business decisions incorporate values and principles that always guide our actions to live up to our best ideals and to operate our business with the utmost integrity. The Company ensures that ethical conduct is embedded across our operations, and we expect all our employees and external partners to follow the same. The Company's policies and procedures encompass all relevant laws, and regulations. The Company's Board and Senior Management team fully abide by and support the Code of Conduct, policies, procedures and principles it embodies.

The Company's philosophy on Corporate Governance is thus, concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interests of the Company and remain accountable to the members and other stakeholders, for their actions.

The entire Corporate Governance framework is governed by a strong Board of Directors (**the Board**) and executed by a committed team of management and employees.

The Company always strives to adopt best global practices in Corporate Governance and remains abreast with the continuous developments in the industry's Corporate Governance systems.

### ETHICS AND GOVERNANCE POLICIES/ CODES

The Company's employees and the Board adhere to ethical standards which ensure integrity, transparency, independence and accountability in dealing with all the stakeholders. The Company has devised various Codes/ Policies which ensure that the day to day functions/ duties are carried out in an ethical manner and in conformity with the aforementioned principles. Some of these 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 the 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 and 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
- Policy determining 'Material' Subsidiary

The aforementioned policies are available on the website of the Company [www.zfindia.com](http://www.zfindia.com).

### 2. BOARD OF DIRECTORS

The Board of Directors plays an oversight role. The Board clearly understands the business dynamics and environment under which the Company operates and challenges and opportunities associated with the business operations. The Board provides guidance and strategic direction to the Senior Management in achievement of overall objectives. The Board always acts in good faith, with due diligence and care and in the best interests of all stakeholders.

The Board of Directors comprises of experts drawn from diverse fields/ professions.

The Members of the Board of Directors of the Company are eminent personalities from various fields who bring in a wide range of skills and experience to the Board and they are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company.

The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies and membership in the committees thereof.

As on April 1, 2023, the Company's Board comprised 8 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 and the Managing Director, are non-executive Directors. Mr. Sandeep Nelamangala, Non-Executive, Non-Independent Director of the Company, ceased to be a Director, following his resignation, with effect from close of business hours on April 5, 2023. Mr. Adit Rath, Non-Executive, Independent Director of the Company, ceased to be a Director, following his resignation, with effect from close of business hours on January 31, 2024. Further, Dr. Dinesh Bothra, has been appointed as a Non-Executive, Non-Independent Director of the Company, with effect from February 3, 2024. Mr. Manish Motwani, Non-Executive, Independent Director, ceased to be a Director of the Company, pursuant to conclusion of his second consecutive term, as an Independent Director of the Company, with effect from April 1, 2024, and hence as on April 1, 2024, the Company's Board comprised 6 Directors. Further, Mr. Rohit Rath was appointed as a Non-Executive, Independent Director, with effect from August 6, 2024 and hence as on the date of this report the Board comprised 7 Directors out of which 4 are Independent Directors including 1 woman Independent Director.

A detailed profile of Board of Directors is available on the Company's website [www.zfindia.com](http://www.zfindia.com).

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

**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 F.Y. 2023-24	Last AGM Held on September 16, 2023	Other Directorship	Committee Membership	Committee Chairmanship
1.	Mr. Dinesh Munot Chairman	Executive Director	4/4	Yes	4	-	-
2.	Mr. Utkarsh Munot Managing Director	Executive Director	4/4	Yes	5	-	-
3.	Mr. Manish Motwani (up to March 31, 2024)	Non-Executive, Independent Director	4/4	Yes	8	-	-
4.	Mr. Shridhar S. Kalmadi	Non-Executive, Independent Director	3/4	Yes	3	-	-
5.	Mr. S. A. Gundecha	Non-Executive, Independent Director	4/4	Yes	2	-	-
7.	Mr. Adit Rathi (up to January 31, 2024)	Non- Executive, Independent Director	2/3	Yes	7	-	-
8.	Mrs. Smita A. Lahoti	Non- Executive, Independent Director	4/4	Yes	-	-	-
9.	Dr. Dinesh Bothra (from February 3, 2024)	Non-Executive, Non-Independent Director	0/1	N.A.	3	-	-
10.	Mr. Rohit Rathi (from August 6, 2024)	Non- Executive, Independent Director	N.A.	N.A.	1	-	-

**BOARD MEETINGS AND BOARD-COMMITTEE MEETINGS**

The Board has 4 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 Meeting dates are normally pre-determined. During the Financial Year under the review, the Board of Directors had 4 Meetings. These were held on April 29, 2023, July 22, 2023, November 4, 2023, and February 3, 2024.

The gap between any two Meetings did not exceed 120 days. Further, the Company adhered to the Secretarial Standards prescribed by the Institute of Company Secretaries of India under the provisions of Section 118(10) of the Companies Act, 2013 (**the Act**).

The information, including as specified in Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**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 Chairman of the Board/ Chairman of the respective Committees.

**DISCLOSURE PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS, LISTED ENTITIES IN WHICH ANY OF THE DIRECTOR(S) OF THE COMPANY HOLDS DIRECTORSHIP INCLUDING THE CATEGORY OF THE SAID DIRECTORSHIP.**

Sr. No	Name of the Director	Name of the Listed Entity	Membership in a Committee(s) of other Listed Entity	Category of Directorship
1	Mr. Dinesh Munot	Sanghvi Movers Ltd. (up to March 31, 2024)	- Audit Committee (up to March 31, 2024) - Stakeholders' Relationship Committee (up to March 31, 2024)	Non-Executive, Independent Director
2	Mr. Adit Rathi (up to January 31, 2024)	Kalyani Forge Limited (up to January 30, 2024)	Nil	Non-Executive, Independent Director

## Meetings of the Committees held during the Financial 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 23, 2024
Number of Meetings held	4	2	1	1	1
Directors' Attendance					
Mr. Dinesh Munot	N.A.	N.A.	N.A.	1	N.A.
Mr. Utkarsh Munot	4	N.A.	1	1	N.A.
Mr. Manish Motwani (up to March 31, 2024)	3	2	N.A.	N.A.	1
Mr. Shridhar S. Kalmadi	N.A.	N.A.	1	1	1
Mr. S.A. Gundecha	4	2	1	N.A.	1
Mr. Adit Rathii (up to January 31, 2024)	N.A.	N.A.	N.A.	N.A.	N.A.
Mrs. Smita A. Lahoti	4	1	N.A.	N.A.	1
Dr. Dinesh Bothra (with effect from February 3, 2024)	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Rohit Rathii (from August 6, 2024)	N.A.	N.A.	N.A.	N.A.	N.A.

## RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Mr. Dinesh Munot is father of Mr. Utkarsh Munot and Dr. Dinesh Bothra is son-in-law of Mr. Dinesh Munot.

## CORE SKILLS/ EXPERTISE/ COMPETENCIES OF THE BOARD OF DIRECTORS

Disclosure pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015:

Name of the Director	Category	Core Skills/ Expertise/ Competencies
Mr. Dinesh Munot	Chairman & Whole-time Director	Veteran of Automobile Industry, Top Management & Strategy, New Product Development and such other areas
Mr. Utkarsh Munot	Managing Director	Management & Strategy, Operations & Engineering, Business Development, New Projects, Sales & Marketing and such other areas.
Mr. Manish Motwani (up to March 31, 2024)	Non-Executive, Independent Director	Entrepreneurship, Finance, Technical Collaborations and others
Mr. Shridhar S Kalmadi	Non-Executive, Independent Director	Engineering with Specialization in Automobiles, CSR and others
Mr. S A. Gundecha	Non-Executive, Independent Director	Accounting, Legal, Governance, Regulatory. Joint-Ventures and others
Mr. Adit Rathii (up to January 31, 2024)	Non-Executive, Independent Director	Industrialist, Top Management, Technology & Engineering and others
Mrs. Smita A Lahoti	Non-Executive, Independent Director	Accounts/ IFRS/ Audit/ Taxation/ Company Law and others
Dr. Dinesh Bothra (from February 3, 2024)	Non-Executive, Non-Independent Director	Entrepreneurshp, Speciality Materials and Pharmaceuticals.
Mr. Rohit Rathii (from August 6, 2024)	Non-Executive, Independent Director	Top Management, Strategies, Entrepreneurship etc.

### 3. 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 a Promoter or related to the 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 an Independent Director in more than three listed companies. None of the Independent Directors is Non-Independent Director of another Company, on the Board of which any Non-Independent Director of the Company is an Independent Director.

The maximum tenure of Independent Directors is in compliance with the Act and the Listing Regulations. The Company has issued letter of appointment to all the Independent Directors, as provided in the Schedule IV to the Act, containing the terms and conditions of their appointment.

For the details of change in Independent Directors during the year, please refer to Clause 2 of this Report.

Further, pursuant to the provisions of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") Notification dated October 22, 2019, all the Independent Directors are duly enrolled on the Independent Directors' Data Bank created by MCA and maintained by The Indian Institute of Corporate Affairs. Further, all the independent directors have either cleared the self-assessment test or they are exempt owing to their qualifications and experience.

The Audit Committee and the Stakeholders' Relationship Committee have a majority of Independent Directors, and all the Members of the Nomination and Remuneration Committee are Independent Directors.

#### CONFIRMATION AS REGARDS TO INDEPENDENCE OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 of the Act and Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of the Listing Regulations, the Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated

that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

#### FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

The Company familiarises its Independent Directors pursuant to the requirements of the Listing Regulations with their roles, rights, responsibility in the Company, nature of the industry in which the Company operates and business model of the Company etc. All 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. The details of familiarization programs are placed on the Company's website <http://www.zfindia.com/miscellaneous.php>.

#### DETAILED REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR WHO RESIGNS BEFORE THE EXPIRY OF HIS/ HER TENURE ALONG WITH A CONFIRMATION BY SUCH DIRECTOR THAT THERE ARE NO OTHER MATERIAL REASONS OTHER THAN THOSE PROVIDED:

During the year, Mr. Adit Rathi, Non-Executive, Independent Director of the Company, resigned from the Board of the Company, due to his personal reasons. Further, Mr. Rathi had confirmed in his resignation letter that there are no other material reasons for his resignation.

### 4. AUDIT COMMITTEE

The Audit Committee comprised 4 members out of which three are Independent Directors viz. Mr. S.A. Gundecha as the Chairman of the Committee, Mrs. Smita A. Lahoti and Mr. Manish Motwani, and Mr. Utkarsh Munot, Managing Director. Mr. Manish Motwani ceased to be a member of the Committee, after conclusion of his second term as an Independent Director of the Company, with effect from close of business hours on March 31, 2024. Mr. Shridhar Kalmadi, Independent Director, was appointed on the Committee with effect from April 1, 2024. The Members of the Audit Committee have relevant expertise in the field of Accounting and Financial Management.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter-alia, performs the following functions:

- 1) oversight of the Company's financial reporting processes as a listed entity and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;



- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:
  - matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report, if any;
- 5) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the Company with related parties only by the Independent Directors of the Committee;
- 9) scrutiny of inter-corporate loans and investments;
- 10) valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) to review the functioning of the whistle blower mechanism and ensure that:
  - the mechanism provides for adequate safeguards against victimisation of persons who use such mechanism
  - mechanism makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases
- 19) approval of appointment of chief financial officer after assessing the qualifications, experience and background of the candidate;
- 20) Risk identification, evaluation and mitigation and control process for such risks, oversight of the Risk Management System/ Plan of the Company and review thereof.
- 21) Audit Committee to have an authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- 22) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
- 23) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., if any, on the listed entity and its shareholders.
- 24) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 3) internal audit reports relating to internal control weaknesses; and
- 4) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
- 5) Financial Statements of the subsidiaries of the Company
- 6) statement of deviations (if applicable):
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).

The meetings of the Audit Committee are also attended by the Chief Financial Officer and Statutory Auditors as the special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board in line with Secretarial Standard 1 issued by The Institute of Company Secretaries of India under the provisions of Section 118(10) of the Act.

The Audit Committee met 4 times during the financial year 2023-24, April 29, 2023, July 22, 2023, November 4, 2023, and February 3, 2024.

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under Regulation 18, read with Schedule II Part C of the Listing Regulations and Section 177 of the Act or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are covered.

## 5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee **(the Committee)** consists of only Independent Directors viz. Mr. S.A. Gundecha, Independent Director, as the Chairman, Mr. Manish Motwani, Independent Director and Mrs. Smita Lahoti, Independent Director. Mr. Manish Motwani ceased to be a member of the Committee after expiry of his term as a Director, with effect from close of business hours on March 31, 2024. Mr. Shridhar Kalmadi, Independent Director, was appointed on the Committee with effect from April 1, 2024.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, on-going succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter-alia, includes:

- 1) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i. use the services of an external agencies, if required;
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii. consider the time commitments of the candidates.
- 2) 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.
- 3) To carry out evaluation of every Director's performance.
- 4) 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.
- 5) 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;
- 6) To formulate the criteria for evaluation of Independent Directors and the Board as a whole
- 7) To devise a policy on Board diversity.
- 8) To recommend/ review remuneration of the Executive Directors' based on their performance and defined assessment criteria.

- 9) 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.
- 10) To recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- a) composition of the Board, which commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- b) size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law
- c) balance of skills and expertise in view of the objectives and activities of the Company;
- d) avoidance of any present or potential conflict of interest;
- e) professional qualifications, expertise and experience in specific area of relevance to the Company;
- f) availability of time and other commitments for proper performance of duties;

The Minutes of the Committee Meeting(s) are noted by the Board at the immediately succeeding Board Meetings in compliance with Secretarial Standard 1 issued by The Institute of Company Secretaries of India as provided for under Section 118(10) of the Act.

During the Financial Year under review, the Committee met on July 15, 2023 and February 2, 2024.

#### 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 criterion for

the Directors is 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.

#### 6. 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, 2024, are as under:

(Rupees in crore)

Particulars	Mr. Dinesh Munot	Mr. Utkarsh Munot
Basic Salary	3.49	2.38
Perquisites	3.04	2.13
Commission/ Bonus	-	-
Total	6.53	4.51
<b>Present Term of Five Years</b>		
From	July 28, 2021	May 19, 2021
To	July 27, 2026	May 18, 2026

#### 7. DETAILS OF REMUNERATION PAID TO THE NON-EXECUTIVE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2024, 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 each Committee meeting attended.

(Rupees)

Name	Sitting Fees
Mr. S.A. Gundecha	4,60,000
Mr. Shridhar S. Kalmadi	2,60,000
Mr. Manish Motwani (up to March 31, 2024)	4,00,000
Mr. Adit Rathi (up to January 31, 2024)	1,00,000
Mrs. Smita A. Lahoti	4,30,000

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.

**8. DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON MARCH 31, 2024, ARE GIVEN BELOW:**

Sr. No	Name of the Director	Designation	Number of Shares
1	Mr. Dinesh Munot	Chairman & Whole time Director	18,89,445
2	Mr. Utkarsh Munot	Managing Director	25,91,494
3	Mr. Manish Motwani (up to March 31, 2024)	Independent Director	Nil
4	Mr. Shridhar S Kalmadi	Independent Director	Nil
5	Mr. S. A. Gundecha	Independent Director	1,250
7	Mr. Adit Rathi (up to January 31, 2024)	Independent Director	Nil
8	Mrs. Smita A. Lahoti	Independent Director	Nil
9	Dr. Dinesh Bothra (from February 3, 2024)	Non-Executive, Non-Independent Director	Nil
10	Mr. Rohit Rathi (from August 6, 2024)	Non-Executive, Independent Director	Nil

**9. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee **(the Committee)** consists of Independent Directors Mr. S.A. Gundecha - being the Chairman and Mr. Shridhar S. Kalmadi, and Mr. Utkarsh Munot – Managing Director.

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 Regulation 20 of the Listing Regulations and provisions of the Act.

The Minutes of the Committee Meetings are noted by the Board of Directors at the succeeding Board Meeting pursuant to the Secretarial Standard 1 as per the provisions of Section 118(10) of the Act.

During the financial year 2023-24, the Committee met on July 15, 2023. The attendance record of the members of the Committee is given above in tabular form.

The Company has an efficient system of dealing with investors' grievances. The Chairman 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 9. All the complaints were redressed to the satisfaction of the shareholders.

**10. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

The Committee's constitution and terms of reference meet with the requirements of Section 135 of the Act.

During the Financial Year under review, the following Directors were the members of the Committee. Members: Mr. Dinesh Munot, Chairman, Mr. Utkarsh Munot, Managing Director and Mr. Shridhar S. Kalmadi, Non-Executive and 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 23, 2024. The attendance record of the members of the Committee is given under Point No. 2 in tabular form.

**11. RISK MANAGEMENT COMMITTEE**

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

**12. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR:**

The Senior Management Team of the Company consists of personnel with considerable professional expertise in the fields of finance, taxation, law, accountancy, technical, mechanical and other related skills. Their wide experience helps the Company for strategy formulation and its implementation, thereby enabling its growth objectives. The Senior Management Team ensures that every decision taken is in the best interest of the Company.

As on March 31, 2024, Senior Management Team comprised following employees of the Company:

- I. Mr. Anant Kalvit – President (Business Development and Design)
- II. Mr. Ajit Gugale – President (Works)
- III. Dr. Rathina Singaravelan – Vice-President (Projects)
- IV. Mr. Jinendra Jain – Chief Financial Officer
- V. Mr. Sachin Gugale – Chief Information Officer
- VI. Mr. Aniket Kadam – Deputy Chief Financial Officer and Head of Accounts and Legal
- VII. Mr. Satish Mehta – Company Secretary and Compliance Officer

Further, Dr. Rathina Singaravelan ceased to be Vice-President Projects, following his resignation, with effect from May 28, 2024.

### 13. 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.

### 14. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors met on March 23, 2024, without the presence of the 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 Management and the Board.

### 15. CERTIFICATE UNDER REGULATION 34(3) OF THE LISTING REGULATIONS:

The Company has obtained a Certificate pursuant to the provisions of Regulation 34(3) read with Schedule V of the Listing Regulations, from M/s. SIUT and Co., LLP, Company Secretaries, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the Company either by Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs or any other Statutory Authority. The said Certificate forms part of this report.

### 16. CREDIT RATINGS OBTAINED BY THE COMPANY ALONG WITH THE REVISIONS:

On May 14, 2024, ICRA has retained rating A+ (A Plus) for long term, fund based credit facilities and Long-term, Non-Fund based facilities and rating of A1 + (A One Plus) for the Short-term, Non-fund based facilities. The outlook on the aforementioned ratings is 'Stable'.

### 17. GENERAL BODY MEETINGS:

Location and time for last 3 years' General Meetings and/ or Postal Ballots were as follows:

Year	AGMs	Location	Dates	Time	Special Resolutions Passed
2020-21	41 <sup>st</sup> AGM	(held through two-way video conferencing)	28.08.2021	10:30 a.m.	Special Resolutions passed for: 1) Reappointment of Mr. Dinesh Munot (DIN 00049801) as Chairman and Whole-Time Director of the Company. 2) Reappointment of Mr. Utkarsh Munot (DIN 00049903) as the Managing Director of the Company.
2022-23	42 <sup>nd</sup> AGM		03.09.2022	10:30 a.m.	No Special Resolution was passed
2023-24	43 <sup>rd</sup> AGM		16.09.2023	10:30 a.m.	Special Resolution Passed for: 1) Alteration of Capital Clause of the Memorandum of Association of the Company. 2) Adoption of new set of Articles of Association of the Company. 3) Authority to give loans/ advances under Section 185(2) of the Act.
2023-24	Postal Ballot	NA	19.04.2024	NA	No Special Resolution was passed

M/s. SIUT and Co., LLP, Company Secretaries, was appointed as Scrutinizers to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.



Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, respectively issued by the Ministry of Corporate Affairs.

No Special Resolution(s) requiring a Postal Ballot was passed last year and no Extraordinary General Meeting was held during three years preceding the current Financial Year.

## 18. DISCLOSURES:

- a) Transactions with related parties, as per requirements of IND AS-24, are disclosed in the Notes annexed to the Audited Financial Statements.
- b) The Company has not entered into any transaction of a material nature, with any of the Related Parties that had or may have a potential conflict with the interests of the Company at large.
- c) There have been no instances of non-compliance with any of the legal provisions of law by the Company or any penalty or strictures imposed by the stock exchange or SEBI or any other statutory authority on any matter related to the capital markets during the last 3 years.
- d) Disclosures have 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 2023-24 having potential conflict with the interest of the Company at large.
- e) Details of remuneration paid to the Statutory Auditors: The total fees, for all services, paid by the Company, for the FY 2023-24, to the Statutory Auditors is Rs. 13 lakh. (excluding GST).

## 19. RISK MANAGEMENT FRAMEWORK:

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

## 20. 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.

## 21. 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 <http://www.zfindia.com/policies-codes.php>. Pursuant to the provisions under the Listing Regulations, a Confirmation from the Managing Director regarding compliance with the Code by all the Directors and Senior Management forms part of this Report.

## 22. VIGIL MECHANISM:

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(s)/ employee(s) were denied access to the Chairman of the Audit Committee and that no complaints were received during the Financial Year.

The Whistle Blower Policy has been disclosed on the Company's website <http://www.zfindia.com/policies-codes.php>.

## 23. MEANS OF COMMUNICATION:

Quarterly Financial Results: The Quarterly Financial Results of the Company are published in the following leading newspapers viz. 'Business Standard' (English newspaper) and 'Loksatta' (Marathi newspaper) and are also displayed on the Company's website, [www.zfindia.com](http://www.zfindia.com). The Financial Results are also electronically filed on 'BSE Listing Centre'. Further the Company has designated Email ID viz. [investor@zfindia.com](mailto:investor@zfindia.com) for handling stakeholders' queries/ grievances.

## 24. DISCLOSURES TO STOCK EXCHANGE:

All price-sensitive information and matters that are material to the shareholders are disclosed to BSE Limited. All submissions to BSE Limited are also available on the Company's website.

**Website:** The Company's website [www.zfindia.com](http://www.zfindia.com) contains a separate section 'Investors' where all important public domain information including information mandated to be provided pursuant to the Act and the Listing Regulations can be accessed. The Company's Annual Report (in a downloadable form), Quarterly Financial Results, Quarterly Shareholding Pattern, Quarterly Corporate Governance Report, Corporate Announcements, half-yearly disclosures on Related Party Transactions etc., are available on the site.

## 25. PRESENTATIONS MADE TO INSTITUTIONAL INVESTORS OR TO THE ANALYSTS:

There were no presentations made to institutional investors/analysts.

## 26. ACCOUNTING STANDARDS/ TREATMENT:

The Company has complied with the applicable Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III to the Act notified by the Ministry of Corporate Affairs (MCA).

## 27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report forms a part of the Board's Report.

### GENERAL SHAREHOLDER INFORMATION:

44<sup>th</sup> Annual General Meeting

<b>Day, Date and Time</b>	<b>Tuesday, September 10, 2024 at 10:30 am (IST)</b>
	The Meeting will be conducted through video-conferencing (VC) pursuant to MCA Circulars.

## 28. FINANCIAL YEAR:

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

## 29. BOOK CLOSURE:

The dates for book closure are from September 4, 2024 to September 10, 2024 (both days inclusive)

## 32. 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. The information relating to outstanding dividend account/ (s) and the dates by which they can be claimed by the shareholders are given below:

Financial Year	Date of declaration of dividend	Type of dividend	Total Dividend (in Rs.)	Unclaimed dividend as on March 31, 2024 (in Rs.)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2016-17	August 02, 2017	Final	7,25,86,400	8,22,504	September 6, 2024
2017-18	August 27, 2018	Final	7,25,86,400	7,06,280	October 1, 2025
2022-23	September 16, 2023	Final	4,53,66,500	2,96,527	November 14, 2030

## 30. DIVIDEND AND DIVIDEND PAYMENT DATE:

The Board of Directors, at their Meeting held on May 25, 2024, has recommended a Dividend of Rs. 8 per Equity Share of Rs. 10/- each, for the financial year ended on March 31, 2024, subject to the approval of the Members of the Company. The Company provides the facility for remittance of dividends, if any, to Shareholders through NECS (National Electronic Clearing Service)/ RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer).

Shareholders, who have not yet opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) to their respective Depository Participants where shares are held in the dematerialized form and the Registrar Transfer Agent in the physical form respectively.

The said dividend will be paid within 30 days of declaration of the same in the Annual General Meeting of the Company i.e. on September 10, 2024.

## 31. UNCLAIMED DIVIDEND:

Unclaimed dividend for the years prior to and including the unpaid interim dividend for F.Y. 2015-16 has been transferred to 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 2016-17, 2017-18 and 2022-23, 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.

**PURSUANT TO IEPF RULES, GIVEN BELOW ARE THE EQUITY SHARES TRANSFERRED TO THE 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
Transferred to IEPF during Financial Year 2019-20	2,131
Shares Claimed during Financial Year 2019-20	(150)
Transferred to IEPF during Financial Year 2020-21	2,649
Shares Claimed during Financial Year 2020-21	(720)
Transferred to IEPF during Financial Year 2021-22	3,740
Shares Claimed during Financial Year 2021-22	Nil
Transferred to IEPF during Financial Year 2022-23	7,142
Shares Claimed during Financial Year 2022-23	Nil
Transferred to IEPF during Financial Year 2023-24	3368
Shares Claimed during Financial Year 2023-24	(379)
Total Number of Shares held by IEPF as on March 31, 2024.	63,374

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](http://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 have been transferred to the Demat Account of the IEPF is available on the website of the Company - [www.zfindia.com](http://www.zfindia.com).

**33. LISTING ON STOCK EXCHANGE:**

The Company's Equity Shares are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The Company has paid the annual Listing fees up to the Financial Year 2024-25:

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

**34. CUSTODIAL FEES TO DEPOSITORIES:**

Annual Custody/ Issuer fee has been paid to NSDL and CDSL up to the Financial Year 2024-25.

**35. Stock Market Data:**

Market Price of Company's Share at BSE			BSE SENSEX	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-23	571.90	426.20	61209.46	58793.08
May-23	650.00	590.00	63036.12	61002.17
Jun-23	639.90	580.95	64768.58	62359.14
Jul-23	883.90	612.55	67619.17	64836.16
Aug-23	851.00	790.00	66658.12	64723.63
Sep-23	848.00	730.65	67927.23	64818.37
Oct-23	827.70	711.15	66592.16	63092.98
Nov-23	880.00	783.45	67069.89	63550.46
Dec-23	833.95	760.00	72484.34	67149.07
Jan-24	990.00	795.00	73427.59	70001.60
Feb-24	1027.00	868.00	73413.93	70809.84
Mar-24	899.00	781.00	74245.17	71674.42

## STOCK PERFORMANCE:

Share Price Performance in comparison to broad based indices- April 2023 to March 2024.

Stock performance compared to broad based indices		
Particulars	ZF India	BSE SENSEX
F.Y. 2023-24	92.4	24.9

## Registrar and Transfer Agents:

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

## 36. PHYSICAL SHARES RELATED OPERATIONS:

With effect from April 1, 2020, requests for effecting transfer of shares held in physical mode, cannot be processed as per the SEBI directive.

With effect from January 24, 2022, shares issued pursuant to the requests for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Securities and Exchange Board of India (SEBI), vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the shareholders holding shares in physical mode, whose folio/s do not have PAN, Choice of Nomination, Contact Details or Mobile Number, Bank Account Details and Specimen Signature updated with our Registrar and Transfer Agent, Link Intime India Private Limited, shall are not eligible for any payment including dividends, in respect of such folios, with effect from April 01, 2024, unless they have furnished the aforesaid details, thereby making their folio KYC Compliant. The brief procedure along with requisite forms are available on the Company's website [www.zfindia.com](http://www.zfindia.com) – Investors – Investor Service Requests. The Company has also dispatched the requisite forms to the concerned shareholders.

## Shareholding Pattern as on March 31, 2024.

Category	No. of Shares of Rs. 10 each	Percentage of shareholding
Promoters (Munot Family)	60,94,198	67.17
Banks, Financial Institutions, Insurance Companies, Mutual Funds	11,247	0.12
IEPF	63,374	0.69
Private Corporate Bodies	1,01,288	1.12
Indian Public	27,54,330	30.36
NRI/ OCBs	48,863	0.54
Total	90,73,300	100
	<b>As on 31.03.2024</b>	<b>As on 31.03.2023</b>
No. of Shareholders	<b>10,156</b>	<b>10,166</b>

## 37. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

No. of Shares held (Face Value of Rs. 10 Each)	No. of Shareholders	% to total No. of shareholders	No. of Shares held	% to total No. of Shares
1-500	9,380	92.36	8,24,725	9.09
501-1000	409	4.03	3,05,891	3.37
1001-5000	309	3.04	6,09,638	6.72
5001-10000	19	0.19	1,38,227	1.52
10001 & above	39	0.38	71,94,819	79.30
<b>Total</b>	<b>10,156</b>	<b>100.00</b>	<b>90,73,300</b>	<b>100.00</b>

### 38. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The details of Equity shares dematerialized and those held in physical form as on March 31, 2024, are given hereunder:

Particulars of Equity Shares	Equity Shares of Rs. 10 each		Shareholders	
	Number	% of total	Number	% of total
<b>Dematerialized form</b>				
NSDL	50,32,076	55.45	5,073	49.95
CDSL	39,28,294	43.30	4,504	44.35
<b>Sub-total</b>	<b>89,60,370</b>	<b>98.75</b>	<b>9,577</b>	<b>94.30</b>
Physical Form	1,12,930	1.25	579	5.70
<b>Total</b>	<b>90,73,300</b>	<b>100</b>	<b>10,156</b>	<b>100</b>

Considering the advantages of dealing in securities in electronic/ dematerialized form, shareholders still holding shares in physical form are requested to dematerialise 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/ transferred/ transmitted by all the investors only in dematerialized form. The Company's Shares are traded only on BSE Limited.

### 39. DIVIDEND DECLARED FOR THE LAST 10 YEARS:

Financial Year	Dividend Per Share* (Rupees)
2014-15	10.00
2015-16	12.50
2016-17	8.00
2017-18	8.00
2018-19	Nil
2019-20	Nil
2020-21	Nil
2021-22	Nil
2022-23	5.00
2023-24 (recommended)	8.00

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

### 40. 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.

### 41. DISCLOSURE WITH RESPECT TO THE EQUITY SHARES LYING IN SUSPENSE ACCOUNT:

Particulars	Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	52	4483
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders whose shares were transferred to Investor Education Protection Fund (IEPF) account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	52	4483

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

### 42. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Please refer to the Board's Report for the aforesaid disclosure.

### 43. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:

The Company is in compliance with all the mandatory requirements stipulated under Regulations 17 to 27 read with Schedule V and applicable clauses of sub-regulation (2) of Regulation 46 of SEBI (LODR), Regulations, 2015, with regard to Corporate Governance.

### 44. 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:

- The Company is in the regime of financial statements with unmodified audit opinion.
- The Internal Auditor directly reports to the Audit Committee.



#### 45. PLANT LOCATIONS:

Segment	Address
Auto Components	1. Gat No. 1242/ 44, Village Vadu-Budruk, Tal. Shirur, Dist: Pune- 412 216. (Maharashtra)
	2. Plot number 3, Industrial Area, Sector V growth centre, Pithampur, Dist. Dhar, M.P. – 454775.
Solar Power Project	Plot No. 45 & 46, Survey No. 152/1, Charanka, Santalpur, Patan (Gujarat)
Wind Power	1. Supa, Dist. Ahmednagar (Maharashtra)
	2. Sadawaghapur, Dist. Satara (Maharashtra)
	3. Ajnadi, Dist. Sambhajinagar (Maharashtra)

#### 46. DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT

Sr. No.	Name of the Company	Name of the Directors interested	Amount (Rs. in crore) as on March 31, 2024
1	DriveSys Systems Private Limited (Wholly-Owned Subsidiary of the Company)	i. Mr. Dinesh Munot- Chairman	19.17
		ii. Mr. Utkarsh Munot- Managing Director	
2	NexSteer Systems Private Limited (Wholly-Owned Subsidiary of the Company)	iii. Mr. S.A. Gundecha- Independent Director	13.04

#### 47. DETAILS OF MATERIAL SUBSIDIARIES OF THE COMPANY INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES

As of March 31, 2024, the Company had no material Subsidiaries. Further, details of the Company's Subsidiaries, date of incorporation and particulars of their Statutory Auditors are as follows:

Sr. No.	Name of the Subsidiary	Date of Incorporation	Name of the Statutory Auditors	Date of Appointment/ Reappointment of the Statutory Auditors
1	DriveSys Systems Private Limited	April 27, 2022	M/s. MGM and Co., Chartered Accountants (FRN: 117963W)	September 30, 2023
2	NexSteer Systems Private Limited	April 29, 2022		September 30, 2023
3	Metacast Auto Private Limited	May 22, 2023		May 23, 2023

#### 48. ADDRESS FOR INVESTOR CORRESPONDENCE:

For transfer/ dematerialization of shares Link Intime India Pvt. Ltd. 2202 A-Wing, Second Floor, Akshay Complex, Off Dhole Patil Road, Pune- 411 001 Phone- (020) 26161629/ 26163503/ 26160084 E-mail- pune@linkintime.co.in

For payment of dividend and other correspondence, please approach Secretarial Department: ZF Steering Gear (India) Ltd. Corporate Identity Number **(CIN-L29130PN1981PLC023734)** Gat No. 1242/ 44, Village Vadu-Budruk, Tal. Shirur, Dist. Pune- 412 216. E- Mail: [investor@zfindia.com](mailto:investor@zfindia.com) Phone- 02137-305100.

Pune  
August 10, 2024

Dinesh Munot  
Chairman  
(DIN: 00049801)

## Certificate of Compliance with the Corporate Governance

Independent Auditor's Certificate on Compliance with the Corporate Governance Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

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

1. This certificate is issued in Accordance with the terms of our engagement letter dated 5<sup>th</sup> Sept, 2022.
2. This report contains details of compliance of conditions of Corporate Governance by ZF Steering Gear (India) Limited ('the Company') for the year ended 31st March, 2024 as stipulated in regulations 17 to 27, clause (b) to (i) and (t) of regulation 46 (2) And paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with BSE Limited (referred to as the 'Stock Exchange').

### Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Our examination was limited to 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions

of Corporate Governance as Stipulated in the Listing Regulations for the year ended 31st March, 2024.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as Stipulated in the above-mentioned Listing Regulations.
9. We 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.

### Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by Any other person or for Any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Joshi Apte & Co.,**  
Chartered Accountants  
ICAI Firm registration number: 104370W

per **Kaustubh Deshpande**  
Partner  
Membership No.: 131090  
UDIN: 24131090BJZXAI9755  
Pune: 27th July 2024

## 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 2023-24.

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

**Pune  
August 6, 2024**

**Utkarsh Munot  
Managing Director**

## Managing Director/ CFO Certification

The Managing Director and the Chief Financial Officer 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  
May 25, 2024**

**Utkarsh Munot  
Managing Director**

**Jinendra Jain  
Chief Financial Officer**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

**The Members of**

**ZF Steering Gear (India) Limited**

Regd. Office: Gat No 1242/1244 Village, Vadu Budruk

Tal Shirur Pune Mh 412216 In

We 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, Pune MH 412216 IN (hereinafter referred to as “the Company”), produced before us 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31st, 2024 have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT AT CURRENT DESIGNATION 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	SMITA AMOL LAHOTI	08764528	27/06/2020
6	DR. DINESH BOTHRA	00049883	03/02/2024

Ensuring the eligibility 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.

**For SIUT & Co LLP**  
**Company Secretaries**  
(Unique code: L2021MH011500)  
Name: CS I U Thakur

Date: 23.05.2024

Place: Pune

Partner

FCS: 2298

CP: 1402

UDIN: F002298F000432123

Peer Review Certificate No.: 5460/2024

## ANNEXURE - III to the Board's Report Annual Report on Corporate Social Responsibility

1. A brief outline of the Company's CSR policy, including overview of projects 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 (the 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.

The policy was formulated by the CSR Committee in terms of provision of Section 135(4) of the Companies Act, 2013 (the Act) read with Rule 6 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, which has also been approved by the Board. As per CSR policy the Company shall undertake any CSR activities/ projects/ programs in the areas as specified in Schedule VII of the Act as amended from time to time.

The Policy inter-alia covers the Philosophy, Scope, List of the CSR activities, Annual Action Plan, Modalities of Execution of projects/ programs and Monitoring, Impact Assessment, set-off and carry forward of excess CSR expenditure thereof.

The policy is placed on the website of the Company <http://www.zfindia.com/policies-codes.php>.

2. The Composition of the CSR Committee.

-	Mr. Dinesh Munot	Chairman
-	Mr. Utkarsh Munot	Member/ Managing Director
-	Mr. Shridhar Kalmadi	Member/ Independent Director

8. Details of CSR spent during financial year:

a. CSR amount spent or unspent for the Financial Year.

Total Amount Spent for the Financial Year (Rs. In crore)	Amount Unspent (Rs. in crore)				
	Total Amount transferred to the Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of Transfer.	Name of the Fund	Amount	Date of Transfer.
NIL	NIL	N/A	NIL	NIL	N/A

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.zfindia.com/profile/committees.php>.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.
5. Details pursuant to sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:
  - i. amount available for set off for the Financial Year: Rs. 0.22 crore
  - ii. amount required for set off for the Financial Year: Rs. 0.22 crore
6. Average Net Profit/ (Loss) of the Company for last three financial years: Rs. 11.61 crore
7. Prescribed CSR Expenditure
  - i. two per cent of the amount as in item 6 above: Rs. 0.24 crore
  - ii. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
  - iii. Amount required to be set off for the financial year, if any: Rs. 0.22 crore
  - iv. Total CSR obligation for the financial year (7i+7ii-7iii): Rs. 0.02 crore

b. Details of CSR amount spent against on-going projects for the financial year:

Sr. No.	Name of the Project	Item from the List of activities in Schedule VII of the Act.	Local Area (Yes/ No)	Location of the Project		Duration of the Project	Amount allocated for the project (Rs. in crore)	Amount spent in the current financial year (Rs. in crore)	Amount transferred to Unspent CSR Account for the Project	Mode of Implementation – Whether Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency
1	Stipend Payment under National APprenticeship Promotion Scheme		Yes	State	District		0.02	0.02	NIL	No	Yashaswi BSA Yuvashakti Foundation
				Maharashtra	Pune						
				Madhya Pradesh	Pithampur						
	<b>Total</b>						0.02	0.02	NIL		

Details of amount spent against other than on-going projects for the Financial Year:

Sr. No.	Name of the Project	Item from the List of activities in Schedule VII of the Act.	Local Area (Yes/ No)	Location of the Project		Amount (Rs. in crore)	Mode of Implementation – Whether Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
1	-	-	-	State	District	Nil	NA	Name	CSR registration number
				-	-			NA	NA
	<b>Total</b>					Nil			

c. Amount spent in Administrative Overheads: NIL

d. Amount Spent on Impact Assessment, if applicable: Not Applicable

e. Total amount spent for the Financial Year (8b+8c+8d+8e): NIL

f. Excess Amount for set off, if any:-

Sr. No.	Particulars	Amount (in Rs. In crore)
i.	Two percent of average net profit/ (loss) of the Company as per section 135(5)	0.24
ii.	Total amount spent for the Financial Year	0.02
iii.	Excess amount spent for the financial year [(ii)-(i)]	0
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
v.	Amount available for set off in succeeding financial year(s) [(iii)-(iv)]	0



**9. A. Details of Unspent CSR amount for the preceding three financial years**

Sr. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs. incrore)	Amount spent in the reporting Financial Year	Amount Transferred to any fund Specified in Schedule VII to the Act			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount (Rs. in crore)		Date of Transfer
1	-	NIL	-	-	NIL	-	-

**B. Details of CSR amount spent in the financial year for on-going projects for preceding financial years: Not applicable**

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**

- Date of Creation or Acquisition of Capital Asset(s):** None
- Amount of CSR Spent for creation or Acquisition of Capital Asset:** NIL
- Details of Entity or Public Authority or beneficiary under whose name such capital asset is registered, their address etc:** Not Applicable
- Provide details of capital asset(s) created or acquired (including complete address and location of the Capital Asset):** Not Applicable

**11. 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 reasons for not spending the amount in its Board's Report:** Not Applicable.

Pune  
August 10, 2024

Dinesh Munot  
Chairman  
(DIN: 00049801)

# ANNEXURE - IV to the Board's Report

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31.03.2024

[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**  
**Regd. Office: Gat No 1242/1244 Village,**  
**Vadu Budruk Tal Shirur Pune MH 412216 IN**

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances by the Company and expressing our opinion thereon.

Based on our 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2024 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2024 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; Not applicable to the Company during the Audit Period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable** to the Company during the Audit Period;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable** to the Company during the Audit Period;
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable** to the Company during the Audit Period;
- (g) 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; Not applicable to the Company during the Audit Period;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; – **Not applicable** to the Company during the Audit Period;
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable to the Company during the Audit Period;

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

- (i) Secretarial Standards pursuant to Section 118 (10) of the Act issued by the Institute of Company Secretaries of India (ICSI).
- (ii) The listing agreement entered into by the Company with BSE Limited as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We 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 and Listing Regulations.

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, shorter notice consent was taken wherever needed 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.

None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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.

We further report that during the audit period, following major events have taken place :

1. On June 30, 2023, the Company has filed following suits before the Hon'ble District Court, Pune and hereby inform that-
  - **Suit-1** Suit for permanent injunction under Section 142 of the Trade Marks Act, 1999 and for damages and other reliefs against ZF AG, Mr. Suresh KV (agent of ZF AG) and Ms. Abha Jaiswal (agent of ZF AG) and the Company along with other reliefs have claimed damages of Rs. 200,00,00,000 (Rupees Two Hundred Crores) from them.
  - **Suit-2** Suit for passing off, seeking permanent injunction and damages under Section 134 and other applicable provisions of the Trade Marks Act, 1999 and other applicable laws against ZF AG, ZF India Private Limited, ZF Rane Automotive India Private Limited and ZF Commercial Vehicle Control Systems India Limited and the Company along with other reliefs have claimed damages of Rs. 200,00,00,000 (Rupees Two Hundred Crores) from them.

Date: 23.05.2024  
Place: Pune

**For SIUT & Co LLP**  
**Company Secretaries**

(Unique code: L2021MH011500)

Name: CS I U Thakur

Partner

FCS: 2298

CP: 1402

UDIN: F002298F000432046

Peer Review Certificate No.: 5460/2024

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  
Regd. Office: Gat No 1242/1244 Village,  
Vadu Budruk Tal Shirur Pune MH 412216 IN

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our 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.

Date: 23.05.2024  
Place: Pune

**For SIUT & Co LLP**  
**Company Secretaries**  
(Unique code: L2021MH011500)  
Name: CS I U Thakur  
Partner  
FCS: 2298  
CP: 1402  
UDIN: F002298F000432046  
Peer Review Certificate No.: 5460/2024

# STANDALONE FINANCIAL STATEMENTS



# Independent Auditors' Report

To,

The Members of

ZF STEERING GEAR (INDIA) LIMITED, PUNE

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **ZF Steering Gear (India) Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) 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 standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### 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 standalone 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition- Rebates, Discounts and Price Variations</b></p> <p>The Company measures revenue net of any trade discounts volume rebates and price variations.</p> <p>Material estimation by the Company is involved in recognition and measurement of rebates, discounts and price variations. This includes establishing an accrual at the year end, particularly in arrangements with varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end.</p> <p>We identified the evaluation of accrual for rebates, discounts and price variations as a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>We tested the effectiveness of controls over design, implementation and operating effectiveness of, key manual and application controls. They cover control over computation of discounts and rebates and rebate and discount accruals;</li> <li>Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to rebates, discounts and price variations, we evaluated the Company's revenue recognition policies with reference to the requirements of Indian Accounting Standard-115 (Revenue from contracts with customers);</li> <li>Substantive testing performed by selecting samples of rebates, discounts and price variations transactions recorded during the year and verifying the computation with the relevant source documents;</li> <li>Understanding the process followed by the Company to determine the amount of accrual of rebates, discounts and price variations. Testing samples of rebate accruals and comparing to underlying documentation;</li> <li>Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items; Checking completeness and accuracy of the data used by the Company for accrual of rebates and discounts.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Evaluation of Investment in equity shares and loans given to Subsidiaries</b></p> <p>The Company has made Investment in equity shares of Rs. 8.11 crores and has advanced loans of Rs. 47.72 crores to DriveSys Systems Private Limited, NexSteer Systems Private Limited and Metacast Auto Private Limited (Subsidiaries of the Company).</p> <p>The Company's evaluation of its equity investments and loans given involves the comparison of its recoverable value of each cash-generating unit to its corresponding carrying value. The Company used the discounted cash flow model to estimate recoverable value, which requires management to make significant estimates and assumptions related to forecasts of future revenues and discount rates. DriveSys Systems has been operational from March 2024 whereas NexSteer Systems &amp; Metacast Auto are currently in pre operative stage.</p> <p>We focused on this area as Key Audit Matter because of the Company's assessment of the 'recoverable value' of the CGU (at the entity level) involves judgements about the future results of the business and the discount rates applied to future cash flow forecasts.</p>	<p><b>Principal Audit Procedures</b></p> <p>With the assistance of our fair value specialists, we evaluated the reasonableness of the</p> <p>(1) valuation methodology and</p> <p>(2) discount rate by:</p> <ul style="list-style-type: none"> <li>• Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation.</li> <li>• Developing a range of independent estimates and comparing those to the discount rate selected by management.</li> <li>• Performed a sensitivity analysis to determine the effect of variation in the cash flow estimates.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
3	<p><b>Litigation with regard to Trade Mark disclosed in note 38 of Financial Statements</b></p> <p>The Company is in receipt of a communication which alleges an infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and a claim of Rs.100 Crores as damages.</p> <p>Against this, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune.</p> <p>Whether a liability is to be recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgement in respect to this claim against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, this litigation amount is considered to be a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.</li> <li>• Assessed management's discussions held with their legal consultants and understanding precedents in similar cases;</li> <li>• Obtained and evaluated the managements representation from the company's internal dedicated team and consultant opinion wherever required representing the Company before the various authorities. Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.</li> </ul>

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Report of the Directors, Boards Report including Annexure to Boards Reports, Business Responsibility Report, Corporate Governance and Shareholders information, the Overview of Financial Performance, and Report on Risk Management (collectively referred as "other information") but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

## Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian accounting standards) Rules 2015, as amended from time to time. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the management and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone

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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/ standalone financial statements of the Company to express an opinion on the standalone financial statements.

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 standalone 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 Section 143(3) of the Act, based on our audit we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows of Standalone Financial Statements dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended 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 as at March 31, 2024 on its financial position in its standalone financial statements. Refer Note 32 and 38 in Standalone Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified



in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 40 to financial statements, the Board of Directors of the Company has proposed dividend for the year which is subject

to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023, Based on the our examination which is conducted on test check basis and information and explanation provided by the management of the company, the Company has used accounting software (SAP HANA) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- 2. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure 'B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Joshi Apte & Co.,**  
**Chartered Accountants**  
**(ICAI Firm registration number: 104370W)**

**Per Kaustubh Deshpande**  
**Partner**  
**Membership No.: 131090**  
**UDIN: 24131090BJZWYC4306**  
**Pune, May 25, 2024**



## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of ZF Steering Gear (India) Limited for the year ended March 31, 2024.

### Report on the Internal Financial Controls Over Financial Reporting 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) Limited (the “Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility and Those Charged with Governance for Internal Financial Controls

The Board of Directors of the Company 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 (the “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 the respective 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.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of The Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 standalone 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 standalone 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 standalone 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 the 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 standalone financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2024, based on the internal financial 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 ICAI.

**For Joshi Apte & Co.,**  
**Chartered Accountants**  
**(ICAI Firm registration number: 104370W)**

**Per Kaustubh Deshpande**  
**Partner**  
**Membership No.: 131090**  
**UDIN: 24131090BJZWYC4306**  
**Pune, May 25, 2024**

## Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of ZF Steering Gear (India) Limited for the year ended March 31, 2024.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) In respect of the Company's Property plant and Equipment and Intangible Assets:
  - (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment, and right of use assets
  - B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment, right of use assets under which the assets are 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) Based on our examination of the property tax receipts and lease agreement for land on which land is constructed, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that the title in respect of self-constructed buildings and title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour lessee) disclosed in the standalone financial statements included under Property, Plant and Equipment are held in the name of the Company as at balance sheet date except for:

<b>Description of property</b>	<b>Land at Koregaon Bhima, Taluka Shirur, District Pune, Maharashtra</b>	<b>Land at Koregaon Bhima, Taluka Shirur, District Pune, Maharashtra</b>
Gross carrying value (Rs. In Crores)	0.04	0.01
Asset held in name of	Mr. Dinesh Munot	Mr. Dinesh Munot
Whether held in name of promoter, director or their relative or employee	Yes	Yes
Period during which it was not held in name of the Company	From 1995 Till Date	From 1995 Till Date
Reason for not being held in name of company	These land parcels were agricultural lands at the time of acquisition, due to the restrictions contained in Section 63 of the Bombay Tenancy & Agricultural Lands Act, 1948 whereby a company cannot buy agricultural land in Maharashtra. Hence these lands were acquired in the name of Mr. Dinesh Munot on behalf of the Company.	
Where ownership of the Asset is in dispute, details of such dispute	No	No

- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets of assets) and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

- (ii) (a) The inventory has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit have been verified by the management with reference to the confirmations received from them and/or subsequent receipt of goods. The Company is maintaining proper records of inventory. According to the information and explanations given to us and on the basis of the stock verification records, the discrepancies noticed on verification between the physical stock and the book records were not more than 10% in the aggregate for each class of inventory were noticed.
- (b) The Company has sanctioned working capital limit in excess of Rs 5 Crores, in aggregate, from banks and financial institutions on the basis of security of current assets and quarterly stock statements filed by the Company with such banks and financial institutions which are in agreement with books of accounts after obtaining appropriate reconciliation which doesn't have any impact.
- (iii) (a) During the year the Company has provided loans to employees and subsidiaries, the detailed information is mentioned below: -

<b>Particulars</b>	<b>Loan to employees (Rs. In Crores)</b>	<b>Loan to Subsidiaries (Rs. In Crores)</b>	<b>Loan to Others (Rs. In Crores)</b>	<b>Guarantees/ Securities Provided (Rs. In Crores)</b>
Aggregate amount provided during the year	0.01	35.30	2.50	23.45
Balance Outstanding as at Balance Sheet Date	0.17	47.72	2.37	35.96

- (b) The investments made and terms and conditions of the grant of all loans and advances in the nature of loans provided are not, prima facie, prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The repayments/receipts of principal is not initiated currently due to moratorium period of two years, after which the loan will be repayable within next five years. The repayments/receipts of interest are regular.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

- (e) The Company has granted loans or advances in the nature of loans and interest portion pertaining to the same which had fallen due during the year and the same has been repaid on or before the due date.
- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable, except Building cess amounting to Rs. 0.31 Crores.

Details of dues of Income Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2024 on account of dispute are given below:

Nature of Statute	Nature of Dues	Forum where the Dispute is pending	Financial Year	Amount (Rs. In Crore)
Income Tax Act, 1961	Assessed TDS Dues by CPC	CIT (Appeal), Delhi	FY 2012-13	0.03
Maharashtra Value Added Tax, 2002	Assessment Dues	Joint Commissioner Appeal	FY 2016-17	0.34
Maharashtra Value Added Tax, 2002	Assessment Dues	Joint Commissioner Appeal	FY 2017-18	0.12
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2014-15	1.81
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2015-16	4.40
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2016-17	0.92
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2017-18	0.64*
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2018-19	2.86*
Central Excise	Assessment dues	CESTAT, Mumbai	FY 2021-22	0.11
GST Act	Assessment dues	AC, CGST, Ujjain	FY 2017-18 to FY 2021-22	0.42
GST Act	Assessment dues	Supintendent, CGST, Pithampur -I	FY 2019-20	0.01
GST Act	Assessment dues	GST Appellate Authority, Rudrapur	FY 2023-24	0.11

\* Demands are disclosed net of amounts deposited with authorities. The Company has paid the amount against the disputed liability under protest.

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) a) According to the information and explanations given to us and based on our examination, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2024.
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly reporting under clause 3(x)(a) of the Order is not applicable to Company.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under section 143(12) of The Companies Act 2013 has been filed in Form ADT – 4 as prescribed under rule 13 of Companies (Audit & Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required under Related Party Disclosures specified in Companies (Indian accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company to the Company during the year and till date, in determining the nature, timing and extent of audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and accordingly provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly reporting under clause 3(xvi)(a) of the order is not applicable to the Company.
- (b) In our Opinion, there is no investment company within the Group (as defined in the Core Investments Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(b) of the order is not applicable to the Company.



- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditor during the year. Accordingly reporting under clause (xviii) of the order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report

and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanations given to us, the Company does not have any unspent amount under sub section (5) of Section 135 of the Act in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Joshi Apte & Co.,**  
**Chartered Accountants**  
**(ICAI Firm registration number: 104370W)**

**Per Kaustubh Deshpande**  
**Partner**  
**Membership No.: 131090**  
**UDIN: 24131090BJZWYC4306**  
**Pune, May 25, 2024**

# STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(Rs. in Crore)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3[a]	122.99	130.57
Right of use asset	3[b]	11.46	12.92
Capital work in progress	3[c]	3.59	1.49
Other Intangible assets	4[a]	0.79	0.81
Investment Property	4[b]	0.75	1.08
Intangible assets under development	3[d]	0.33	0.16
Financial assets			
(i) Investments	5[a]	142.12	155.46
(ii) Loans	5[e]	50.20	12.58
(iii) Other non-current financial assets	5[g]	0.67	0.59
Other non-current assets	6	3.76	3.96
Income Tax Assets (Net)	7	4.49	4.43
Deferred tax Assets (Net)	8	16.66	15.36
<b>Total non-current assets</b>		<b>357.81</b>	<b>339.41</b>
<b>Current assets</b>			
Inventories	9	66.37	58.15
Financial assets			
(i) Trade receivables	5[b]	97.70	107.06
(ii) Cash and cash equivalents	5[c]	12.89	0.16
(iii) Bank Balances other than Cash and cash equivalents	5[d]	0.16	0.37
(iv) Loans	5[e]	0.06	0.05
(v) Others	5[f]	5.68	0.32
Other current assets	6	4.44	4.92
<b>Total current assets</b>		<b>187.30</b>	<b>171.03</b>
<b>TOTAL ASSETS</b>		<b>545.11</b>	<b>510.44</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	10	9.07	9.07
Other equity	11	454.07	410.51
<b>Total Equity</b>		<b>463.14</b>	<b>419.58</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease Liability	12[c]	3.17	4.16
Provisions	13	1.05	0.91
Other non current liabilities	14	0.96	1.99
<b>Total non-current liabilities</b>		<b>5.18</b>	<b>7.06</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	12[a]	29.09	36.14
(ii) Trade payables			
A) Total outstanding dues of Micro and Small Enterprises	12[b]	4.87	2.96
B) Total outstanding dues of creditors other than Micro and Small Enterprises	12[b]	26.90	32.49
(iii) Lease Liability	12[c]	1.07	0.92
(iv) Others	12[d]	3.41	1.83
Other current liabilities	14	8.46	6.64
Provisions	13	2.99	2.82
<b>Total current liabilities</b>		<b>76.79</b>	<b>83.80</b>
<b>Total liabilities</b>		<b>81.97</b>	<b>90.86</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>545.11</b>	<b>510.44</b>

Material Accounting Policies

2

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For **Joshi Apte & Co.**  
Firm Registration Number: 104370W  
Chartered Accountants

**Kaustubh Deshpande**  
Partner

Membership No. : 131090

Place: Pune  
Date: May 25, 2024

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**

**Utkarsh Munot** Managing Director

**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  
Date: May 25, 2024

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crore)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>INCOME</b>			
Revenue from operations	15	477.82	450.43
Other income	16	37.78	13.98
<b>Total Income</b>		<b>515.60</b>	<b>464.41</b>
<b>EXPENSES</b>			
Cost of raw material consumed	17	321.09	293.62
Change in Inventory of finished goods and work in progress	18	(7.94)	(0.53)
Employee benefits expense	19	63.93	55.91
Other expenses	20	48.17	45.31
<b>Total Expenses</b>		<b>425.25</b>	<b>394.31</b>
<b>Profit before interest, tax, depreciation, amortisation expenses and exceptional items (EBITDA)</b>		<b>90.35</b>	<b>70.10</b>
Finance costs	21	0.91	0.72
Depreciation and amortisation expense	22	33.40	32.18
<b>Profit before exceptional items and tax</b>		<b>56.04</b>	<b>37.20</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>56.04</b>	<b>37.20</b>
<b>Tax Expense</b>	23		
Current tax		9.83	6.22
Minimum Alternative Tax (MAT) credit entitlement		(1.48)	(6.22)
Deferred tax		(0.03)	11.76
<b>Total tax expense</b>		<b>8.32</b>	<b>11.76</b>
<b>Profit for the year</b>		<b>47.72</b>	<b>25.44</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		0.58	(1.37)
- Income tax relating to the above items	23	(0.20)	0.40
<b>Other comprehensive income for the year, net of tax</b>		<b>0.38</b>	<b>(0.97)</b>
<b>Total comprehensive income for the year</b>		<b>48.10</b>	<b>24.47</b>
Earnings per equity share of Rs 10 each	24		
Basic and diluted earnings per share		<b>52.59</b>	<b>28.04</b>

Material Accounting Policies

2

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

 For **Joshi Apte & Co.**  
 Firm Registration Number: 104370W  
 Chartered Accountants

**Kaustubh Deshpande**  
 Partner  
 Membership No. : 131090

 Place: Pune  
 Date: May 25, 2024

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**
**Utkarsh Munot** Managing Director

**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

Date: May 25, 2024

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crore)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit/ (Loss) before exceptional items and tax</b>	<b>56.04</b>	<b>37.20</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	33.40	32.18
Interest paid	0.91	0.72
Fair value change in investment	(15.64)	(1.72)
(Profit)/ Loss on sale of PPE	(3.23)	0.59
(Profit)/ Loss on sale of investment	(7.51)	(3.01)
Interest Income	(3.27)	(0.88)
Exchange variation	0.19	(0.32)
Dividend received	(0.36)	(0.43)
<b>Operating profit before working capital changes</b>	<b>60.53</b>	<b>64.33</b>
<b>Adjustments for changes in working capital:</b>		
(Increase)/ Decrease in inventory	(8.22)	(0.63)
(Increase)/ Decrease in trade receivables and financial assets	1.83	(16.79)
(Increase)/ Decrease in other non-current and current assets	0.48	2.95
Increase/ (Decrease) in provisions and other liabilities	1.87	(0.62)
Increase/ (Decrease) in trade payables and financial liabilities	(3.87)	8.02
<b>Cash generated from operations</b>	<b>52.62</b>	<b>57.26</b>
Income tax paid - Net	(9.89)	(6.74)
<b>Net cash generated from operating activities</b>	<b>42.73</b>	<b>50.52</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(26.57)	(19.22)
Sale proceed from property, plant and equipment	4.48	0.21
Interest received	3.25	0.89
Dividend received	0.36	0.43
Purchase of Investment	(5.03)	(29.51)
Sale proceed from Investment	41.50	5.48
Investment in subsidiaries	0.03	(8.08)
Loans given to subsidiaries	(35.31)	(12.41)
<b>Net cash used in investing activities</b>	<b>(17.29)</b>	<b>(62.21)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	65.23	61.80
Repayment of borrowings	(72.28)	(51.43)
Dividend paid	(4.75)	-
Interest paid	(0.91)	(0.72)
<b>Net cash used in financing activities</b>	<b>(12.71)</b>	<b>9.65</b>
Net Increase/ (Decrease) in cash and cash equivalents	12.73	(2.04)
Cash and cash equivalents as at the beginning of the year	0.16	2.20
<b>Cash and cash equivalents as at the end of the year</b>	<b>12.89</b>	<b>0.16</b>
<b>Cash and cash equivalents comprise of the following:</b>		
Cash on hand	0.02	0.01
Balances with banks - Current accounts	12.87	0.15
	<b>12.89</b>	<b>0.16</b>

Material Accounting Policies

2

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For **Joshi Apte & Co.**  
Firm Registration Number: 104370W  
Chartered Accountants

**Kaustubh Deshpande**  
Partner

Membership No. : 131090

Place: Pune  
Date: May 25, 2024

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.

CIN: L29130PN1981PLC023734

**Dinesh Munot**

Chairman

**DIN : 00049801**
**Utkarsh Munot**

Managing Director

**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

Date: May 25, 2024

# STANDALONE STATEMENT OF CHANGES IN EQUITY

(Rs. in Crore)

## A. Equity Share Capital

	Notes	Amount
<b>As at April 1, 2023</b>		9.07
Changes in equity share capital due to prior period errors		-
<b>Restated balance as at April 1, 2023</b>		9.07
Changes in equity share capital during the current year	10	-
<b>As at March 31, 2024</b>		<b>9.07</b>

	Notes	Amount
<b>As at April 1, 2022</b>		9.07
Changes in equity share capital due to prior period errors		-
<b>Restated balance as at April 1, 2022</b>		9.07
Changes in equity share capital during the previous year	10	-
<b>As at March 31, 2023</b>		<b>9.07</b>

## B. Other Equity

Particulars	Attributable to owners Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at April 1, 2023</b>	0.35	2.32	235.00	172.84	410.51
Profit for the year	-	-	-	47.72	47.72
Other comprehensive income for the year net of tax	-	-	-	0.38	0.38
<b>Total comprehensive income for the year</b>	-	-	-	<b>48.10</b>	<b>48.10</b>
Dividend paid	-	-	-	(4.54)	(4.54)
<b>Balance at March 31, 2024</b>	<b>0.35</b>	<b>2.32</b>	<b>235.00</b>	<b>216.40</b>	<b>454.07</b>

Particulars	Attributable to owners Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at April 1, 2022</b>	0.35	2.32	235.00	148.37	386.04
Profit for the year	-	-	-	25.44	25.44
Other comprehensive income for the year net of tax	-	-	-	(0.97)	(0.97)
<b>Total comprehensive income for the year</b>	-	-	-	<b>24.47</b>	<b>24.47</b>
<b>Balance at March 31, 2023</b>	<b>0.35</b>	<b>2.32</b>	<b>235.00</b>	<b>172.84</b>	<b>410.51</b>

Material Accounting Policies

2

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For **Joshi Apte & Co.**  
Firm Registration Number: 104370W  
Chartered Accountants

**Kaustubh Deshpande**  
Partner

Membership No. : 131090

Place: Pune  
Date: May 25, 2024

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

DIN : 00049801

**Utkarsh Munot** Managing Director

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  
Date: May 25, 2024



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

## 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 and at Pithampur (Madhya Pradesh) for production and assembling of steering systems and accessories.

## 2 Material 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 standalone financial statements were authorised for issue by the Company's Board of Directors on May 25, 2024.

#### (ii) Basis of measurement

The standalone 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 standalone 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 2024 is included in the following notes:

Note 8 - Recognition of deferred tax assets: Availability of future taxable profit against which tax losses carried forward can be used;

Note 29 - Measurement of defined benefit obligations: Key actuarial assumptions;

Note 13 - 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 years'.

### 2.2 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 28 for segment information presented.

### 2.3 Foreign currencies

#### (i) Functional and presentation currency

The standalone financial statements are presented and accounted for 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 standalone 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

### 2.4 Revenue

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

- 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.
- 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.
- 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.
- 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.

### 2.5 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 expense 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 in proportion to export sale.

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.

### 2.6 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

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.

### 2.7 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

#### As a lessee:

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### Company as a lessor:

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

### 2.8 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 group 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.

### 2.8 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 period no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit & Loss.

### 2.9 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.

### 2.10 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular 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) Non derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, employee and other advances, investments in equity and eligible current and noncurrent assets; and
- financial liabilities, which include borrowings, trade payables and eligible current and noncurrent liabilities.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

#### Investments

Financial instruments measured at fair value through profit or loss ("FVTPL"):

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The gain or loss on disposal is recognised in the statement of profit and loss. Interest income is recognised in the statement of profit and loss for FVTPL debt instruments. Dividends on financial assets at FVTPL is recognised when the Company's right to receive dividends is established.

#### Investments in subsidiaries:

Investment in equity instruments of subsidiaries are measured at cost less impairment.

#### Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise trade receivables, unbilled receivables, employee and other advances and eligible current and noncurrent assets. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are presented as non-current assets. All financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. However, trade receivables and unbilled receivables that do not contain a significant financing component are measured at the Transaction Price.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

### (b) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### (c) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### 2.11 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.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a written down value method (WDV) method and its life taken as per Schedule II to the Companies Act, 2013. Except in respect of :

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.

### 2.12 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.

### 2.13 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

### (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

### 2.14 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.

### 2.15 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.

### 2.16 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.

### 2.17 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

Leave encashment Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences 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.

### 2.18 Asset classified as held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant, and equipment once classified as held for sale are not depreciated or amortized.

### 2.19 Rounding off amounts

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 3. (a) Property, Plant and Equipment (PPE)

	Gross Block					Accumulated Depreciation					Net Block	
	Carrying amount as at 1 April 2023	Additions	Deletions / Disposals	Reclassification	Balance as at 31 March 2024	Balance as at 1 April 2023	Depreciation for the year	Accumulated depreciation on deletions/ disposals	Reclassification	Balance as at 31 March 2024	as at 31 March 2024	as at 31 March 2023
<b>Property, Plant and Equipment (PPE)</b>												
Land*	1.09	-	-	-	1.09	-	-	-	-	-	1.09	1.09
Buildings	55.34	0.08	-	-	55.42	18.77	4.19	-	-	22.96	32.46	36.57
Plant & Equipment	203.69	21.76	(7.95)	-	217.50	138.34	21.00	(7.09)	-	152.25	65.25	65.35
Plant & Equipment ( R & D)	1.17	-	-	-	1.17	0.98	-	-	-	0.98	0.19	0.19
Furnitures & Fixtures	3.93	0.31	(0.22)	-	4.02	2.12	0.47	(0.17)	-	2.42	1.60	1.81
Vehicles	10.21	1.11	(0.54)	-	10.78	5.96	1.51	(0.51)	-	6.96	3.82	4.25
Office Equipment	6.06	1.04	(0.02)	-	7.08	4.65	0.88	(0.02)	-	5.51	1.57	1.41
Electrical Installation	9.12	0.63	(0.19)	-	9.56	6.27	1.04	(0.18)	-	7.13	2.43	2.85
ETP/STP Plant	0.36	-	-	-	0.36	0.24	0.03	-	-	0.27	0.09	0.12
Wind Mills	15.32	-	-	-	15.32	5.16	1.19	-	-	6.35	8.98	10.17
Solar Power Plant	26.92	-	-	-	26.92	20.15	1.26	-	-	21.41	5.51	6.77
<b>Total property, plant and equipment</b>	<b>333.21</b>	<b>24.93</b>	<b>(8.92)</b>	<b>-</b>	<b>349.22</b>	<b>202.64</b>	<b>31.57</b>	<b>(7.97)</b>	<b>-</b>	<b>226.24</b>	<b>122.99</b>	<b>130.57</b>

	Gross Block					Accumulated Depreciation					Net Block	
	Carrying amount as at 1 April 2022	Additions	Deletions / Disposals	Reclassification	Balance as at 31 March 2023	Balance as at 1 April 2022	Depreciation for the year	Accumulated depreciation on deletions/ disposals	Reclassification	Balance as at 31 March 2023	as at 31 March 2023	as at 31 March 2022
<b>Property, Plant and Equipment (PPE)</b>												
Land*	1.09	-	-	-	1.09	-	-	-	-	-	1.09	1.09
Buildings**	55.63	2.43	-	(2.72)	55.34	15.36	5.05	-	(1.64)	18.77	36.57	40.27
Plant & Equipment	197.91	10.86	(5.08)	-	203.69	123.80	18.84	(4.30)	-	138.34	65.35	74.11
Plant & Equipment (R & D)	1.17	-	-	-	1.17	0.98	-	-	-	0.98	0.19	0.19
Furniture & Fixtures	2.84	1.09	-	-	3.93	1.66	0.46	-	-	2.12	1.81	1.18
Vehicles	8.39	2.11	(0.29)	-	10.21	5.10	1.13	(0.27)	-	5.96	4.25	3.29
Office Equipment	5.04	1.06	(0.04)	-	6.06	3.98	0.71	(0.04)	-	4.65	1.41	1.06
Electrical Installation	8.01	1.13	(0.02)	-	9.12	5.04	1.25	(0.02)	-	6.27	2.85	2.97
ETP/STP Plant	0.36	-	-	-	0.36	0.22	0.02	-	-	0.24	0.12	0.14
Wind Mills	15.13	0.19	-	-	15.32	3.81	1.35	-	-	5.16	10.17	11.32
Solar Power Plant	26.92	-	-	-	26.92	18.60	1.55	-	-	20.15	6.77	8.32
<b>Total property, plant and equipment</b>	<b>322.49</b>	<b>18.87</b>	<b>(5.43)</b>	<b>(2.72)</b>	<b>333.21</b>	<b>178.55</b>	<b>30.36</b>	<b>(4.63)</b>	<b>(1.64)</b>	<b>202.64</b>	<b>130.57</b>	<b>143.93</b>

\*Title deeds of Immovable Property not held in the name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Land at Koregaon Bhima, Taluka Shirur, District Pune, Maharashtra	0.04	Mr. Dinesh Munot	Promoter and Director	4th April 1995	These lands were agricultural lands at the time of acquisition. Due to the restrictions contained in Section 63 of the Bombay Tenancy & Agricultural Lands Act, 1948 a company cannot buy agricultural land in Maharashtra. Hence these lands were acquired in the name of Mr. Dinesh Munot on behalf of the company.
Property, Plant & Equipment	Land at Koregaon Bhima, Taluka Shirur, District Pune, Maharashtra	0.01	Mr. Dinesh Munot	Promoter and Director	25th May 1995	

\*\* Note : Reclassification from the Gross Block and Accumulated Depreciation of Property, Plant & Equipment includes transfer to Investment Property.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 3 [b] Right of Use Asset

	Category of Right of Use asset
	Leasehold land & Office Premises
<b>Balance as at March 31, 2023</b>	<b>12.92</b>
Additions	-
Amortisation	1.46
<b>Balance as At March 31, 2024</b>	<b>11.46</b>
<b>Balance as at March 31, 2022</b>	<b>14.40</b>
Additions	-
Amortisation	1.48
<b>Balance as At March 31, 2023</b>	<b>12.92</b>

### 3 [c] Capital-Work-in Progress (CWIP)

CWIP aging schedule as on 31st March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.59	-	-	-	3.59
Projects temporarily suspended	-	-	-	-	-

CWIP aging schedule as on 31st March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.42	-	0.07	-	1.49
Projects temporarily suspended	-	-	-	-	-

### 3 [d] Intangible assets under development

Intangible assets under development aging schedule as on 31st March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development aging schedule as on 31st March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.14	-	-	0.02	0.16
Projects temporarily suspended	-	-	-	-	-

There was no overdue completion for any of the projects and there was no cost overrun for any project in FY 2023-24 and FY 2022-23

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 4 a) INTANGIBLE ASSETS

	Computer software	Technical know how	Patent	Total
<b>Year ended March 31, 2024</b>				
<b>Gross Carrying Amount</b>				
Carrying amount as at April 1, 2023	6.06	0.01	0.05	6.12
Additions	0.33	-	-	0.33
Disposals / adjustments	-	-	-	-
<b>At March 31, 2024</b>	<b>6.39</b>	<b>0.01</b>	<b>0.05</b>	<b>6.45</b>
<b>Accumulated depreciation and impairment, if any</b>				
As at April 1, 2023	5.29	-	0.02	5.31
Charge for the year	0.34	-	0.01	0.35
Disposals / adjustments	-	-	-	-
<b>At March 31, 2024</b>	<b>5.63</b>	<b>-</b>	<b>0.03</b>	<b>5.66</b>
<b>Net Block At March 31, 2024</b>	<b>0.76</b>	<b>0.01</b>	<b>0.02</b>	<b>0.79</b>

\* Amount of depreciation pertaining to patent for period ended March 2024 is Rs. 64,224 (March 31, 2023 - Rs. 16,598).

	Computer software	Technical know how	Patent	Total
<b>Year ended March 31, 2023</b>				
<b>Gross Carrying Amount</b>				
Carrying amount as at April 1, 2022	5.71	0.01	0.05	5.77
Additions	0.35	-	-	0.35
Disposals / adjustments	-	-	-	-
<b>At March 31, 2023</b>	<b>6.06</b>	<b>0.01</b>	<b>0.05</b>	<b>6.12</b>
<b>Accumulated depreciation and impairment, if any</b>				
As at April 1, 2022	4.96	-	0.01	4.97
Charge for the year	0.33	-	0.01	0.34
Disposals / adjustments	-	-	-	-
<b>At March 31, 2023</b>	<b>5.29</b>	<b>-</b>	<b>0.02</b>	<b>5.31</b>
<b>Net Block At March 31, 2023</b>	<b>0.77</b>	<b>0.01</b>	<b>0.03</b>	<b>0.81</b>

### 4 b) INVESTMENT PROPERTY

	Total
<b>Balance as At March 31, 2023</b>	<b>1.08</b>
Additions	-
Deletions	0.29
Amortisation	0.04
<b>Balance as At March 31, 2024</b>	<b>0.75</b>
<b>Balance as at March 31, 2022</b>	<b>-</b>
Additions*	2.72
Deletions	-
Amortisation	1.64
<b>Balance as At March 31, 2023</b>	<b>1.08</b>

Market Value of rented property at ICC Tower, Pune is Rs. 8.20 Crores as on 31-03-2024 ( Rs. 8.20 Crores as on 31-03-2023).

\*Additions to Gross Block and Amortisation includes reclassification from Property, Plant & Equipment.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 5 FINANCIAL ASSETS

#### [a] INVESTMENTS

	Notes	31-Mar-24	31-Mar-23
<b>Non-Current</b>			
Investment in equity shares (quoted, fully paid-up, at FVTPL)	See note (i)	32.53	24.61
Investments in redeemable Non-Convertible Bonds (quoted, fully paid-up, at amortised cost)	See note (ii)	4.40	4.40
Investments in Mutual Funds (quoted, at FVTPL)	See note (iii)	97.08	118.37
Investments in equity shares (unquoted, at cost)	See note (iv)	8.11	8.08
		<b>142.12</b>	<b>155.46</b>

	31-Mar-24	31-Mar-23
Aggregate amount of quoted investments and market value thereof	134.01	147.38
Aggregate amount of unquoted investments (at cost)	8.11	8.08

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

	31-Mar-24		31-Mar-23	
	Nos	Amount	Nos	Amount
ICICI Bank Limited (Face value of Rs. 2 each)	78,424	8.57	78,424	6.89
<b>Tata Consultancy</b> Services Limited (Face value of Re. 1 each) \$	24,432	9.47	24,432	7.83
KPIT Technologies Limited (Face value of Rs. 10 each)	60,000	8.92	60,000	5.55
Birlasoft Limited (Face value of Rs. 2 each)	38,011	2.82	38,011	0.99
Borosil Renewables Limited (Face value of Re. 1 each)	8,000	0.40	8,000	0.33
SBI Card & payment services Limited (Face value of Rs 10 each)	-	-	1,530	0.11
Infosys Limited (Face value of Rs. 5 each)	5,386	0.81	5,386	0.77
GAIL (India) limited (Face value of Rs. 10 each)	-	-	79,725	0.84
Mahindra & Mahindra Limited (Face value of Rs. 5 each)	8,000	1.54	8,000	0.93
Life Insurance Corporation of India (Face value of Rs. 10 each)	-	-	7,000	0.37
	<b>2,22,253.00</b>	<b>32.53</b>	<b>3,10,508.00</b>	<b>24.61</b>

\$ 5,000 Equity shares of TCS Ltd. having a market value of Rs 1.94 Crores at FY 23-24 (1.87 Crores at PY 22-23) are pledged in favour of Prabhudas Lilladher Pvt. Ltd. (A stock broker) as Margin.

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

	31-Mar-24		31-Mar-23	
	Nos	Amount	Nos	Amount
National Highway Authority of India (NHAI)	24,724	2.44	24,724	2.44
Power Finance Corporation Limited (PFC)	19,935	1.96	19,935	1.96
		<b>4.40</b>		<b>4.40</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (iii) Investments in Mutual Funds (Quoted, at FVTPL)

	31-Mar-24		31-Mar-23	
	Nos	Amount	Nos	Amount
<b>HDFC Credit Risk Debt Fund - Growth*</b>	<b>49,63,912</b>	<b>11.60</b>	<b>49,63,912</b>	<b>10.71</b>
Reliance Capital Limited Series B/ 437 - NCD	500	-	500	-
HDFC Banking and Financial Services Fund - Direct- Growth	-	-	48,20,646	5.45
Nippon India Money Market Fund - Growth	-	-	57,415	20.37
Invesco India Focused 20 Equity Fund - Direct - Growth	-	-	6,09,997	0.89
Invesco India Corporate bond Fund - Direct - Growth	24,770	7.58	24,770	7.04
360 One special opportunities fund	20,20,047	1.03	20,20,047	1.70
<b>Kotak banking and PSU debt fund - Direct - Growth \$</b>	<b>42,00,467</b>	<b>25.77</b>	<b>42,00,467</b>	<b>23.89</b>
<b>HDFC Banking and PSU Debt Fund - Direct- Growth \$\$</b>	<b>1,19,34,999</b>	<b>25.76</b>	<b>1,19,34,999</b>	<b>23.90</b>
Edelweiss Alternative Equity Fund	-	-	23,07,833	6.33
IRB Invit fund	1,00,000	0.67	1,00,000	0.67
ICICI Prudential Transporatation and Logistics Fund - Direct- Growth	-	-	15,00,501	1.44
ICICI Prudential Commodities Fund Direct Growth	3,46,630	1.37	3,46,630	0.96
<b>Tata Nifty G-Sec Dec 2029 Index Fund - Direct Plan - Growth*</b>	<b>49,17,388</b>	<b>5.40</b>	<b>49,17,388</b>	<b>5.00</b>
Mirae Asset Nifty 8-13 Year G-SEC ETF	21,02,677	5.42	21,02,677	5.00
Bajaj Finserv Flexi Cap Fund - Direct- Growth	20,00,000	2.36	-	-
HDFC Defence Fund - Direct- Growth	20,00,000	3.32	-	-
<b>Kotak Nifty SDL July 2033 Index Fund - Direct - Growth*</b>	<b>49,66,723</b>	<b>5.48</b>	<b>49,66,723</b>	<b>5.02</b>
Mirae Asset Nifty 200 Alpha 30 ETF	5,85,151	1.35	-	-
		<b>97.08</b>		<b>118.37</b>

Carrying amount of investment, pledged as security with bank (shown in bold)

\$ - 20,00,467 units are pledged against overdraft facility utilised by the company and 22,00,000 units are pledged against Term Loan facility used by Drivesys Systems Private Limited (Wholly Owned Subsidiary).

\$\$ - 1,19,34,999 units are pledged against overdraft facility utilised by the company.

\* - 1,48,48,023 units are pledged against Term loan facility used by Drivesys Sysytems Private Limited (Wholly owned Subsidiary)  
Fair value measurements related to investments are disclosed in Note 26.

### (iv) Investments in equity shares (unquoted, at cost)

	31-Mar-24			31-Mar-23		
	Nos	Amount	%	Nos	Amount	%
<b>Investment in Wholly Owned Subsidiaries</b>						
DriveSys Systems Private Limited (Face value of Rs. 10 each, fully paid)	80,00,000	8.00	100.00	80,00,000	8.00	100.00
NexSteer Systems Private Limited (Face value of Rs. 10 each, fully paid)	80,000	0.08	100.00	80,000	0.08	100.00
		<b>8.08</b>			<b>8.08</b>	

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

	31-Mar-24			31-Mar-23		
	Nos	Amount	%	Nos	Amount	%
<b>Investment in Subsidiary</b>						
Metacast Auto Private Limited (Face value of Rs. 10 each, fully paid)	25,500	0.03	51.00	-	-	-
		<b>0.03</b>			-	

### [b] TRADE RECEIVABLES

	31-Mar-24	31-Mar-23
Trade receivables	97.70	107.06
<b>Total receivables</b>	<b>97.70</b>	<b>107.06</b>
Current portion	97.70	107.06
Non-current portion	0	0

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

### Break-up of security details

	31-Mar-24	31-Mar-23
<b>Trade receivables</b>		
Unsecured, considered good	97.70	107.06
<b>Sub-total</b>	<b>97.70</b>	<b>107.06</b>
Less: Impairment allowance	-	-
<b>Total</b>	<b>97.70</b>	<b>107.06</b>

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

(ii) The Company's exposure to credit risk, currency risk related to trade receivables are disclosed in Note 25.

### 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 entirety in its balance sheet. The amount repayable under the bill discounting arrangement is presented as borrowing.

<b>The relevant carrying amounts are as follows:</b>	31-Mar-24	31-Mar-23
Total transferred receivables	-	33.56

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### Ageing of Trade Receivables as on 31st March 2024

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	91.82	5.87	0.01	-	-	-	97.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired		-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired		-	-	-	-	-	-

### Ageing of Trade Receivables as on 31st March 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	94.78	12.18	0.10	-	-	-	107.06
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired		-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired		-	-	-	-	-	-

### [c] CASH AND CASH EQUIVALENTS

	31-Mar-24	31-Mar-23
Cash on hand*	0.02	0.01
Balances with banks - Current accounts	12.87	0.15
	<b>12.89</b>	<b>0.16</b>

\* Cash balance as at March 31, 2024 is Rs. 1,66,266 ; as at March 31, 2023 is Rs. 51,059.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### [d] BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

	31-Mar-24	31-Mar-23
Balances with banks in - on account of unpaid dividends	0.16	0.37
	<b>0.16</b>	<b>0.37</b>

### [e] LOANS

	31-Mar-24	31-Mar-23
<b>Non Current (Unsecured, considered good)</b>		
Loan to subsidiaries*	47.72	12.41
Loan to Others \$	2.37	-
Loan to employees	0.11	0.17
	<b>50.20</b>	<b>12.58</b>
<b>Current (Unsecured, considered good)</b>		
Loan to employees	0.06	0.05
	<b>0.06</b>	<b>0.05</b>

Note : \*The company has provided loan of Rs. 19.17 Cr, Rs.13.03 Cr and Rs. 15.52 Cr to Drivesys Systems Private Limited, Nexsteer Systems Private Limited and Metacast Auto Private Limited respectively for the purpose of Capital Expenditure and also to meet the working capital requirement of such business exclusively. The loan is repayable after April, 2025 upto March, 2030 and interest is accrued on monthly basis.

Name of the Loanee	Rate of interest	Secured/ Unsecured	Maximum Amount Outstanding During the year	As at March 24	As at March 23
Drivesys Systems Private Limited	Repo Rate + 2.20%	Unsecured	19.17	19.17	4.55
Nexsteer Systems Private Limited	Repo Rate + 2.20%	Unsecured	13.04	13.04	7.86
Metacast Auto Private Limited **	Repo Rate + 2.40%	Unsecured**	22.52	15.52	-

Repo rate will be as per rate specified by RBI

Repo rate will be reset quarterly

- First Reset Date : The External Benchmark rate of the loans/facility will be first reset on the 16th day of the second calendar month, excluding the month of disbursement.
- Subsequent Reset Date : The external benchmark rate will subsequently be reset on the 16th day of 3rd month, which is immediately succeeding, the previous reset dates

Company has issued comfort letter in lieu of Corporate Guarantee on behalf of subsidiary to their banker towards credit facilities)

\$ The company has provided loan of Rs.2.37 Cr.to Supreme Autocast for the purpose of Capital/Regular Expenditure.

\*\* The Company has created charge over the 49% shares of Metacast Auto Pvt Ltd, which are held by other shareholder.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### [f] OTHERS

	31-Mar-24	31-Mar-23
<b>Current</b>		
Incentives under Government schemes/ Grant	4.24	0.15
Interest on Fixed Deposit/ others	0.19	0.17
Provision for gratuity (see note 29)	1.25	-
	<b>5.68</b>	<b>0.32</b>

### [g] OTHER NON-CURRENT FINANCIAL ASSETS

	31-Mar-24	31-Mar-23
<b>Non Current (Unsecured, considered good)</b>		
Security Deposits	0.67	0.59
	<b>0.67</b>	<b>0.59</b>

## 6 OTHER ASSETS

	31-Mar-24	31-Mar-23
<b>Non Current</b>		
Capital Advances	3.76	3.96
<b>Total</b>	<b>3.76</b>	<b>3.96</b>
<b>Current</b>		
VAT receivable	0.38	0.38
Prepaid expenses	2.62	1.74
Advances to suppliers	1.44	2.80
<b>Total</b>	<b>4.44</b>	<b>4.92</b>

## 7 NON CURRENT TAX ASSETS

	31-Mar-24	31-Mar-23
<b>Non Current</b>		
Opening balance	4.43	3.90
Add: Taxes paid during the year (For Current year Rs. 9.89 Crores & for earlier years Rs. 6.74 Crores)	9.89	6.74
Less: Tax expenses pertaining to current year	(9.83)	(6.22)
<b>Closing balance</b>	<b>4.49</b>	<b>4.43</b>

## 8 DEFERRED TAX ASSETS (Net)

	31-Mar-24	31-Mar-23
<b>Deferred tax (liabilities)/ assets</b>		
Minimum Alternative Tax (MAT) credit	15.32	13.84
Property, plant and equipment	5.07	3.41
Provision for expenses to be claimed on payment basis	0.13	1.29
Investments	(4.46)	(3.58)
Business Loss	-	0.40
Others	0.60	-
<b>Deferred tax (liabilities)/ assets net</b>	<b>16.66</b>	<b>15.36</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (i) Movement in deferred tax (liabilities)/ assets\*

	31-Mar-22	Recognised in			31-Mar-23
		Profit or loss	OCI	Equity	
Property, plant and equipment	2.09	1.32	-	-	3.41
Provision for expenses to be claimed on payment basis	1.11	(0.22)	0.40	-	1.29
Investments	(2.93)	(0.65)	-	-	(3.58)
Business Loss	12.60	(12.20)	-	-	0.40
	<b>12.87</b>	<b>(11.75)</b>	<b>0.40</b>	<b>-</b>	<b>1.52</b>

	31-Mar-23	Recognised in			31-Mar-24
		Profit or loss	OCI	Equity	
Property, plant and equipment	3.41	1.66	-	-	5.07
Provision for expenses to be claimed on payment basis	1.29	(0.96)	(0.20)	-	0.13
Investments	(3.58)	(0.88)	-	-	(4.46)
Business loss	0.40	0.20	-	-	0.60
	<b>1.52</b>	<b>0.02</b>	<b>(0.20)</b>	<b>-</b>	<b>1.34</b>

\* Impact in Profit & Loss due to change in tax rate applicability amount to Rs.0.97 Cr, which is covered in above net amount of Rs.0.02

## 9 INVENTORIES

	31-Mar-24	31-Mar-23
(at lower of cost or net realisable value)		
Raw materials	12.71	12.43
Work - in - Progress	30.32	28.61
Finished Goods	23.34	17.11
<b>Total</b>	<b>66.37</b>	<b>58.15</b>
<b>Included in inventories goods in transit/ at godown as follows:</b>		
Raw materials	0.67	0.48
Finished goods	10.87	8.41
<b>Total</b>	<b>11.54</b>	<b>8.89</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 10 SHARE CAPITAL

#### [a] Authorised share capital

	Equity shares of Rs. 10 each (PY Rs. 10 each)	
	No. of shares	Amount
As at 31-Mar-2023	1,00,00,000	10
Increase during the year *	1,00,00,000	10
As at 31-Mar-2024	2,00,00,000	20

\* During the year, the Company has increased its authorised share capital from Rs. 10 crore to Rs. 20 crore.

#### [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-2023	90,73,300	9.07
Change during the year	-	-
As at 31-Mar-2024	90,73,300	9.07

#### (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.

(ii) The shareholders of the company at its meeting held on April 29, 2023 declared dividend of Rs. 5 per equity share of Rs. 10 each for the Financial Year 2022-23.

#### [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-24		31-Mar-23	
	No. of shares	% of total equity shares	No. of shares	% of total equity shares
Mr. Utkarsh Munot	25,91,494	28.56	25,91,494	28.56
Mr. Dinesh Munot	18,89,445	20.82	18,89,445	20.82

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### [d] Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as on 31st March 2024 is as follows

Shares held by Promoters					% Change during the year
Promoter Name	As on 31st March 2024		As on 31st March 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Mr. Utkarsh Munot	25,91,494	28.56	25,91,494	28.56	-
Mr. Dinesh Munot	18,89,445	20.82	18,89,445	20.82	-
Mrs. Nandini Munot	3,21,474	3.54	3,21,474	3.54	-
Munot Harishkumar Amolchand (Huf)	2,69,500	2.97	2,69,500	2.97	-
Mr. Jinendra Hirachand Munot	2,24,059	2.47	2,27,059	2.50	(0.03)
Mrs. Amita Jinendra Munot	1,47,215	1.62	1,50,215	1.66	(0.03)
Mrs. Pramila Amolchand Munot	1,45,753	1.61	1,46,753	1.62	(0.01)
Mrs. Trupti Sushen Gupta	1,23,496	1.36	1,23,496	1.36	-
Mr. Piyush Jinendra Munot	1,16,235	1.28	1,19,413	1.32	(0.04)
Mr. Yash Munot	1,13,427	1.25	1,16,427	1.28	(0.03)
Mrs. Pragati Dinesh Bothra	1,17,102	1.29	1,17,102	1.29	-
Munot Jinendrakumar Hirachand (Huf)	30,400	0.34	30,400	0.34	-
Mrs. Eitika Utkarsh Munot	2,712	0.03	2,712	0.03	-
Ms. Prerna Bothra	1,886	0.02	1,886	0.02	-
Robert Bosch Automotive Steering GmbH**	-	0.00	-	0.00	-
	60,94,198	67.17	61,07,376	67.31	(0.15)

\*\* During FY 2022-23, Robert Bosch Automotive Steering GmBH (Robert Bosch) has sold its equity stake to Indian Promoters. However, Robert Bosch will be continue one of the promotor of the company.

### 11 OTHER EQUITY

	31-Mar-24	31-Mar-23
General Reserve	235.00	235.00
Securities Premium	2.32	2.32
Capital Reserve	0.35	0.35
Retained Earnings	216.40	172.84
	<b>454.07</b>	<b>410.51</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (i) General Reserve

	31-Mar-24	31-Mar-23
Balance at the beginning of the year	235.00	235.00
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>235.00</b>	<b>235.00</b>

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-24	31-Mar-23
Balance at the beginning of the year	2.32	2.32
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>2.32</b>	<b>2.32</b>

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

### (iii) Capital Reserve

	31-Mar-24	31-Mar-23
Balance at the beginning of the year	0.35	0.35
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.35</b>	<b>0.35</b>

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-24	31-Mar-23
Balance at the beginning of the year	172.84	148.37
Net profit for the year	47.72	25.44
Dividend Paid	(4.54)	-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	0.38	(0.97)
<b>Balance at the end of the year</b>	<b>216.40</b>	<b>172.84</b>

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 12 FINANCIAL LIABILITIES

#### 12 [a] CURRENT BORROWINGS

	Security	31-Mar-24	31-Mar-23
<b>Secured</b>			
(I) From banks			
Bill discounting with banks	Secured against (PY transferred) trade receivables of Tata Motors First charge on	29.09	33.56
Cash Credit	Stock and book debts (except Tata Motors)	-	2.58
		<b>29.09</b>	<b>36.14</b>

The Company's exposure to Liquidity risk, market risk and credit risk related to borrowings are stated in Note 25.

#### 12 [b] TRADE PAYABLES

	31-Mar-24	31-Mar-23
<b>Current</b>		
Total outstanding dues of Micro and Small Enterprises (Refer note -31)	4.87	2.96
Total outstanding dues of creditors other than Micro and Small Enterprises	26.90	32.49
	<b>31.77</b>	<b>35.45</b>

(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 25.

#### Ageing of Trade Payables as on 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payable	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	4.03	0.83	0.01	-	-	4.87
(ii)Others	5.67	8.70	12.36	0.17	-	-	26.90
(iii) Disputed dues – MSME							
(iv) Disputed dues - Others							
<b>TOTAL</b>	<b>5.67</b>	<b>12.73</b>	<b>13.19</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>31.77</b>

#### Ageing of Trade Payables as on 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payable	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	2.92	0.04	0.00	-	-	2.96
(ii)Others	5.80	10.48	16.20	0.01	-	-	32.49
(iii) Disputed dues – MSME							
(iv) Disputed dues - Others							
<b>TOTAL</b>	<b>5.80</b>	<b>13.40</b>	<b>16.24</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>35.45</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

(Rs. in Crore)

### 12[c] LEASE LIABILITY

	31-Mar-24	31-Mar-23
<b>Non-current</b>		
lease liability	3.17	4.16
	<b>3.17</b>	<b>4.16</b>
<b>Current</b>		
lease liability	1.07	0.92
	<b>1.07</b>	<b>0.92</b>

The following is the movement in lease liability during the year ended March 31, 2024:-

	Amount
<b>Balance as of April 1, 2023</b>	<b>5.08</b>
Addition	-
Finance cost accrued during the period	0.40
Payment of Lease Liability	(1.24)
<b>Balance as on March 31, 2024</b>	<b>4.24</b>
Balance as of April 1, 2022	5.93
Addition	-
Finance cost accrued during the period	0.47
Payment of Lease Liability	(1.32)
<b>Balance as on March 31, 2023</b>	<b>5.08</b>

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2024 on an undiscounted basis:

	31-Mar-24	31-Mar-23
Less than 1 year	1.36	1.32
one to five year	2.72	4.05
More than 5 year	1.44	1.53
<b>Total</b>	<b>5.52</b>	<b>6.90</b>

### 12[d] OTHERS

	31-Mar-24	31-Mar-23
<b>Current</b>		
Payable for capital goods	3.25	1.46
Unpaid dividends	0.16	0.37
	<b>3.41</b>	<b>1.83</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 13 PROVISIONS

	31-Mar-24	31-Mar-23
<b>Non-current</b>		
Provision for leave encashment	1.05	0.91
	<b>1.05</b>	<b>0.91</b>
<b>Current</b>		
Provision for gratuity (see note 29)	-	0.45
Provision for leave encashment	1.38	1.38
Warranty provision [See note (i) below]	1.61	0.99
	<b>2.99</b>	<b>2.82</b>

#### Note (i) - Warranty provision

The Company generally offers a warranty for a period of 3 years or 3,00,000 km whichever is earlier 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. 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-24	31-Mar-23
Carrying amount in the beginning of the year	0.99	1.00
Additional provision made	1.50	1.49
Amount used	(0.88)	(1.50)
<b>Carrying amount at the end of the year</b>	<b>1.61</b>	<b>0.99</b>

### 14 OTHER LIABILITIES

	31-Mar-24	31-Mar-23
<b>Non Current</b>		
Deferred Income	0.01	0.01
Security Deposit	0.47	0.47
Export Promotion Capital Goods (EPCG)	0.48	1.51
	<b>0.96</b>	<b>1.99</b>
<b>Current</b>		
Advance from customers	1.70	1.25
Deferred revenue	0.89	0.70
Statutory liabilities	3.72	3.64
Others	2.15	1.05
	<b>8.46</b>	<b>6.64</b>

EPCG Liability refers Government incentives of Rs. 0.48 Crores as at March 24. This grants relating to property, plant and equipment related to duty saved on import of capital goods and spares under the Exports Promotion Capital Goods (EPCG) scheme. Under such scheme, the Company is committed to export six times of duty saved on import of Capital Goods over a period of six years. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 15 REVENUE FROM OPERATIONS

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Revenue from sale of products</b>		
-Sale of Products	465.50	436.13
	<b>465.50</b>	<b>436.13</b>
<b>Revenue from rendering services</b>		
- Domestic services	1.72	1.04
	<b>1.72</b>	<b>1.04</b>
<b>Other operating income</b>		
- Solar power income	7.94	8.90
- Windmill income	1.00	1.46
- Sale of scrap	1.66	2.90
	<b>10.60</b>	<b>13.26</b>
	<b>477.82</b>	<b>450.43</b>

### 16 OTHER INCOME

	For the year ended	
	31-Mar-24	31-Mar-23
Dividend income	0.36	0.43
Interest income \$	3.27	0.88
Realised gains on Financial assets Investment measured at FVTPL	7.51	3.01
Unrealised gain/ (loss) on Financial assets Investment measured at FVTPL	15.64	1.72
Profit on sale of investment property	3.32	0
Foreign exchange gain	-	0.32
Government grants*	5.01	6.24
Export incentive	0.35	0.39
Other non operating income	1.34	0.47
Rental Income from Investment Property	0.98	0.52
	<b>37.78</b>	<b>13.98</b>

\$ Refer Note No. -36 Related Party Disclosures

\* Government Grants include incentive of Rs 1.04 Crores (P.Y.-1.47 crores) for the year ended March 31, 2024 towards Exports Promotion Capital Goods (EPCG) scheme and Rs. 3.97 crores (P.Y. Rs. 4.77 crores) subsidy due / received from Madhya Pradesh State Government.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 17 COST OF RAW MATERIAL CONSUMED

	For the year ended	
	31-Mar-24	31-Mar-23
Raw material consumed	314.18	289.13
Packing material consumed	3.06	1.96
Fabrication and processing charges	3.85	2.53
	<b>321.09</b>	<b>293.62</b>

### 18 CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Opening stock</b>		
Work in progress	28.61	25.14
Finish goods (Includes Goods in transit/ at godown)	17.11	20.05
	<b>45.72</b>	<b>45.19</b>
<b>Less: Closing stock</b>		
Work in progress	30.32	28.61
Finish goods (Includes Goods in transit/ at godown)	23.34	17.11
	<b>53.66</b>	<b>45.72</b>
	<b>(7.94)</b>	<b>(0.53)</b>

### 19 EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	31-Mar-24	31-Mar-23
Salaries, wages, bonus etc.	30.61	28.43
Contribution to provident and other funds*	1.31	0.45
Staff welfare expenses	4.50	4.18
Contract Labour Expenses	27.51	22.85
	<b>63.93</b>	<b>55.91</b>

\* Refer Note No. 29 of Employee Benefit Obligations



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

(Rs. in Crore)

### 20 OTHER EXPENSES

	For the year ended	
	31-Mar-24	31-Mar-23
Power and fuel (Net of credit of windmill and solar income of Rs. 6.07 Crore, PY-Rs. 5.06 Crore)	14.81	14.69
Repairs and maintenance		
-Buildings	1.36	2.74
-Machinery	5.81	3.71
-Others	0.93	1.19
Rent	0.07	0.10
Insurance	0.84	0.73
Rates and taxes	0.55	0.27
Selling and distribution expenses	8.96	8.78
Solar energy generation expenses	1.11	1.05
Windmill energy generation expenses	1.07	1.23
Foreign exchange loss	0.19	-
Loss on sale/ discard of assets	0.09	0.59
CSR expense	0.02	-
Audit fees	0.13	0.13
Other miscellaneous expenses	12.23	10.10
	<b>48.17</b>	<b>45.31</b>

### A. AUDITORS' REMUNERATION

	31-Mar-24	31-Mar-23
Audit fees	0.09	0.10
Limited review	0.02	0.02
Tax audit fees	0.01	0.01
For Certification and other related work	0.01	-
	<b>0.13</b>	<b>0.13</b>

The amounts presented are net of GST/ other applicable taxes.

### 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 one NGO (Non Government Organisation) and for skill development of apprentices.

	31-Mar-24	31-Mar-23
Gross amount required to be spent by the Company during the year	0.24	-
Amount spent during the year on :		
Construction/Acquisition of any asset	-	-
On purpose other than above*	0.02	-

\* Available amount for setoff CSR spent of Rs. 0.22 Crore from FY 2021-2022.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 21 FINANCE COSTS

	For the year ended	
	31-Mar-24	31-Mar-23
Interest expenses	0.81	0.63
Other borrowing cost	0.10	0.09
	<b>0.91</b>	<b>0.72</b>

### 22 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended	
	31-Mar-24	31-Mar-23
Depreciation on property, plant and equipment	31.57	30.35
Amortisation of intangible assets	0.35	0.35
Amortisation of right of use assets	1.48	1.48
	<b>33.40</b>	<b>32.18</b>

### 23 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Statement of profit and loss</b>		
<b>Current tax:</b>		
Current tax on profits for the year	9.83	6.22
<b>Total current tax expense</b>	<b>9.83</b>	<b>6.22</b>
<b>Minimum Alternative Tax (MAT) credit entitlement :</b>		
MAT credit entitlement	(1.48)	(6.22)
<b>Total MAT credit entitlement</b>	<b>(1.48)</b>	<b>(6.22)</b>
<b>Deferred tax:</b>		
Deferred tax expense/ (income)	(0.03)	11.76
<b>Total deferred tax expense/ (benefit)</b>	<b>(0.03)</b>	<b>11.76</b>
<b>Income tax expense</b>	<b>8.32</b>	<b>11.76</b>
<b>Other comprehensive income</b>		
<b>Deferred tax related to OCI items:</b>		
- On loss/ (gain) on remeasurements of defined benefit plans	(0.20)	0.40
	<b>(0.20)</b>	<b>0.40</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

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

	For the year ended	
	31-Mar-24	31-Mar-23
Profit before exceptional items and tax	56.04	37.20
Tax at the Indian tax rate of 29.12% but consider MAT 17.472% (2022-23: 17.472%)	9.79	6.50
Effect of non deductible expenses	0.03	(0.28)
Brought forward losses set off against current year profits	(0.03)	11.76
Minimum Alternative Tax (MAT) credit entitlement	(1.48)	(6.22)
<b>Income tax expense</b>	<b>8.32</b>	<b>11.76</b>

## 24 EARNINGS PER SHARE

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Basic and diluted earnings per share (face value of Rs. 10 each)</b>		
- Profit attributable to the equity share holders of the Company	47.72	25.44
- Weighted average number of shares	90,73,300	90,73,300
<b>Basic and diluted earnings per share in INR</b>	<b>52.59</b>	<b>28.04</b>

## 25 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 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 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-24	31-Mar-23
Not past due	91.82	94.78
Past due but not impaired		
- Past due 0 to 180 days	5.87	12.18
- Past due more than 180 days	0.01	0.10
	<b>97.70</b>	<b>107.06</b>

### [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.

#### 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
<b>31-Mar-24</b>					
<b>Non-derivatives</b>					
Borrowings	29.09	29.09	-	-	29.09
Lease Liability	5.52	1.36	2.72	1.44	5.52
Trade payables	31.77	31.77	-	-	31.77
Capital creditors	3.25	3.25	-	-	3.25
Other financial liabilities	0.16	0.16	-	-	0.16
<b>Total</b>	<b>69.79</b>	<b>65.63</b>	<b>2.72</b>	<b>1.44</b>	<b>69.79</b>

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
<b>31-Mar-23</b>					
<b>Non-derivatives</b>					
Borrowings	36.14	36.14	-	-	36.14
Lease Liability	6.90	1.32	4.05	1.53	6.90
Trade payables	35.45	35.44	0.01	-	35.45
Capital creditors	1.46	1.46	-	-	1.46
Other financial liabilities	0.37	0.37	-	-	0.37
<b>Total</b>	<b>80.32</b>	<b>74.73</b>	<b>4.06</b>	<b>1.53</b>	<b>80.32</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (i) Financing arrangements:

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

	31-Mar-24	31-Mar-23
Variable rate		
Cash credit and overdraft facilities	47.56	36.64
	<b>47.56</b>	<b>36.64</b>

### [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.

#### (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
<b>31-Mar-24</b>				
<b>Financial assets</b>				
Trade receivables	3.75	-	-	3.75
<b>Net exposure to foreign currency risk (assets)</b>	<b>3.75</b>	<b>-</b>	<b>-</b>	<b>3.75</b>
<b>Financial liabilities</b>				
Trade payables	0.10	0.05	0.60	0.75
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>0.10</b>	<b>0.05</b>	<b>0.60</b>	<b>0.75</b>

	USD	EUR	YEN	Total
<b>31-Mar-23</b>				
<b>Financial assets</b>				
Trade receivables	3.11	-	-	3.11
<b>Net exposure to foreign currency risk (assets)</b>	<b>3.11</b>	<b>-</b>	<b>-</b>	<b>3.11</b>
<b>Financial liabilities</b>				
Trade payables	0.01	1.06	-	1.07
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>0.01</b>	<b>1.06</b>	<b>-</b>	<b>1.07</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (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-24	31-Mar-23
USD		
- Increase by 10%	0.26	0.22
- Decrease by 10%	(0.26)	(0.22)
EUR		
- Increase by 10%	-	(0.08)
- Decrease by 10%	-	0.08
YEN		
- Increase by 10%	(0.04)	-
- Decrease by 10%	0.04	-

### 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-24		31-Mar-23	
	Amount	% of total borrowings	Amount	% of total borrowings
Variable rate borrowings, average borrowing rate 8.70% (P.Y. 6.75%)	-	0.00%	2.58	100.00%
Fixed rate borrowing	-	0.00%	-	0.00%
<b>Total Borrowing</b>	-		<b>2.58</b>	

#### 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-24	31-Mar-23
Interest rate increase by 100 basis points	(0.01)	(0.02)
Interest rate decrease by 100 basis points	0.01	(0.02)



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 26 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-24							Mar-23						
	Carrying amount				Fair value			Carrying amount				Fair value		
	FVTPL	Amortised Cost	Cost	FVTO- CI	Level 1	Level 2	Level 3	FVTPL	Amortised Cost	Cost	FVTO- CI	Level 1	Level 2	Level 3
<b>[i] Financial assets</b>														
<b>Non Current</b>														
Investment														
Investment in equity quoted	32.53	-	-	-	32.53	-	-	24.61	-	-	-	24.61	-	-
Investment in mutual fund	97.08	-	-	-	97.08	-	-	118.37	-	-	-	118.37	-	-
Investment in bond	-	4.40	-	-	-	-	-	-	4.40	-	-	-	-	-
Investment in subsidiaries	-	-	8.11	-	-	-	-	-	-	8.08	-	-	-	-
Loans														
Security deposit	-	0.67	-	-	-	-	-	-	0.59	-	-	-	-	-
Loan to subsidiaries	-	47.72	-	-	-	-	-	-	12.41	-	-	-	-	-
Other financial assets	-	0.11	-	-	-	-	-	-	0.17	-	-	-	-	-
Loan														
<b>Current</b>														
<b>Trade receivables</b>	-	97.70	-	-	-	-	-	-	107.06	-	-	-	-	-
Cash and cash equivalents	-	12.89	-	-	-	-	-	-	0.16	-	-	-	-	-
Other bank balances	-	0.16	-	-	-	-	-	-	0.37	-	-	-	-	-
Other financial assets	-	5.74	-	-	-	-	-	-	0.37	-	-	-	-	-
	<b>129.61</b>	<b>169.39</b>	<b>8.11</b>	<b>-</b>	<b>129.61</b>	<b>-</b>	<b>-</b>	<b>142.98</b>	<b>125.53</b>	<b>8.08</b>	<b>-</b>	<b>142.98</b>	<b>-</b>	<b>-</b>
<b>[ii] Financial liabilities</b>														
<b>Non Current</b>														
<b>Lease Liability</b>	-	3.17	-	-	-	-	-	-	4.16	-	-	-	-	-
<b>Current</b>														
Short term borrowings	-	29.09	-	-	-	-	-	-	36.14	-	-	-	-	-
<b>Trade payables</b>	-	31.77	-	-	-	-	-	-	35.45	-	-	-	-	-
Lease Liability	-	1.07	-	-	-	-	-	-	0.92	-	-	-	-	-
Capital creditor	-	3.25	-	-	-	-	-	-	1.46	-	-	-	-	-
Other financial liabilities	-	0.16	-	-	-	-	-	-	0.37	-	-	-	-	-
	<b>-</b>	<b>68.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (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 and
- (b) 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 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.

## 27 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, 2024 and 31 March, 2023 are as follows:

	31-Mar-24	31-Mar-23
Net Debt	21.72	42.88
Total Equity	463.14	419.58
<b>Net Debt to equity ratio</b>	<b>0.05</b>	<b>0.10</b>

## 28 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 CODM (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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

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 and 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-24				31-Mar-23			
	Auto component	Renewable energy	Unallocable	Total	Auto component	Renewable energy	Unallocable	Total
Segment revenue:								
External revenue*	475.53	15.07	31.08	521.67	447.50	15.41	6.56	469.47
Less: inter segment revenue	-	(6.07)	-	(6.07)	-	(5.06)	-	(5.06)
<b>Total segment revenue</b>	<b>475.53</b>	<b>8.99</b>	<b>31.08</b>	<b>515.60</b>	<b>447.50</b>	<b>10.35</b>	<b>6.56</b>	<b>464.41</b>
<b>segment profit before tax</b>	<b>14.91</b>	<b>10.06</b>	<b>31.07</b>	<b>56.04</b>	<b>20.95</b>	<b>9.75</b>	<b>6.50</b>	<b>37.20</b>
<b>Segment results</b>	<b>14.91</b>	<b>10.06</b>	<b>22.75</b>	<b>47.72</b>	<b>20.95</b>	<b>9.75</b>	<b>(5.26)</b>	<b>25.44</b>
Segment results includes :								
Interest expenses	0.91	-	-	0.91	0.72	-	-	0.72
Interest income	-	-	3.27	3.27	-	-	0.88	0.88
Depreciation	30.58	2.82	-	33.40	28.91	3.27	-	32.18
Tax expenses	-	-	8.32	8.32	-	-	11.76	11.76
<b>Segment assets</b>	<b>312.24</b>	<b>52.30</b>	<b>180.57</b>	<b>545.11</b>	<b>323.56</b>	<b>37.38</b>	<b>149.50</b>	<b>510.44</b>
Segment assets includes:								
Capital expenditure incurred during the year	25.26	-	-	25.26	19.03	0.19	-	19.22
<b>Segment liabilities</b>	<b>81.79</b>	<b>0.18</b>	<b>-</b>	<b>81.97</b>	<b>90.68</b>	<b>0.18</b>	<b>-</b>	<b>90.86</b>

\* External Revenue - Auto Components - Rs. 475.53 Crores includes Revenue from sale of products - Rs. 465.50 Crores; Revenue from rendering services - Rs. 1.72 Crores; Revenue from Sale Of Scrap - Rs. 1.66 Crores; Government Grants - Rs. 5.01 Crores; Export Incentive - Rs. 0.35 Crores; Other Non-Operating Income - Rs. 1.34 Crores, Profit on sale of Investment Property (Eden hall) - Rs.3.32 Crores and Foreign Exchange loss - Rs. 0.19 Crores

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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### [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-24	31-Mar-23
India	502.98	450.62
Overseas	12.62	13.79
<b>Total</b>	<b>515.60</b>	<b>464.41</b>

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

	31-Mar-24	31-Mar-23
India	148.16	155.43
<b>Total</b>	<b>148.16</b>	<b>155.43</b>

### [D] Major customers

Revenue of approximately Rs. 319.09 Crore (PY- Rs. 293.83 Crore) are derived from three major external customers of the Company. This revenue is attributed to auto component manufacturing segment.

## 29 EMPLOYEE BENEFIT OBLIGATIONS

### 29(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. 0.87 Crore (Previous year - Rs. 0.78 Crore).

### 29(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
<b>As at 31-Mar-2023</b>	15.35	14.90	0.45
Current service cost	0.50	-	0.50
Interest expenses/ income	0.90	0.93	(0.03)
<b>Total amount recognised in profit and loss</b>	<b>1.40</b>	<b>0.93</b>	<b>0.47</b>
<b>Remeasurements</b>			
Gain/ loss from change in demographic assumption	-	-	-
Gain/ loss from change in financial assumption	0.03	0.04	(0.01)
Experience Gain/ loss	(0.76)	(0.19)	(0.57)
<b>Total amount recognised in other comprehensive income</b>	<b>(0.73)</b>	<b>(0.15)</b>	<b>(0.58)</b>
Employer contributions	-	1.61	(1.61)
Benefit payments	(6.00)	(6.00)	-
Mortality charges and taxes	-	(0.02)	0.02
<b>As at 31-Mar-2024</b>	<b>10.02</b>	<b>11.27</b>	<b>(1.25)</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

	Present value of obligation	Fair value of plan assets	Net Amount
<b>As at 31-Mar-2022</b>	12.90	12.99	(0.09)
Current service cost	0.32	-	0.32
Interest expenses/ income	0.90	0.95	(0.05)
<b>Total amount recognised in profit and loss</b>	<b>1.22</b>	<b>0.95</b>	<b>0.27</b>
<b>Remeasurements</b>			
Gain/ loss from change in demographic assumption	0.10	0.10	-
Gain/ loss from change in financial assumption	0.64	(0.07)	0.71
Experience gain/ loss	0.68	0.01	0.67
<b>Total amount recognised in other comprehensive income</b>	<b>1.42</b>	<b>0.04</b>	<b>1.38</b>
Employer contributions	-	1.12	(1.12)
Benefit payments	(0.19)	(0.19)	-
Mortality charges and taxes	-	(0.01)	0.01
<b>As at 31-Mar-2023</b>	<b>15.35</b>	<b>14.90</b>	<b>0.45</b>

### (ii) Net assets/ liabilities

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

	31-Mar-24	31-Mar-23
Present value of funded obligations	10.02	15.35
Fair value of plan assets	11.27	14.90
<b>Net deficit for funded schemes</b>	<b>1.25</b>	<b>(0.45)</b>

### (iii) Analysis of plan assets is as follows:

	31-Mar-24	31-Mar-23
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### (iv) Actuarial assumptions and sensitivity analysis

	31-Mar-24	31-Mar-23
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.30%
Rate of increase in compensation levels		
For First year	10.00%	10.00%
Thereafter	10.00%	10.00%
Expected rate of return on plan assets	7.30%	7.00%
Expected average remaining working lives of employees (in years)	5.95	5.81
Withdrawal Rate	15.00%	15.00%

### Notes:

- Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

- Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- 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-24	31-Mar-23
Discount rate - Increase by 1%	(0.25)	(0.24)
Discount rate - Decrease by 1%	0.27	0.26
Salary increment rate - Increase by 1%	0.20	0.21
Salary increment rate - Decrease by 1%	(0.18)	(0.19)
Withdrawal rate - Increase by 1%	0.02	0.03
Withdrawal rate - Decrease by 1%	(0.04)	(0.03)

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 2024 are Rs. Nil . 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
<b>As at 31-Mar-2024</b>				
Defined benefit obligation - Gratuity	5.32	0.90	2.70	3.89
<b>As at 31-Mar-2023</b>				
Defined benefit obligation - Gratuity	11.39	0.64	2.42	3.34

## 30 LEASES

The details of the right-of-use asset held by the Company are as follows:

	As on April 1, 2023	Additions for FY 2023-24	Amortisation charge for FY 2023-24	As at March 31, 2024
Leasehold land & Office Premises	12.92	0.00	1.46	11.46
<b>Total</b>	<b>12.92</b>	<b>0.00</b>	<b>1.46</b>	<b>11.46</b>

Interest expense on lease liabilities is Rs. 0.40 Crore (March 31, 2023 - Rs. 0.47 Crore) for year ended March 31, 2024.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 31 MICRO, SMALL AND MEDIUM ENTERPRISES

i)

	31-Mar-24	31-Mar-23
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period -		
- Principal amount outstanding	4.87	2.96
- 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 32 a) CONTINGENT LIABILITIES

	31-Mar-24	31-Mar-23
Income Tax matters in dispute in respect of penalty matters pending before CIT (Appeal), Pune	3.26	3.26
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(Appeal), Pune.	0.11	0.11
Income Tax matters in dispute in respect of Assessment dues (A.Y.2014-15) before ITAT, Pune & CIT (Appeal) Delhi	-	0.88
Income Tax matters in dispute in respect of Assessment dues (A.Y.2015-16) before CIT (Appeal), Delhi	1.81	1.81
Income Tax matters in dispute in respect of Assessment dues (A.Y.2016-17) before CIT (Appeal), Delhi	4.40	4.40
Income Tax matters in dispute in respect of Assessment dues (A.Y.2017-18) before CIT (Appeal), Delhi	0.92	1.12
Income Tax matters in dispute in respect of Assessment dues (A.Y.2018-19) before CIT (Appeal), Delhi	0.80	0.80
Income Tax matters in dispute in respect of Assessment dues (A.Y.2019-20) before CIT (Appeal), Delhi	2.88	2.88
TDS Matter pertaining to F.Y. 2012-13 pending with CIT(A) Pune	0.03	0.03
Sales tax liability under dispute before Joint Commissioner of Sales Tax for F.Y. 2016-17	0.34	0.34
Sales tax liability under dispute before Joint Commissioner of Sales Tax for F.Y. 2017-18	0.12	0.12
Central Excise Liability under dispute before CESTAT Mumbai	0.11	0.11
GST matters in dispute in respect of Assessment dues (F.Y. 2017-18 to F.Y. 2021-2022) before AC,CGST,Ujjain	0.42	0
GST matters in dispute in respect of Assessment dues (F.Y. 2019-20) before Superintendent,CGST,Pithampur-I	0.01	0
GST matters in dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Authority, Rudrapur	0.11	0
Bank Guarantees issued by the Company	3.05	1.82
Comfort letter in lieu of Corporate Guarantee (issued on behalf of Drivesys to their banker towards credit facilities)	27.49	2.09
Comfort letter in lieu of Corporate Guarantee (issued on behalf of Metacast to their banker towards credit facilities)	5.22	-
The Company does not expect any cash outflow in respect of the above contingent tax liabilities		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

- b) As reported earlier, certain employees, who were employed in supervisory category, remained absent from work during the Financial Year 2018-19 and also submitted the alleged charter of demand. The Company, after taking precautionary steps and in exercise of its rights as the employer, terminated services of 236 such employees and also denied their claim of salary / remuneration for the period of absence, before termination of their services. Out of the legal proceedings initiated against the Company in respect of these matters by these ex-employees; the proceedings related to 100 ex-employees are still pending before the Judicial Forum. The Company has been advised that, these individuals or any other person have no valid claims, in respect of any of their demands including but not limited to the demand related to salary/remuneration for unauthorized absenteeism during the course of their employment with the Company. This disclosure is being made as a matter of caution and without prejudice to the legal position of the Company before any Judicial Forum or Statutory Authority.
- c) The last Wage Settlement dated 01.03.2015, with the workmen of the Company, employed at the Vadu Budruk factory, expired on 31.08.2018. Thereafter, based on the Charter of Demands submitted by ZF Steering Gear Kamgar Sangathana, dated 18.03.2018, the conciliation proceedings were initiated before the Assistant Labour Commissioner (Labour Office, Pune), the Conciliation Officer. The said Officer submitted the Failure Report to the Government and the matter is referred to the Hon'ble Member, Industrial Tribunal, Pune, which Reference is pending consideration of the Hon'ble Member, Industrial Tribunal, Pune. Considering the pendency of the said Reference and though strictly not required, the Company, as a matter of caution, submitted the Approval Applications, in respect of dismissal of 74 workmen of the Company, working at the Vadu Budruk factory, to whom punishment for misconduct was awarded, after conducting enquiries. The Approval for action of termination of the workmen was granted by the Hon'ble Member, Industrial Tribunal, Pune and the matter was referred for adjudication before the Labour Court, Pune. Out of 74 cases, in case of 44 workmen, the Hon'ble Labour Court, Pune passed the order on the preliminary issues that the enquiry conducted against these workmen is legal, fair and proper. Now these 44 workmen are in the process of filing evidences before the Hon'ble Labour Court, Pune.

### 33 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 24.07 Crore (March 31, 2023 - Rs. 12.85 Crore).
- b) Total export obligation under the EPCG Scheme was Rs. 33.91 crores and obligation payable as on March 31, 2024 is Rs. 5.65 Crores (March 2023 - Rs. 9.06 Crores).
- 34 There are no transactions and / or disputed balance outstanding with companies struck off under section 248 of the Companies Act, 2013.
- 35 The company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond statutory period except for one charge satisfaction of which is under process by ROC.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 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	Key managerial personnel	Mr. Dinesh Munot - Chairman
		Mr. Utkarsh Munot - Managing Director
		Mr. Jinendra Jain - Chief Financial Officer
		Mr. Satish Mehta - Company Secretary
2	Non-executive directors	Mr. Manish Motwani (Retired on 31st March, 2024)
		Mr. Shridhar S. Kalmadi
		Mr. S. A. Gundecha
		Mrs. Smita Lahoti
		Mr. Sandeep Nelamangala (Resigned on 5th April, 2023)
		Dr. Dinesh Bothra (Non-independent) Appointed on 3rd February, 2024
		Mr. Adit Rathi (Upto 31st January, 2024)
3	Enterprises in which directors / shareholders have significant influence	Varsha Forging Pvt. Ltd.
		Emtech Solutions Pvt Ltd.
4	Wholly Owned Subsidiaries	Drivesys Systems Private Limited
		Nexsteer Systems Private Limited
5	Subsidiary	Metacast Auto Private Limited

#### B Key managerial personnel compensation

	31-Mar-24	31-Mar-23
a. Short term employee benefits (Salary paid during the year)	11.18	10.27
b. Post-employment benefits (cumulative)	3.13	7.90
c. Long term employee benefits (cumulative)	-	0.60
	<b>14.31</b>	<b>18.77</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

(Rs. in Crore)

### C Transaction with related parties

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Purchase of raw material &amp; components</b>		
Domestic supplier of raw material & components		
Varsha Forging Pvt Ltd	15.66	16.25
Drivesys Systems Private Limited	0.03	-
<b>Lease Rental Payment</b>		
Emtech Solutions Pvt Ltd.	1.22	1.17
Sitting fees to Non Executive & Independent directors	0.17	0.22
<b>Interest Income</b>		
Drivesys Systems Private Limited	(1.00)	0.07
Nexsteer Systems Private Limited	(0.92)	0.38
Metacast Auto Private Limited	(0.71)	-
<b>Interest paid</b>		
Drivesys Systems Private Limited	0	0.01
<b>Services rendered</b>		
Drivesys Systems Private Limited	0.72	0.12
Nexsteer Systems Private Limited	0.07	0.07
Metacast Auto Private Limited	0.19	-
<b>Loan given</b>		
Drivesys Systems Private Limited	14.61	4.55
Nexsteer Systems Private Limited	5.17	7.86
Metacast Auto Private Limited	15.52	-

### D Outstanding balances

	31-Mar-24	31-Mar-23
<b>Trade payables</b>		
Domestic supplier of raw material & components		
Varsha Forging Pvt Ltd	3.22	4.16
Drivesys Systems Private Limited	0.03	-
Lease Rental Payment	0.10	-
Key managerial personnel	1.52	-
<b>Loan given</b>		
Drivesys Systems Private Limited	19.17	4.55
Nexsteer Systems Private Limited	13.03	7.86
Metacast Auto Private Limited	15.52	-
Trade Receivables	1.16	0.22

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 37 ADDITIONAL REGULATORY INFORMATION

#### RATIO ANALYSIS

Ratio	Numerator	Denominator	Current year	Previous year	% Change
Current ratio (in times)	Total current assets	Total current liabilities	2.44	2.04	20%
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.07	0.10	-27%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments + Short Term Borrowings	2.18	1.53	43%
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	10.81%	6.25%	73%
Inventory turnover ratio (in times)	Sales	Average Inventory	7.48	7.54	-1%
Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	4.67	4.57	2%
Trade payables turnover ratio (in times)	(Cost of raw material consumed + Other expenses)	Average Trade Payables	10.75	10.71	0%
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	4.32	5.16	-16%
Net profit ratio (in %)	Net profit ratio	Revenue from operations	10.0%	5.6%	77%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total Debt + Deferred tax liabilities - Deferred Tax Assets	11.87%	8.51%	39%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	16.69%	4.21%	297%

#### REASONS FOR CHANGE IN RATIO BEING MORE THAN 25%

##### Debt-Equity ratio (in times) decreased by -27%

As our debt is decreased compared to previous year ,hence debt equity ratio is improved.

##### Debt service coverage ratio (in times) increased by 43%

Debt service coverage ratio is increased due to lower debt

##### Return on equity ratio (in %) increased by 73%

Increase in Profit after tax by Rs. 22.28 Crores due to better returns in our investments,hence ratio is increased

##### Net profit ratio (in %) increased by 77%

Our investment has delivered better returns

##### Return on capital employed (in %) increased by 39%

As share market performed exceptionally well ,our ROCE was increased

##### Return on investment (in %) increased by 297%

Return on investment (in %) significantly higher in FY 2023-24 due to more returns in equity and debt mutual funds.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

- 38** As reported earlier, the Company had received a communication dated 19 October 2022, from ZF Friedrichshafen AG ('ZF AG'), regarding alleged infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and amongst other alleged demands, ZF Friedrichshafen AG, has claimed a sum of Rs.100 crores in damages from the Company. The Company continues to be of the opinion that, it has not committed any act of infringement and/or passing off, in any manner whatsoever. The Company vide communication dated 12 April 2023, had sent a detailed reply to ZF Friedrichshafen AG. The allegations of ZF Friedrichshafen AG and/or ZF India Private Limited are neither accepted nor acceptable to the Company. The Company has also sent a letter to certain affiliates of ZF Friedrichshafen AG, to cease and desist the use of the name "ZF" and/or "ZF India", in relation to certain products, as per the terms of the No-Objection Letter dated 28 July 2006, issued by the Company to ZF Friedrichshafen AG. In addition to the same, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune. This disclosure is made, without prejudice to the rights of the Company and only in order to comply with the applicable disclosure requirements to the Company, as a listed entity."
- 39** The ministry of corporate Affairs (MCA) vide its notification No. GSR206 (E) dated 24th March 24, 2021 has issued Companies (Audit and Auditors) Amendment Rules, 2021' read with sub-section 3 of section 143 of Companies Act, 2013 introducing new Rule 11(g) which is effective from 1st April, 2023.
- Rule 11(g) states that every company which uses the accounting software for maintaining its books of accounts shall use only the accounting software where there is a feature of recording audit trail for each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that, the audit trail cannot be disabled.
- The ZF India uses SAP HANA as a primary accounting software for maintaining the books of account, which has features of recording audit trail edit logs facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.
- 40** The Board of Directors have recommended a dividend at the rate Rs. 8 per share on equity shares of Rs.10 each for the financial year ended 31 March 2024, subject to the approval of shareholders in the Annual General Meeting of the Company.
- 41** Figures of the previous financial year have been regrouped, wherever necessary, to confirm to the current period's classification and Presented in Rupees Crore.

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For **Joshi Apte & Co.**  
 Firm Registration Number: 104370W  
 Chartered Accountants

**Kaustubh Deshpande**  
 Partner

Membership No. : 131090

**Place: Pune**  
**Date: May 25, 2024**

**For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.**

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**

**Utkarsh Munot** Managing Director

**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**

**Date: May 25, 2024**

# **CONSOLIDATED FINANCIAL STATEMENTS**

## Independent Auditors' Report

To,

The Members of

**ZF STEERING GEAR (INDIA) LIMITED, PUNE**

**Report on the Audit of the consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of ZF Steering Gear (India) Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, 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 consolidated 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition- Rebates, Discounts and Price Variations</b></p> <p>The Holding Company measures revenue net of any trade discounts, volume rebates and price variations.</p> <p>Material estimation by the Holding Company is involved in recognition and measurement of rebates and discounts. This includes establishing an accrual at the yearend, particularly in arrangements with varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end.</p> <p>We identified the evaluation of accrual for rebates, discounts and price variations as a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>We tested the effectiveness of controls over design, implementation and operating effectiveness of, key manual and application controls. They cover control over computation of discounts and rebates and rebate and discount accruals;</li> <li>Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to rebates, discounts and price variations, we evaluated the Company's revenue recognition policies with reference to the requirements of Indian Accounting Standard-115 (Revenue from contracts with customers);</li> <li>Substantive testing performed by selecting samples of rebate and discount transactions recorded during the year and verifying the computation with the relevant source documents;</li> <li>Understanding the process followed by the Company to determine the amount of accrual of rebates and discounts. Testing samples of rebate accruals and comparing to underlying documentation;</li> <li>Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items;</li> <li>Checking completeness and accuracy of the data used by the Company for accrual of rebates, discounts and price variations.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Litigation with regard to Trade Mark disclosed in note 39 of Consolidated Financial Statements</b></p> <p>The Holding Company is in receipt of a communication which alleges an infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and a claim of Rs.100 Crores as damages.</p> <p>Against this, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune.</p> <p>Whether a liability is to be recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgement in respect to this claim against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, this litigation amount is considered to be a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.</li> <li>• Assessed management's discussions held with their legal consultants and understanding precedents in similar cases;</li> <li>• Obtained and evaluated the managements representation from the company's internal dedicated team and consultant opinion wherever required representing the Company before the various authorities. Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.</li> </ul>

## Information Other than the consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Report of the Directors, Boards Report including Annexure to Boards Reports, Business Responsibility Report, Corporate Governance and Shareholders information, the Overview of Financial Performance, and Report on Risk Management (collectively referred as "other information") but does not include the Consolidated and Standalone 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 of assurance 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 during the course of our 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.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian accounting standards) Rules 2015, as amended from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included

in the Group are responsible for assessing the Group'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SAs, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/ consolidated financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the audit of consolidated financial statements of such entities included in the consolidated financial statements, of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 consolidated 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 of three subsidiaries, whose financial statements reflect total assets of Rs. 108.70 Crores as at 31st March 2024, total revenues of Rs. 0.03 Crores, total net loss after tax Rs 0.68, total comprehensive loss of Rs 0.68 crores and net cash outflow amounting to Rs. 1.49 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies are disqualified as on March 31, 2024 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 Holding Company, and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

Further, we report that, regarding the provisions of section 197, no managerial remuneration has been paid, hence reporting is not applicable to three subsidiary companies covered under the Act.

h) 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, as amended 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 subsidiaries:

- i. The Group has disclosed the impact of pending litigations as at March 31, 2024 on its consolidated financial position in its consolidated financial statements. Refer Note 32 and 39 in Consolidated Financial Statements.
- ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended March 31, 2024; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended March 31, 2024.
- iv. a. The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other persons or entities, including



foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 41 to financial statements, the Board of Directors of the Holding Company have proposed the dividend for the year which is subject

to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023, Based on the our examination which is conducted on test check basis and information and explanation provided by the management of the Holding company and two subsidiaries, the Holding Company and two subsidiaries has used accounting software (SAP HANA) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, one subsidiary has not enabled the audit trail for all relevant transactions recorded in the software. Further, the company is already in process of migrating to an upgraded software and establishing necessary controls and documentations regarding audit trail.
2. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued, of companies included in the consolidated financial statements and covered under the Act;

We report that there is remark on cash losses incurred by the subsidiaries during the year. The total cash losses of the three subsidiaries is Rs.0.48 Crore.

**For Joshi Apte & Co.,**  
**Chartered Accountants**  
**(ICAI Firm registration number: 104370W)**

**Per Kaustubh Deshpande**  
**Partner**  
**Membership No.: 131090**  
**UDIN: 24131090BJZWYD2894**  
**Pune, May 25, 2024**

## ANNEXURE 1

### List of Entities Included

Sr. No.	Name of Entity	Relationship
1	ZF Steering Gear (India) Limited	Holding Company
2	DriveSys Systems Private Limited	Wholly Owned Subsidiary of ZF Steering Gear (India) Ltd.
3	NexSteer Systems Private Limited	Wholly Owned Subsidiary of ZF Steering Gear (India) Ltd.
4	METACAST AUTO Private Limited	Subsidiary of ZF Steering Gear (India) Ltd.

### Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of ZF Steering Gear (India) Limited for the year ended March 31, 2024.

### Report on the Internal Financial Controls Over Financial Reporting 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) Limited (the “Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Holding Company for the year ended on that date.

### Management’s and Board of Directors’ Responsibility and Those Charged with Governance for Internal Financial Controls

The Management and Board of Directors of the Holding 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 (the “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 the respective 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.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of The Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 consolidated financials statements, whether due to fraud or error.

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and based on the audit reports of Subsidiary Companies 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, 2024, based on the internal financial control over financial

reporting criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI").

**For Joshi Apte & Co.,**  
**Chartered Accountants**  
**(ICAI Firm registration number: 104370W)**

**Per Kaustubh Deshpande**  
**Partner**  
**Membership No.: 131090**  
**UDIN: 24131090BJZWYD2894**  
**Pune, May 25, 2024**

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(Rs. in Crore)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3[a]	170.93	130.57
Right of use asset	3[b]	32.07	25.56
Capital work in progress	3[c]	29.44	7.06
Intangible assets	4[a]	0.79	0.81
Investment Property	4[b]	0.75	1.08
Intangible assets under development	3[d]	0.33	0.16
Financial assets			
(i) Investments	5[a]	134.02	147.39
(ii) Loans	5[e]	2.48	0.17
(iii) Other non-current financial assets	5[g]	3.18	0.60
Other non-current assets	6	5.34	6.19
Income Tax Assets (Net)	7	4.49	4.43
Deferred tax Assets (Net)	8	16.79	15.36
<b>Total non-current assets</b>		<b>400.61</b>	<b>339.38</b>
<b>Current assets</b>			
Inventories	9	67.15	58.15
Financial assets			
(i) Trade receivables	5[b]	97.70	106.85
(ii) Cash and cash equivalents	5[c]	11.45	0.22
(iii) Bank Balances other than Cash and cash equivalents	5[d]	0.16	0.37
(iv) Loans	5[e]	0.06	0.05
(v) Others	5[f]	5.68	0.32
Other current assets	6	11.25	6.40
<b>Total current assets</b>		<b>193.45</b>	<b>172.36</b>
<b>TOTAL ASSETS</b>		<b>594.06</b>	<b>511.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	10	9.07	9.07
Non Controlling Interest	11	0.01	-
Other equity	11	449.14	409.61
<b>Total Equity</b>		<b>458.22</b>	<b>418.68</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	12[a]	35.63	2.10
(ii) Lease Liability	12[d]	3.17	4.16
Provisions	13	1.05	0.91
Other non current liabilities	14	0.96	1.99
<b>Total non-current liabilities</b>		<b>40.81</b>	<b>9.16</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	12[b]	36.90	36.14
(ii) Trade payables			
A) Total outstanding dues of Micro and Small Enterprises	12[c]	5.36	2.96
B) Total outstanding dues of creditors other than Micro and Small Enterprises	12[c]	28.30	32.52
(iii) Lease Liability	12[d]	1.07	0.92
(iv) Others	12[e]	11.62	1.83
Other current liabilities	14	8.79	6.71
Provisions	13	2.99	2.82
<b>Total current liabilities</b>		<b>95.03</b>	<b>83.90</b>
<b>Total liabilities</b>		<b>135.84</b>	<b>93.06</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>594.06</b>	<b>511.74</b>

Material Accounting Policies

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The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For **Joshi Apte & Co.**  
Firm Registration Number: 104370W  
Chartered Accountants

**Kaustubh Deshpande**  
Partner  
Membership No. : 131090

Place: Pune  
Date: May 25, 2024

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**

**Utkarsh Munot** Managing Director

**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

Date: May 25, 2024

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crore)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>INCOME</b>			
Revenue from operations	15	477.82	450.43
Other income	16	34.29	13.28
<b>Total Income</b>		<b>512.11</b>	<b>463.71</b>
<b>EXPENSES</b>			
Cost of raw material consumed	17	321.12	293.62
Change in Inventory of finished goods and work in progress	18	(7.97)	(0.53)
Employee benefits expense	19	63.98	55.92
Other expenses	20	48.39	45.50
<b>Total Expenses</b>		<b>425.52</b>	<b>394.51</b>
<b>Profit before interest, tax, depreciation, amortisation expenses and exceptional items (EBITDA)</b>		<b>86.59</b>	<b>69.20</b>
Finance costs	21	1.01	0.72
Depreciation and amortisation expense	22	33.71	32.18
<b>Profit before exceptional items and tax</b>		<b>51.87</b>	<b>36.30</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>51.87</b>	<b>36.30</b>
<b>Tax Expense</b>	<b>23</b>		
Current tax		9.83	6.22
Minimum Alternative Tax (MAT) credit entitlement		(1.48)	(6.22)
Deferred tax		(0.16)	11.76
<b>Total tax expense</b>		<b>8.19</b>	<b>11.76</b>
<b>Profit for the year</b>		<b>43.68</b>	<b>24.54</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		0.58	(1.37)
- Income tax relating to the above items	23	(0.20)	0.40
<b>Other comprehensive income for the year, net of tax</b>		<b>0.38</b>	<b>(0.97)</b>
<b>Total comprehensive income for the year</b>		<b>44.06</b>	<b>23.57</b>
Attributable to			
i) Shareholders (Owners of the Company)		44.07	-
ii) Non Controlling Interest		(0.01)	-
Earnings per equity share of Rs 10 each	24		
Basic and diluted earnings per share		48.14	27.05

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Material Accounting Policies

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

 For **Joshi Apte & Co.**  
 Firm Registration Number: 104370W  
 Chartered Accountants

**Kaustubh Deshpande**  
 Partner

Membership No. : 131090

 Place: Pune  
 Date: May 25, 2024

**For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.**

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**
**Utkarsh Munot** Managing Director

**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  
 Date: May 25, 2024

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Crore)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit/ (Loss) before exceptional items and tax</b>	<b>51.87</b>	<b>36.30</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	33.71	32.18
Interest paid	1.01	0.72
Fair value change in investment	(15.64)	(1.72)
(Profit)/ Loss on sale of PPE	(3.23)	0.59
(Profit)/ Loss on sale of investment	(7.51)	(3.03)
Interest Income	(0.64)	(0.44)
Exchange variation	0.19	(0.23)
Dividend received	(0.36)	(0.43)
<b>Operating profit before working capital changes</b>	<b>59.40</b>	<b>63.94</b>
<b>Adjustments for changes in working capital:</b>		
(Increase)/ Decrease in inventory	(9.00)	(0.63)
(Increase)/ Decrease in trade receivables and financial assets	(0.88)	(16.59)
(Increase)/ Decrease in other non-current and current assets	(4.85)	1.47
Increase/ (Decrease) in provisions and other liabilities	2.13	(0.54)
Increase/ (Decrease) in trade payables and financial liabilities	(2.01)	7.96
<b>Cash generated from operations</b>	<b>44.79</b>	<b>55.61</b>
Income tax paid - Net	(9.89)	(6.74)
Net cash generated from operating activities	34.90	48.87
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(94.18)	(39.66)
Sale proceed from property, plant and equipment	4.48	0.21
Interest received	0.62	0.45
Dividend received	0.36	0.43
Purchase of Investment	(5.00)	(29.52)
Sale proceed from Investment	41.50	5.50
<b>Net cash used in investing activities</b>	<b>(52.22)</b>	<b>(62.59)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Issue of Equity Shares to Non Controlling Interest in Subsidiary	0.02	-
Loan from Supreme Iron India Pvt. Ltd	4.85	-
Bank - Term loan	10.16	-
Proceeds from borrowings	91.56	63.89
Repayment of borrowings	(72.28)	(51.43)
Dividend paid	(4.75)	-
Interest paid	(1.01)	(0.72)
<b>Net cash used in financing activities</b>	<b>28.55</b>	<b>11.74</b>
Net Increase/ (Decrease) in cash and cash equivalents	11.23	(1.98)
Cash and cash equivalents as at the beginning of the year	0.22	2.20
<b>Cash and cash equivalents as at the end of the year</b>	<b>11.45</b>	<b>0.22</b>
<b>Cash and cash equivalents comprise of the following:</b>		
Cash on hand	0.02	0.01
Balances with banks - Current accounts	11.43	0.21
	<b>11.45</b>	<b>0.22</b>

Material Accounting Policies

The accompanying notes are an integral part of these consolidated financial statements

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As per our report of even date

For **Joshi Apte & Co.**  
Firm Registration Number: 104370W  
Chartered Accountants

**Kaustubh Deshpande**  
Partner

Membership No. : 131090

Place: Pune  
Date: May 25, 2024

**For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.**

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**

**Utkarsh Munot** Managing Director

**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  
Date: May 25, 2024



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Rs. in Crore)

## A. Equity Share Capital

	Notes	Amount
<b>As at April 1, 2023</b>		<b>9.07</b>
Changes in equity share capital due to prior period errors		-
<b>Restated balance as at April 1, 2023</b>		<b>9.07</b>
Changes in equity share capital during the current year	10	-
<b>As at March 31, 2024</b>		<b>9.07</b>

	Notes	Amount
<b>As at April 1, 2022</b>		<b>9.07</b>
Changes in equity share capital due to prior period errors		-
<b>Restated balance as at April 1, 2022</b>		<b>9.07</b>
Changes in equity share capital during the previous year	10	-
<b>As at March 31, 2023</b>		<b>9.07</b>

## B. Other Equity

Particulars	Attributable to owners Reserves and Surplus				Total attributable to Equity Shareholders of company	Non-controlling interest	Total Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
<b>Balance as at April 1, 2023</b>	0.35	2.32	235.00	171.94	409.61	-	409.61
Non controlling Interest						0.02	0.02
Profit for the year	-	-	-	43.69	43.69	(0.01)	43.68
Other comprehensive income for the year net of tax	-	-	-	0.38	0.38	-	0.38
<b>Total comprehensive income for the year</b>	-	-	-	<b>44.07</b>	<b>44.07</b>	<b>0.01</b>	<b>44.08</b>
Dividend paid	-	-	-	(4.54)	(4.54)		(4.54)
<b>Balance at March 31, 2024</b>	<b>0.35</b>	<b>2.32</b>	<b>235.00</b>	<b>211.47</b>	<b>449.14</b>	<b>0.01</b>	<b>449.15</b>

Particulars	Attributable to owners Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at April 1, 2022</b>	0.35	2.32	235.00	148.37	386.04
Non controlling Interest					
Profit for the year	-	-	-	24.54	24.54
Other comprehensive income for the year net of tax	-	-	-	(0.97)	(0.97)
<b>Total comprehensive income for the year</b>	-	-	-	<b>23.57</b>	<b>23.57</b>
<b>Balance at March 31, 2023</b>	<b>0.35</b>	<b>2.32</b>	<b>235.00</b>	<b>171.94</b>	<b>409.61</b>

Material Accounting Policies

The accompanying notes are an integral part of these Consolidated financial statements

2

As per our report of even date

For **Joshi Apte & Co.**  
Firm Registration Number: 104370W  
Chartered Accountants

**Kaustubh Deshpande**  
Partner

Membership No. : 131090

Place: Pune  
Date: May 25, 2024

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**

**Utkarsh Munot** Managing Director

**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

Date: May 25, 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 1 Corporate information

The consolidated financial statements comprise financial statements of ZF Steering Gear (India) Limited ('ZF India' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group'). Z F Steering Gear (India) Limited is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange in India. The registered office of the Holding Company is situated at 1242/44, Village Vadu Budruk, Tal. Shirur, Dist. Pune- 412216.

The Group is engaged in the business of production & assembling of steering systems for vehicles, buses and tractors.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on May 25, 2024

### 2 Material accounting policies

#### 2.1 Basis of preparation of Consolidated Financial Statements

##### (i) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements

##### (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) Basis of consolidation

The consolidated financial statements for the year ended March 31, 2024 comprise the financial statements of Z F Steering Gear (India) Limited and its subsidiaries (collectively referred to as "the Group").

Following subsidiaries have been considered in the preparation of the consolidated financial statements:

Name of entity	Relationship	Country of Incorporation	% of Ownership Interest as on March 31, 2024
Drivesys Systems Private Limited	Subsidiary	India	100%
Nexsteer Systems Private Limited	Subsidiary	India	100%
Metacast Auto Private Limited	Subsidiary	India	51%

All the above subsidiaries are under the same management.

#### Control exists when the parent has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31.

#### Consolidation procedure:

- i. Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant & equipment are eliminated in full).

### (iii) Use of estimates

In preparing these consolidated 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 2024 is included in the following notes:

Note 8 - Recognition of deferred tax assets: Availability of future taxable profit against which tax losses carried forward can be used;

Note 29 - Measurement of defined benefit obligations: Key actuarial assumptions;

Note 13 - 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 years'.

## 2.2 Segment reporting

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group'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 consolidated 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 Group as a whole and are not allocable to segments, have been included under unallocated items. Refer Note 28 for segment information presented.

## 2.3 Foreign currencies

### (i) Functional and presentation currency

The consolidated financial statements are presented and accounted for in Indian Rupees (INR), which is the Group's functional and presentation currency. The Group determines its own functional currency (the currency of the primary economic environment in which the Group operates) and items included in the financial statements of each entity 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 Group 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.

## 2.4 Revenue

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

### Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group 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.
- 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

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 Group 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.

- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group 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 Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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.

### 2.5 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group 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 Group recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss in proportion to export sale.

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

### 2.6 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 consolidated 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

### 2.7 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

#### As a lessee:

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a

corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### Group as a lessor:

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

### 2.8 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 group 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

### 2.8 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 Group 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 period no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit & Loss.

### 2.9 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.

### 2.10 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular 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) Non derivative financial instruments consist of:

- i) Financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, employee and other advances, investments in equity and eligible current and noncurrent assets.
- ii) Financial liabilities, which include borrowings, trade payables and eligible current and noncurrent liabilities.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

#### Investments

Financial instruments measured at fair value through profit or loss ("FVTPL"):

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the

end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The gain or loss on disposal is recognised in the statement of profit and loss. Interest income is recognised in the statement of profit and loss for FVTPL debt instruments. Dividends on financial assets at FVTPL is recognised when the Company's right to receive dividends is established.

#### Investments in subsidiaries:

Investment in equity instruments of subsidiaries are measured at cost less impairment.

#### Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise trade receivables, unbilled receivables, employee and other advances and eligible current and noncurrent assets. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are presented as non-current assets. All financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. However, trade receivables and unbilled receivables that do not contain a significant financing component are measured at the Transaction Price.

#### (b) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### (c) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

### 2.11 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 Group 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 consolidated Statement of Profit and Loss as incurred.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a written down value method (WDV) method and its life taken as per Schedule II to the Companies Act, 2013. Except in respect of :

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 consolidated statement of profit or loss.

### 2.12 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 consolidated Statement of Profit and Loss.

### 2.13 Intangible assets

#### (i) Recognition and measurement

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group 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 Group 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

### 2.14 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 consolidated 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

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 consolidated profit or loss as other income.

### 2.15 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.

### 2.16 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 consolidated 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 Group, 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 consolidated

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.

### 2.17 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 consolidated balance sheet.

#### (ii) Other long-term employee benefit obligations

Leave encashment Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the consolidated statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

#### (iii) Post-employment obligations

The Group 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 consolidated 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

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 consolidated 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 consolidated statement of changes in equity and in the consolidated balance sheet.

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

### **Defined contribution plan**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group 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 Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

### **2.18 Asset classified as held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant, and equipment once classified as held for sale are not depreciated or amortized.

### **2.19 Rounding off amounts**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 3. (a) Property, Plant and Equipment (PPE)

	Gross Block					Accumulated Depreciation					Net Block	
	Carrying amount as at 1 April 2023	Additions	Deletions / Disposals	Reclassification	Balance as at 31 March, 2024	Balance as at 1 April 2023	Depreciation for the year	Accumulated depreciation on deletions/ disposals	Reclassification	Balance as at 31 March, 2024	as at 31 March 2024	as at 31 March 2023
<b>Property, Plant and Equipment (PPE)</b>												
Land*	1.09	-	-	-	1.09	-	-	-	-	-	1.09	1.09
Buildings	55.34	26.82	-	-	82.16	18.77	4.30	-	-	23.07	59.10	36.57
Plant & Equipment	203.69	40.30	(7.95)	-	236.04	138.34	21.17	(7.09)	-	152.41	83.63	65.35
Plant & Equipment ( R & D)	1.17	-	-	-	1.17	0.98	-	-	-	0.98	0.19	0.19
Furnitures & Fixtures	3.93	0.31	(0.22)	-	4.02	2.12	0.47	(0.17)	-	2.42	1.60	1.81
Vehicles	10.21	1.11	(0.54)	-	10.78	5.96	1.51	(0.51)	-	6.96	3.82	4.25
Office Equipment	6.06	1.20	(0.02)	-	7.24	4.65	0.88	(0.02)	-	5.51	1.73	1.41
Electrical Installation	9.12	3.43	(0.19)	-	12.37	6.27	1.07	(0.18)	-	7.16	5.21	2.85
ETP/STP Plant	0.36	-	-	-	0.36	0.24	0.03	-	-	0.27	0.09	0.12
Wind Mills	15.31	-	-	-	15.31	5.16	1.19	-	-	6.35	8.97	10.16
Solar Power Plant	26.92	-	-	-	26.92	20.15	1.26	-	-	21.41	5.51	6.77
<b>Total property, plant and equipment</b>	<b>333.21</b>	<b>73.18</b>	<b>(8.92)</b>	<b>-</b>	<b>397.48</b>	<b>202.64</b>	<b>31.87</b>	<b>(7.97)</b>	<b>-</b>	<b>226.55</b>	<b>170.93</b>	<b>130.57</b>

	Gross Block					Accumulated Depreciation					Net Block	
	Carrying amount as at 1 April 2022	Additions	Deletions / Disposals	Reclassification	Balance as at 31 March 2023	Balance as at 1 April 2022	Depreciation for the year	Accumulated depreciation on deletions/ disposals	Reclassification	Balance as at 31 March 2023	as at 31 March 2023	as at 31 March 2022
<b>Property, Plant and Equipment (PPE)</b>												
Land*	1.09	-	-	-	1.09	-	-	-	-	-	1.09	1.09
Buildings**	55.63	2.43	-	(2.72)	55.34	15.36	5.05	-	(1.64)	18.77	36.57	40.27
Plant & Equipment	197.91	10.86	(5.08)	-	203.69	123.80	18.84	(4.30)	-	138.34	65.35	74.11
Plant & Equipment (R & D)	1.17	-	-	-	1.17	0.98	-	-	-	0.98	0.19	0.19
Furniture & Fixtures	2.84	1.09	-	-	3.93	1.66	0.46	-	-	2.12	1.81	1.18
Vehicles	8.39	2.11	(0.29)	-	10.21	5.10	1.13	(0.27)	-	5.96	4.25	3.29
Office Equipment	5.04	1.06	(0.04)	-	6.06	3.98	0.71	(0.04)	-	4.65	1.41	1.06
Electrical Installation	8.01	1.13	(0.02)	-	9.12	5.04	1.25	(0.02)	-	6.27	2.85	2.97
ETP/STP Plant	0.36	-	-	-	0.36	0.22	0.02	-	-	0.24	0.12	0.14
Wind Mills	15.13	0.19	-	-	15.31	3.81	1.35	-	-	5.16	10.16	11.32
Solar Power Plant	26.92	-	-	-	26.92	18.60	1.55	-	-	20.15	6.77	8.32
<b>Total property, plant and equipment</b>	<b>322.49</b>	<b>18.87</b>	<b>(5.43)</b>	<b>(2.72)</b>	<b>333.21</b>	<b>178.55</b>	<b>30.36</b>	<b>(4.63)</b>	<b>(1.64)</b>	<b>202.64</b>	<b>130.57</b>	<b>143.93</b>

\*Title deeds of Immovable Property not held in the name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Land at Koregaon Bhima, Taluka Shirur, District Pune, Maharashtra	0.04	Mr. Dinesh Munot	Promoter and Director	4th April 1995	These lands were agricultural lands at the time of acquisition. Due to the restrictions contained in Section 63 of the Bombay Tenancy & Agricultural Lands Act, 1948 a company cannot buy agricultural land in Maharashtra. Hence these lands were acquired in the name of Mr. Dinesh Munot on behalf of the company.
Property, Plant & Equipment	Land at Koregaon Bhima, Taluka Shirur, District Pune, Maharashtra	0.01	Mr. Dinesh Munot	Promoter and Director	25th May 1995	

\*\* Note : Reclassification from the Gross Block and Accumulated Depreciation of Property, Plant & Equipment includes transfer to Investment Property.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 3 [b] Right of Use Asset

	Category of Right of Use asset
	Leasehold land & Office Premises
<b>Balance as at March 31, 2023</b>	<b>25.56</b>
Additions	8.12
Deletions	-
Amortisation	1.61
<b>Balance as At March 31, 2024</b>	<b>32.07</b>
<b>Balance as at March 31, 2022</b>	<b>14.40</b>
Additions	12.69
Amortisation	1.53
<b>Balance as At March 31, 2023</b>	<b>25.56</b>

### 3 [c] Capital-Work-in Progress (CWIP)

CWIP aging schedule as on 31st March 2024

(Rs. in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	29.44	-	-	-	29.44
Projects temporarily suspended	-	-	-	-	-

CWIP aging schedule as on 31st March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.99	0.07	-	-	7.06
Projects temporarily suspended	-	-	-	-	-

### 3 [d] Intangible assets under development

Intangible assets under development aging schedule as on 31st March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development aging schedule as on 31st March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.14	-	-	0.02	0.16
Projects temporarily suspended	-	-	-	-	-

There was no overdue completion for any of the projects and there was no cost overrun for any project in FY 2022-23.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

(Rs. in Crore)

### 4 a) INTANGIBLE ASSETS

	Computer software	Technical know how	Patent	Total
<b>Year ended March 31, 2024</b>				
<b>Gross Carrying Amount</b>				
Carrying amount as at April 1, 2023	6.06	0.01	0.05	6.12
Additions	0.33	-	-	0.33
Disposals / adjustments	-	-	-	-
<b>At March 31, 2024</b>	<b>6.39</b>	<b>0.01</b>	<b>0.05</b>	<b>6.45</b>
<b>Accumulated depreciation and impairment, if any</b>				
As at April 1, 2023	5.29	-	0.02	5.31
Charge for the year	0.34	-	0.01	0.35
Disposals / adjustments	-	-	-	-
<b>At March 31, 2024</b>	<b>5.63</b>	<b>-</b>	<b>0.03</b>	<b>5.66</b>
<b>Net Block At March 31, 2024</b>	<b>0.76</b>	<b>0.01</b>	<b>0.02</b>	<b>0.79</b>

\* Amount of depreciation pertaining to patent for period ended March 2024 is Rs. 64,224 (March 31, 2023 - Rs. 16,598).

	Computer software	Technical know how	Patent	Total
<b>Year ended March 31, 2023</b>				
<b>Gross Carrying Amount</b>				
Carrying amount as at April 1, 2022	5.71	0.01	0.05	5.77
Additions	0.35	-	-	0.35
Disposals / adjustments	-	-	-	-
<b>At March 31, 2023</b>	<b>6.06</b>	<b>0.01</b>	<b>0.05</b>	<b>6.12</b>
<b>Accumulated depreciation and impairment, if any</b>				
As at April 1, 2022	4.96	-	0.01	4.97
Charge for the year	0.33	-	0.01	0.34
Disposals / adjustments	-	-	-	-
<b>At March 31, 2023</b>	<b>5.29</b>	<b>-</b>	<b>0.02</b>	<b>5.31</b>
<b>Net Block At March 31, 2023</b>	<b>0.77</b>	<b>0.01</b>	<b>0.03</b>	<b>0.81</b>

### 4 b) INVESTMENT PROPERTY

	Total
<b>Balance as at March 31, 2023</b>	<b>1.08</b>
Additions	-
Deletions	0.29
Amortisation	0.04
<b>Balance as At March 31, 2024</b>	<b>0.75</b>
<b>Balance as at March 31, 2022</b>	<b>-</b>
Additions*	2.72
Deletions	-
Amortisation	1.64
<b>Balance as At March 31, 2023</b>	<b>1.08</b>

Market Value of rented property at ICC Tower, Pune is Rs. 8.20 Crores as on 31-03-2024 ( Rs. 8.20 Crores as on 31-03-2023).

\*Additions to Gross Block and Amortisation includes reclassification from Property, Plant & Equipment.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 5 FINANCIAL ASSETS

#### 5 [a] INVESTMENTS

	Notes	31-Mar-24	31-Mar-23
<b>Non-Current</b>			
Investment in equity shares (quoted, fully paid-up, at FVTPL)	See note (i)	32.53	24.61
Investments in redeemable Non-Convertible Bonds (quoted, fully paid-up, at amortised cost)	See note (ii)	4.40	4.40
Investments in Mutual Funds (quoted, at FVTPL)	See note (iii)	97.09	118.38
		<b>134.02</b>	<b>147.39</b>

	31-Mar-24	31-Mar-23
Aggregate amount of quoted investments and market value thereof	134.02	147.39

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

	31-Mar-24		31-Mar-23	
	Nos	Amount	Nos	Amount
ICICI Bank Limited (Face value of Rs. 2 each)	78,424	8.57	78,424	6.89
<b>Tata Consultancy</b> Services Limited (Face value of Re. 1 each) \$	24,432	9.47	24,432	7.83
KPIT Technologies Limited (Face value of Rs. 10 each)	60,000	8.92	60,000	5.55
Birlasoft Limited (Face value of Rs. 2 each)	38,011	2.82	38,011	0.99
Borosil Renewables Limited (Face value of Re. 1 each)	8,000	0.40	8,000	0.33
SBI Card & payment services Limited (Face value of Rs 10 each)		-	1,530	0.11
Infosys Limited (Face value of Rs. 5 each)	5,386	0.81	5,386	0.77
GAIL (India) limited (Face value of Rs. 10 each)		-	79,725	0.84
Mahindra & Mahindra Limited (Face value of Rs. 5 each)	8,000	1.54	8,000	0.93
Life Insurance Corporation of India (Face value of Rs. 10 each)		-	7,000	0.37
		<b>32.53</b>		<b>24.61</b>

\$ 5,000 Equity shares of TCS Ltd. having a market value of Rs 1.94 Crores at FY 23-24 (1.87 Crores at PY 22-23) are pledged in favour of Prabhudas Lilladher Pvt. Ltd. (A stock broker) as Margin.

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

	31-Mar-24		31-Mar-23	
	Nos	Amount	Nos	Amount
National Highway Authority of India (NHAI)	24,724	2.44	24,724	2.44
Power Finance Corporation Limited (PFC)	19,935	1.96	19,935	1.96
		<b>4.40</b>		<b>4.40</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

## (iii) Investments in Mutual Funds (Quoted, at FVTPL)

	31-Mar-24		31-Mar-23	
	Nos	Amount	Nos	Amount
<b>HDFC Credit Risk Debt Fund - Growth*</b>	<b>49,63,912</b>	<b>11.60</b>	<b>49,63,912</b>	<b>10.71</b>
Reliance Capital Limited Series B/ 437 - NCD	500	-	500	-
HDFC Banking and Financial Services Fund - Direct- Growth	19,07,548	-	48,20,646	5.45
Nippon India Money Market Fund - Growth	22,369	-	57,444	20.38
Invesco India Focused 20 Equity Fund - Direct - Growth	6,09,997	-	6,09,997	0.89
Invesco India Corporate bond Fund - Direct - Growth	24,770	7.58	24,770	7.04
360 One special opportunities fund	20,20,047	1.03	20,20,047	1.70
<b>Kotak banking and PSU debt fund - Direct - Growth \$</b>	<b>42,00,467</b>	<b>25.77</b>	<b>42,00,467</b>	<b>23.89</b>
<b>HDFC Banking and PSU Debt Fund - Direct- Growth \$\$</b>	<b>1,19,34,999</b>	<b>25.76</b>	<b>1,19,34,999</b>	<b>23.90</b>
Edelweiss Alternative Equity Fund	-	-	23,07,833	6.33
IRB Invit fund	1,00,000	0.67	1,00,000	0.67
ICICI Prudential Transporatation and Logistics Fund - Direct- Growth	15,00,501	-	15,00,501	1.44
ICICI Prudential Commodities Fund Direct Growth	3,46,630	1.37	3,46,630	0.96
<b>Tata Nifty G-Sec Dec 2029 Index Fund - Direct Plan - Growth*</b>	<b>49,17,388</b>	<b>5.40</b>	<b>49,17,388</b>	<b>5.00</b>
Mirae Asset Nifty 8-13 Year G-SEC ETF	21,02,677	5.42	21,02,677	5.00
Bajaj Finserv Flexi Cap Fund - Direct- Growth	20,00,000	2.36	-	-
HDFC Defence Fund - Direct- Growth	20,00,000	3.32	-	-
<b>Kotak Nifty SDL July 2033 Index Fund - Direct - Growth*</b>	<b>20,00,000</b>	<b>5.48</b>	<b>49,66,723</b>	<b>5.02</b>
Mirae Asset Nifty 200 Alpha 30 ETF	5,85,151	1.35	-	-
<b>Nippon India Mutual*</b>	<b>29</b>	<b>0.01</b>	<b>0</b>	<b>0</b>
		<b>97.09</b>		<b>118.38</b>

Carrying amount of investment, pledged as security with bank (shown in bold)

\$ 20,00,467 units are pledged against overdraft facility utilised by the company and 22,00,000 units are pledged against Term Loan facility used by Drivesys Systems Private Limited (Wholly Owned Subsidiary).

\$\$ 1,19,34,999 units are pledged against overdraft facility utilised by the company.

\* 1,48,48,052 units are pledged against Term loan facility used by Drivesys Sysytems Private Limited (Wholly owned Subsidiary)

Fair value measurements related to investments are disclosed in Note 26.

## 5 [b] TRADE RECEIVABLES

	31-Mar-24	31-Mar-23
Trade receivables	97.70	106.85
<b>Total receivables</b>	<b>97.70</b>	<b>106.85</b>
Current portion	97.70	106.85
Non-current portion	-	-

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### Break-up of security details

	31-Mar-24	31-Mar-23
<b>Trade receivables</b>		
Unsecured, considered good	97.70	106.85
<b>Sub-total</b>	<b>97.70</b>	<b>106.85</b>
Less: Impairment allowance	-	-
<b>Total</b>	<b>97.70</b>	<b>106.85</b>

(i) Details of trade receivables to related parties are disclosed as part of note 37 - Related party disclosures.

(ii) The Group's exposure to credit risk, currency risk related to trade receivables are disclosed in Note 25.

### Transferred receivables

The carrying amount of trade receivables includes receivables which are discounted with banks. The Group has transferred the relevant receivables to the discounting bank in exchange for cash. However, the Group has retained the late payment and credit risk. Accordingly, the Group continues to recognise the transferred assets in entirety 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-24	31-Mar-23
Total transferred receivables	-	33.56

### Ageing of Trade Receivables as on 31st March 2024

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	91.82	5.87	0.01	-	-	-	97.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	0	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	0	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	0	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	0	-	-	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### Ageing of Trade Receivables as on 31st March 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	94.78	11.97	0.10	-	-	-	106.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0	-	-	0	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	0	-	-	0	-	-	-
(iv) Disputed Trade receivables – considered good	0	-	-	0	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	0	-	-	0	-	-	-
(vi) Disputed Trade Receivables — credit impaired	0	-	-	0	-	-	-

### 5 [c] CASH AND CASH EQUIVALENTS

	31-Mar-24	31-Mar-23
Cash on hand*	0.02	0.01
Balances with banks - Current accounts	11.43	0.21
	<b>11.45</b>	<b>0.22</b>

\* Cash balance as at March 31, 2024 is Rs. 2,44,316 ; as at March 31, 2023 is Rs. 51,059.

### 5 [d] BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

	31-Mar-24	31-Mar-23
Balances with banks in - on account of unpaid dividends	0.16	0.37
	<b>0.16</b>	<b>0.37</b>

### 5 [e] LOANS

	31-Mar-23	31-Mar-22
<b>Non Current (Unsecured, considered good)</b>		
Loan to Others \$	2.37	-
Loan to employees	0.11	0.17
	<b>2.48</b>	<b>0.17</b>
<b>Current (Unsecured, considered good)</b>		
Loan to employees	0.06	0.05
	<b>0.06</b>	<b>0.05</b>

\$ The group has provided loan of Rs.2.37 Cr.to Supreme Autocast for the purpose of Capital/Regular Expenditure.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 5 [f] OTHERS

	31-Mar-24	31-Mar-23
<b>Current</b>		
Provision for gratuity (see note 29)	1.25	-
Incentives under Government schemes/ Grant	4.24	0.15
Interest on Fixed Deposit/ others	0.19	0.17
	<b>5.68</b>	<b>0.32</b>

### 5 [g] OTHER NON-CURRENT FINANCIAL ASSETS

	31-Mar-24	31-Mar-23
<b>Non Current (Unsecured, considered good)</b>		
Security Deposits	3.18	0.60
	<b>3.18</b>	<b>0.60</b>

### 6 OTHER ASSETS

	31-Mar-24	31-Mar-23
<b>Non Current</b>		
Capital Advances	5.34	6.19
<b>Total</b>	<b>5.34</b>	<b>6.19</b>
<b>Current</b>		
Balances with Government authorities	6.77	0.06
VAT receivable	0.38	0.38
Prepaid expenses	2.63	1.74
Advances to suppliers	1.47	4.22
<b>Total</b>	<b>11.25</b>	<b>6.40</b>

### 7 NON CURRENT TAX ASSETS

	31-Mar-24	31-Mar-23
<b>Non Current</b>		
Opening balance	4.43	3.90
Add: Taxes paid during the year (For current year Rs. 9.89 crores & for earlier year Rs. 6.74 crores)	9.89	6.74
Less: Tax expenses pertaining to current year	(9.83)	(6.22)
<b>Closing balance</b>	<b>4.49</b>	<b>4.43</b>

### 8 DEFERRED TAX ASSETS (Net)

	31-Mar-24	31-Mar-23
<b>Deferred tax (liabilities)/ assets</b>		
Minimum Alternative Tax (MAT) credit	15.32	13.84
Property, plant and equipment	5.07	3.41
Provision for gratuity and leave encashment	0.13	1.29
Investments	(4.46)	(3.58)
Business Loss	0.13	0.40
Others	0.60	-
<b>Deferred tax (liabilities)/ assets net</b>	<b>16.79</b>	<b>15.36</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (i) Movement in deferred tax (liabilities)/ assets\*

	31-Mar-22	Recognised in			31-Mar-23
		Profit or loss	OCI	Equity	
Property, plant and equipment	2.09	1.32	-	-	3.41
Provision for gratuity and leave encashment	1.11	(0.22)	0.40	-	1.29
Investments	(2.93)	(0.65)	-	-	(3.58)
Business Loss	12.60	(12.20)	-	-	0.40
	<b>12.87</b>	<b>(11.75)</b>	<b>0.40</b>	<b>0</b>	<b>1.52</b>

	31-Mar-23	Recognised in			31-Mar-24
		Profit or loss	OCI	Equity	
Property, plant and equipment	3.41	1.66	-	-	5.07
Provision for gratuity and leave encashment	1.29	(0.96)	(0.20)	-	0.13
Investments	(3.58)	(0.88)	-	-	(4.46)
Business loss	0.40	(0.27)	-	-	0.13
Others	-	0.60	-	-	0.60
	<b>1.52</b>	<b>0.15</b>	<b>(0.20)</b>	<b>-</b>	<b>0.87</b>

\* Impact in Profit & Loss due to change in tax rate applicability amount to Rs.0.97 Cr, which is covered in above net amount of Rs.0.02

## 9 INVENTORIES

	31-Mar-24	31-Mar-23
(at lower of cost or net realisable value)		
Raw materials	13.46	12.43
Work - in - Progress	30.35	28.61
Finished Goods	23.34	17.11
<b>Total</b>	<b>67.15</b>	<b>58.15</b>
<b>Included in inventories goods in transit/ at godown as follows:</b>		
Raw materials	0.67	0.48
Finished goods	10.87	8.41
<b>Total</b>	<b>11.54</b>	<b>8.89</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 10 SHARE CAPITAL

#### [a] Authorised share capital

Particulars	Equity shares of Rs. 10 each (PY Rs. 10 each)	
	No. of shares	Amount
As at 31-Mar-2023	1,00,00,000	10
Increase during the year*	1,00,00,000	-
As at 31-Mar-2024	2,00,00,000	10

\* During the year, the Company has increased its authorised share capital from Rs. 10 crore to Rs. 20 crore.

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

Particulars	Equity shares of Rs. 10 each (PY Rs. 10 each)	
	No. of shares	Amount
As at 31-Mar-2023	90,73,300	9.07
Change during the year	-	-
As at 31-Mar-2024	90,73,300	9.07

#### (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.

(ii) The shareholders of the company at its meeting held on April 29, 2023 declared dividend of Rs. 5 per equity share of Rs. 10 each for the Financial Year 2022-23.

#### [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-24		31-Mar-23	
	No. of shares	% of total equity shares	No. of shares	% of total equity shares
Mr. Utkarsh Munot	25,91,494	28.56	25,91,494	28.56
Mr. Dinesh Munot	18,89,445	20.82	18,89,445	20.82

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### [d] Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as on 31st March 2024 is as follows

Shares held by Promoters					% Change during the year
Promoter Name	As on 31st March 2024		As on 31st March 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Mr. Utkarsh Munot	25,91,494	28.56	25,91,494	28.56	-
Mr. Dinesh Munot	18,89,445	20.82	18,89,445	20.82	-
Mrs. Nandini Munot	3,21,474	3.54	3,21,474	3.54	-
Munot Harishkumar Amolchand (Huf)	2,69,500	2.97	2,69,500	2.97	-
Mr. Jinendra Hirachand Munot	2,24,059	2.47	2,27,059	2.50	(0.03)
Mrs. Amita Jinendra Munot	1,47,215	1.62	1,50,215	1.66	(0.03)
Mrs. Pramila Amolchand Munot	1,45,753	1.61	1,46,753	1.62	(0.01)
Mrs. Trupti Sushen Gupta	1,23,496	1.36	1,23,496	1.36	-
Mr. Piyush Jinendra Munot	1,16,235	1.28	1,19,413	1.32	(0.04)
Mr. Yash Munot	1,13,427	1.25	1,16,427	1.28	(0.03)
Mrs. Pragati Dinesh Bothra	1,17,102	1.29	1,17,102	1.29	-
Munot Jinendrakumar Hirachand (Huf)	30,400	0.34	30,400	0.34	-
Mrs. Eitika Utkarsh Munot	2,712	0.03	2,712	0.03	-
Ms. Prerna Bothra	1,886	0.02	1,886	0.02	-
Robert Bosch Automotive Steering GmBH**	-	0.00	0	0	0
	60,94,198	67.17	61,07,376	67.31	(0.15)

\*\* During FY 2022-23, Robert Bosch Automotive Steering GmBH (Robert Bosch) has sold its equity stake to Indian Promoters. However, Robert Bosch will be continue one of the promotor of the company.

### 11 OTHER EQUITY

	31-Mar-24	31-Mar-23
General Reserve	235.00	235.00
Securities Premium	2.32	2.32
Capital Reserve	0.35	0.35
Retained Earnings	211.47	171.94
	<b>449.14</b>	<b>409.61</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (i) General Reserve

	31-Mar-24	31-Mar-23
Balance at the beginning of the year	235.00	235.00
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>235.00</b>	<b>235.00</b>

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-24	31-Mar-23
Balance at the beginning of the year	2.32	2.32
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>2.32</b>	<b>2.32</b>

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

### (iii) Capital Reserve

	31-Mar-24	31-Mar-23
Balance at the beginning of the year	0.35	0.35
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.35</b>	<b>0.35</b>

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-24	31-Mar-23
Balance at the beginning of the year	171.94	148.37
Net profit for the year	43.69	24.54
Dividend Paid	(4.54)	0
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	0.38	(0.97)
<b>Balance at the end of the year</b>	<b>211.47</b>	<b>171.94</b>

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.

### (v) Non Controlling Intrest

	31-Mar-24	31-Mar-23
Balance as at April 1, 2023	-	-
Non Controiling intrest	0.02	-
Project for the year	(0.01)	-
<b>Balance at March 31,2024</b>	<b>0.01</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 12 FINANCIAL LIABILITIES

#### 12 [a] NON-CURRENT BORROWINGS

	Security	31-Mar-24	31-Mar-23
<b>Secured</b>			
<b>(I) From banks</b>			
From Banks - Term Loan \$	Pledge of Mutual Fund units belonging to the Z F Steering Gear India Ltd and Drivesys Systems Pvt. Ltd (Refer Note 5a)	20.62	2.10
From Banks - Term Loan*	Pledge of Land & Building and Movable assets (including fixed assets) belonging to Metacast Auto Private Ltd.	10.16	-
<b>Unsecured</b>			
(I) Other - Term Loan	Loan from Supreme Iron India Pvt. Ltd	4.85	-
		<b>35.63</b>	<b>2.10</b>

Note : \$ The Group has taken a Loan Kotak Mahindra Bank for Capital Expenditure at Repo Rate plus 2.20% . The Principal amount is repayable after March 2024 upto March 2028 in monthly installments and interest is accrued on monthly basis.

\* Metacast Auto Pvt Ltd has obtained the term loan from Kotak Mahindra Bank at Repo Rate plus 2.40%, which is secured against charge over land and building and movable assets (including fixed assets). The repayment will start from FY 2025-26 i.e. after completion of first 12 months moratorium period.

The Company's exposure to Liquidity risk, market risk and credit risk related to borrowings are discussed in Note 25.

#### 12 [b] CURRENT BORROWINGS

	Security	31-Mar-24	31-Mar-23
<b>Secured</b>			
<b>(I) From banks</b>			
Overdraft Facilities	These facilities are secured against pledge of certain financial asset of the Company (refer note 5a).	0.94	-
(II) Current maturities of long-term debt		6.87	-
Bill discounting with banks	Secured against (PY transferred) trade receivables of Tata Motors	29.09	33.56
Cash Credit	First charge on Stock and book debts (except Tata Motors)	-	2.58
		<b>36.90</b>	<b>36.14</b>

The Company's exposure to Liquidity risk, market risk and credit risk related to borrowings are stated in Note 25.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 12[c] TRADE PAYABLES

	31-Mar-24	31-Mar-23
<b>Current</b>		
Total outstanding dues of Micro and Small Enterprises (Refer note -31)	5.36	2.96
Total outstanding dues of creditors other than Micro and Small Enterprises	28.30	32.52
	<b>33.66</b>	<b>35.48</b>

- (i) Details of trade payables to related parties are disclosed as part of note 37 - Related party disclosures.  
(ii) The Company's exposure to Liquidity risk, currency risk related to trade Payables are discussed in Note 25.

### Ageing of Trade Payables as on 31st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payable	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	4.32	1.04	0.01	-	-	5.36
(ii)Others	5.67	8.89	13.58	0.17	-	-	28.30
(iii) Disputed dues – MSME							
(iv) Disputed dues - Others							
<b>TOTAL</b>	<b>5.67</b>	<b>13.20</b>	<b>14.61</b>	<b>0.17</b>	<b>-</b>	<b>-</b>	<b>33.66</b>

### Ageing of Trade Payables as on 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payable	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	2.92	0.04	0.00	-	-	2.96
(ii)Others	5.80	10.48	16.23	0.01	-	-	32.52
(iii) Disputed dues – MSME							
(iv) Disputed dues - Others							
<b>TOTAL</b>	<b>5.80</b>	<b>13.40</b>	<b>16.27</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>35.48</b>

### 12[d] LEASE LIABILITY

	31-Mar-24	31-Mar-23
<b>Non-current</b>		
lease liability	3.17	4.16
	<b>3.17</b>	<b>4.16</b>
<b>Current</b>		
lease liability	1.07	0.92
	<b>1.07</b>	<b>0.92</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

The following is the movement in lease liability during the year ended March 31, 2024:-

	Amount
<b>Balance as of April 1, 2023</b>	5.08
<b>Addition</b>	-
Finance cost accrued during the period	0.40
Payment of Lease Liability	(1.24)
<b>Balance as on March 31, 2024</b>	<b>4.24</b>

<b>Balance as of April 1, 2022</b>	5.93
<b>Addition</b>	-
Finance cost accrued during the period	0.47
Payment of Lease Liability	(1.32)
<b>Balance as on March 31, 2023</b>	<b>5.08</b>

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2024 on an undiscounted basis:

	31-Mar-24	31-Mar-23
Less than 1 year	1.36	1.32
one to five year	2.72	4.05
More than 5 year	1.44	1.53
<b>Total</b>	<b>5.52</b>	<b>6.90</b>

### 12[e] Others

	31-Mar-24	31-Mar-23
<b>Current</b>		
Payable for capital goods	11.39	1.46
Unpaid dividends	0.16	0.37
Others	0.07	-
	<b>11.62</b>	<b>1.83</b>

### 13 PROVISIONS

	31-Mar-24	31-Mar-23
<b>Non-current</b>		
Provision for leave encashment	1.05	0.91
	<b>1.05</b>	<b>0.91</b>
<b>Current</b>		
Provision for gratuity (see note 29)	-	0.45
Provision for leave encashment	1.38	1.38
Warranty provision [See note (i) below]	1.61	0.99
	<b>2.99</b>	<b>2.82</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

(Rs. in Crore)

### Note (i) - Warranty provision

The Company generally offers a warranty for a period of 3 years or 3,00,000 km whichever is earlier 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. 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-24	31-Mar-23
Carrying amount in the beginning of the year	0.99	1.00
Additional provision made	1.50	1.49
Amount used	(0.88)	(1.50)
<b>Carrying amount at the end of the year</b>	<b>1.61</b>	<b>0.99</b>

## 14 OTHER LIABILITIES

	31-Mar-24	31-Mar-23
<b>Non Current</b>		
Deferred Income	0.01	0.01
Security Deposit	0.47	0.47
Export Promotion Capital Goods (EPCG)	0.48	1.51
	<b>0.96</b>	<b>1.99</b>
<b>Current</b>		
Advance from customers	1.70	1.25
Deferred revenue	0.89	0.70
Statutory liabilities	3.95	3.71
Others	2.25	1.05
	<b>8.79</b>	<b>6.71</b>

EPCG Liability refers Government incentives of Rs. 0.48 Crores as at March 31, 2024. This grants relating to property, plant and equipment related to duty saved on import of capital goods and spares under the Exports Promotion Capital Goods (EPCG) scheme. Under such scheme, the ZF Steering Gear (India) Ltd. is committed to export six times of duty saved on import of Capital Goods over a period of six years. In case such commitments are not met, the ZF Steering Gear (India) Ltd. would be required to pay the duty saved along with interest to the regulatory authorities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 15 REVENUE FROM OPERATIONS

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Revenue from sale of products</b>		
-Sale of Products	465.50	436.13
	<b>465.50</b>	<b>436.13</b>
<b>Revenue from rendering services</b>		
- Domestic services	1.72	1.04
	<b>1.72</b>	<b>1.04</b>
<b>Other operating income</b>		
- Solar power income	7.94	8.90
- Windmill income	1.00	1.46
- Sale of scrap	1.66	2.90
	<b>10.60</b>	<b>13.26</b>
	<b>477.82</b>	<b>450.43</b>

### 16 OTHER INCOME

	For the year ended	
	31-Mar-24	31-Mar-23
Dividend income	0.36	0.43
Interest income	0.64	0.44
Realised gains on Financial assets Investment measured at FVTPL	7.51	3.03
Unrealised gain/ (loss) on Financial assets Investment measured at FVTPL	15.64	1.72
Profit on sale of investment property	3.32	-
Foreign exchange gain	-	0.23
Government grants*	5.01	6.24
Export incentive	0.35	0.39
Other non operating income	0.48	0.29
Rental Income	0.98	0.51
	<b>34.29</b>	<b>13.28</b>

\* Government Grants include incentive of Rs 1.04 Crores (P.Y. Rs.1.47 crores) for the year ended March 31, 2024 towards Exports Promotion Capital Goods (EPCG) scheme and Rs. 3.97 crores (P.Y. Rs. 4.77 crores) subsidy due / received from Madhya Pradesh State Government.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

(Rs. in Crore)

### 17 COST OF RAW MATERIAL CONSUMED

	For the year ended	
	31-Mar-24	31-Mar-23
Raw material consumed	314.21	289.13
Packing material consumed	3.06	1.96
Fabrication and processing charges	3.85	2.53
	<b>321.12</b>	<b>293.62</b>

### 18 CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Opening stock</b>		
Work in progress	28.61	25.14
Finish goods (Includes Goods in transit/ at godown)	17.11	20.05
	<b>45.72</b>	<b>45.19</b>
<b>Less: Closing stock</b>		
Work in progress	30.35	28.61
Finish goods (Includes Goods in transit/ at godown)	23.34	17.11
	<b>53.69</b>	<b>45.72</b>
	<b>(7.97)</b>	<b>(0.53)</b>

### 19 EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	31-Mar-24	31-Mar-23
Salaries, wages, bonus etc.	30.64	28.43
Contribution to provident and other funds*	1.31	0.45
Staff welfare expenses	4.51	4.19
Contract Labour Expenses	27.52	22.85
	<b>63.98</b>	<b>55.92</b>

\* Refer Note No. 29 Employee Benefit Obligations

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

(Rs. in Crore)

### 20 OTHER EXPENSES

	For the year ended	
	31-Mar-24	31-Mar-23
Power and fuel (Net of credit of windmill and solar income of Rs. 6.07 Crore, PY-Rs. 5.06 Crore)	14.84	14.69
Repairs and maintenance		
-Buildings	1.36	2.74
-Machinery	5.81	3.71
-Others	0.93	1.19
Rent	0.07	0.10
Insurance	0.84	0.73
Rates and taxes	0.56	0.45
Selling and distribution expenses	8.93	8.78
Solar energy generation expenses	1.11	1.05
Windmill energy generation expenses	1.07	1.23
Foreign exchange loss	0.19	-
Loss on sale/ discard of assets	0.09	0.59
CSR expense	0.02	-
Audit fees	0.12	0.13
Other miscellaneous expenses	12.45	10.11
	<b>48.39</b>	<b>45.50</b>

### A. AUDITORS' REMUNERATION

	31-Mar-24	31-Mar-23
Audit fees	0.09	0.10
Limited review	0.02	0.02
Tax audit fees	0.01	0.01
For Certification and other related work	0.01	-
	<b>0.13</b>	<b>0.13</b>

The amounts presented are net of GST/ other applicable taxes.

### 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 one NGO (Non Government Organisation) and for skill development of apprentices.

	31-Mar-24	31-Mar-23
Gross amount required to be spent by the Company during the year	0.24	-
Amount spent during the year on :		
Construction/Acquisition of any asset	-	-
On purpose other than above*	0.02	-

\* Available amount for setoff CSR spent of RS 0.22 Crore from FY 2021-2022

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd..)

(Rs. in Crore)

### 21 FINANCE COSTS

	For the year ended	
	31-Mar-24	31-Mar-23
Interest expenses	0.91	0.62
Other borrowing cost	0.10	0.10
	<b>1.01</b>	<b>0.72</b>

### 22 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended	
	31-Mar-24	31-Mar-23
Depreciation on property, plant and equipment	31.87	30.35
Amortisation of intangible assets	0.35	0.35
Amortisation of right of use assets	1.49	1.48
	<b>33.71</b>	<b>32.18</b>

### 23 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Statement of profit and loss</b>		
<b>Current tax:</b>		
Current tax on profits for the year	9.83	6.22
<b>Total current tax expense</b>	<b>9.83</b>	<b>6.22</b>
<b>Minimum Alternative Tax (MAT) credit entitlement :</b>		
MAT credit entitlement	(1.48)	(6.22)
<b>Total MAT credit entitlement</b>	<b>(1.48)</b>	<b>(6.22)</b>
<b>Deferred tax:</b>		
Deferred tax expense/ (income)	(0.16)	11.76
<b>Total deferred tax expense/ (benefit)</b>	<b>(0.16)</b>	<b>11.76</b>
<b>Income tax expense</b>	<b>8.19</b>	<b>11.76</b>
<b>Other comprehensive income</b>		
<b>Deferred tax related to OCI items:</b>		
- On loss/ (gain) on remeasurements of defined benefit plans	(0.20)	0.40
	<b>(0.20)</b>	<b>0.40</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

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

	For the year ended	
	31-Mar-24	31-Mar-23
Profit before exceptional items and tax	51.87	36.30
Tax at the Indian tax rate of 29.12% but consider MAT 17.472%	9.01	6.50
Effect of non deductible expenses	0.03	(0.28)
Brought forward losses set off against current year profits	(0.16)	11.76
Minimum Alternative Tax (MAT) credit entitlement	(1.48)	(6.22)
<b>Income tax expense</b>	<b>7.40</b>	<b>11.76</b>

## 24 EARNINGS PER SHARE

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Basic and diluted earnings per share (face value of Rs. 10 each)</b>		
- Profit attributable to the equity share holders of the Company	43.68	24.54
- Weighted average number of shares	90,73,300	90,73,300
<b>Basic and diluted earnings per share in INR</b>	<b>48.14</b>	<b>27.05</b>

## 25 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 opinion from time to time.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### [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-24	31-Mar-23
Not past due	91.82	94.78
Past due but not impaired		
- Past due 0 to 180 days	5.87	11.97
- Past due more than 180 days	0.01	0.10
	<b>97.70</b>	<b>106.85</b>

### [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.

#### 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
<b>31-Mar-24</b>					
<b>Non-derivatives</b>					
Borrowings	72.53	72.53	-	-	72.53
Lease Liability	5.52	1.36	2.72	1.44	5.52
Trade payables	33.66	33.66	-	-	33.66
Capital creditors	11.39	11.39	-	-	11.39
Other financial liabilities	0.16	0.16	-	-	0.16
<b>Total</b>	<b>123.26</b>	<b>119.10</b>	<b>2.72</b>	<b>1.44</b>	<b>123.26</b>

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
<b>31-Mar-23</b>					
<b>Non-derivatives</b>					
Borrowings	38.24	38.24	-	-	38.24
Lease Liability	6.90	1.32	4.05	1.53	6.90
Trade payables	35.48	35.47	0.01	-	35.48
Capital creditors	1.46	1.46	-	-	1.46
Other financial liabilities	0.37	0.37	-	-	0.37
<b>Total</b>	<b>82.45</b>	<b>76.86</b>	<b>4.06</b>	<b>1.53</b>	<b>82.45</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (i) Financing arrangements:

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

	31-Mar-24	31-Mar-24
Variable rate		
Cash credit and overdraft facilities	47.56	35.70
	<b>47.56</b>	<b>35.70</b>

### [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.

#### (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
<b>31-Mar-24</b>				
<b>Financial assets</b>				
Trade receivables	3.75	-	-	3.75
<b>Net exposure to foreign currency risk (assets)</b>	<b>3.75</b>	<b>-</b>	<b>-</b>	<b>3.75</b>
<b>Financial liabilities</b>				
Trade payables	0.10	0.05	0.60	0.75
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>0.10</b>	<b>0.05</b>	<b>0.60</b>	<b>0.75</b>

	USD	EUR	YEN	Total
<b>31-Mar-23</b>				
<b>Financial assets</b>				
Trade receivables	3.11	-	-	3.11
<b>Net exposure to foreign currency risk (assets)</b>	<b>3.11</b>	<b>-</b>	<b>-</b>	<b>3.11</b>
<b>Financial liabilities</b>				
Trade payables	0.01	1.06	-	1.07
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>0.01</b>	<b>1.06</b>	<b>-</b>	<b>1.07</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (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-24	31-Mar-23
USD		
- Increase by 10%	0.26	0.22
- Decrease by 10%	(0.26)	(0.22)
EUR		
- Increase by 10%	-	(0.08)
- Decrease by 10%	-	0.08
YEN		
- Increase by 10%	(0.04)	-
- Decrease by 10%	0.04	-

### 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-24		31-Mar-23	
	Amount	% of total borrowings	Amount	% of total borrowings
Variable rate borrowings, average borrowing rate 8.70% (P.Y. 6.75%)	-	0%	2.58	100.00%

#### 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-24	31-Mar-23
Interest rate increase by 100 basis points	(0.01)	(0.02)
Interest rate decrease by 100 basis points	0.01	(0.02)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 26 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-24						Mar-23					
	Carrying amount			Fair value			Carrying amount			Fair value		
	FVTPL	Amortised Cost	FVTOCI	Level 1	Level 2	Level 3	FVT-PL	Amortised Cost	FVTOCI	Level 1	Level 2	Level 3
<b>[i] Financial assets</b>												
<b>Non Current</b>												
<b>Investment</b>												
Investment in equity quoted	32.53	-	-	32.53	-	-	24.61	-	-	24.61	-	-
Investment in mutual fund	97.09	-	-	97.09	-	-	118.38	-	-	118.38	-	-
Investment in bond	-	4.40	-	-	-	-	-	4.40	-	-	-	-
<b>Loans</b>												
Security deposit	-	3.18	-	-	-	-	-	0.60	-	-	-	-
Other financial assets	-	0.11	-	-	-	-	-	0.17	-	-	-	-
<b>Current</b>												
Trade receivables	-	97.70	-	-	-	-	-	106.85	-	-	-	-
Cash and cash equivalents	-	11.45	-	-	-	-	-	0.22	-	-	-	-
Other bank balances	-	0.16	-	-	-	-	-	0.37	-	-	-	-
Other financial assets	-	5.74	-	-	-	-	-	0.37	-	-	-	-
	<b>129.62</b>	<b>122.74</b>	<b>-</b>	<b>129.62</b>	<b>-</b>	<b>-</b>	<b>142.99</b>	<b>112.98</b>	<b>-</b>	<b>142.99</b>	<b>-</b>	<b>-</b>
<b>[ii] Financial liabilities</b>												
<b>Non Current</b>												
Borrowings	-	35.63	-	-	-	-	-	2.10	-	-	-	-
Lease Liability	-	3.17	-	-	-	-	-	4.16	-	-	-	-
<b>Current</b>												
Short term borrowings	-	36.90	-	-	-	-	-	36.14	-	-	-	-
Trade payables	-	33.66	-	-	-	-	-	35.48	-	-	-	-
Lease Liability	-	1.07	-	-	-	-	-	0.92	-	-	-	-
Capital creditor	-	11.39	-	-	-	-	-	1.46	-	-	-	-
Other financial liabilities	-	0.23	-	-	-	-	-	0.37	-	-	-	-
	<b>-</b>	<b>122.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### (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 and
- (b) 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 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.

## 27 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, 2024 is as follows:

	31-Mar-24	31-Mar-23
Net Debt	78.05	45.14
Total Equity	458.22	418.68
<b>Net Debt to equity ratio</b>	<b>0.17</b>	<b>0.11</b>

## 28 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 CODM (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, 2024 (Contd...)

(Rs. in Crore)

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 and 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-24				31-Mar-23			
	Auto component	Renewable energy	Unallocable	Total	Auto component	Renewable energy	Unallocable	Total
Segment revenue:								
External revenue*	474.67	15.07	28.45	518.18	447.23	15.41	6.13	468.77
Less: inter segment revenue	-	(6.07)	-	(6.07)	-	(5.06)	-	(5.06)
<b>Total segment revenue</b>	<b>474.67</b>	<b>8.99</b>	<b>28.45</b>	<b>512.11</b>	<b>447.23</b>	<b>10.35</b>	<b>6.13</b>	<b>463.71</b>
<b>segment profit before tax</b>	<b>13.37</b>	<b>10.06</b>	<b>28.44</b>	<b>51.87</b>	<b>20.48</b>	<b>9.75</b>	<b>6.07</b>	<b>36.30</b>
<b>Segment results</b>	<b>13.37</b>	<b>10.06</b>	<b>20.25</b>	<b>43.68</b>	<b>20.48</b>	<b>9.75</b>	<b>(5.69)</b>	<b>24.54</b>
Segment results includes :								
Interest expenses	1.01	-	-	1.01	0.72	-	-	0.72
Interest income	-	-	0.64	0.64	-	-	0.44	0.44
Depreciation	30.90	2.82	-	33.71	28.91	3.27	-	32.18
Tax expenses	-	-	8.19	8.19	-	-	11.76	11.76
<b>Segment assets</b>	<b>364.25</b>	<b>52.30</b>	<b>177.51</b>	<b>594.06</b>	<b>302.91</b>	<b>27.81</b>	<b>181.02</b>	<b>511.74</b>
Segment assets includes:								
Capital expenditure incurred during the year	73.51	-	-	-	19.03	0.19	-	19.22
<b>Segment liabilities</b>	<b>135.66</b>	<b>0.18</b>	<b>-</b>	<b>135.84</b>	<b>92.88</b>	<b>0.18</b>	<b>-</b>	<b>93.06</b>

\* External Revenue - Auto Components - Rs. 474.67 Crores includes Revenue from sale of products - Rs. 465.55 Crores; Revenue from rendering services - Rs. 1.72 Crores; Revenue from Sale Of Scrap - Rs. 1.66 Crores; Government Grants - Rs. 5.01 Crores; Export Incentive - Rs. 0.35 Crores; Other Non-Operating Income - Rs. 0.48 Crores, Profit on sale of Investment Property (Eden hall) - Rs.3.32 Crores and Foreign Exchange Loss - Rs. 0.04 Crores

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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### [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-24	31-Mar-23
India	499.49	449.92
Overseas	12.62	13.79
<b>Total</b>	<b>512.11</b>	<b>463.71</b>

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

	31-Mar-24	31-Mar-23
India	244.14	175.86
<b>Total</b>	<b>244.14</b>	<b>175.86</b>

### [D] Major customers

Revenue of approximately Rs. 319.09 Crore (PY- Rs. 293.83 Crore) are derived from three major external customers of the Company. This revenue is attributed to auto component manufacturing segment.

## 29 EMPLOYEE BENEFIT OBLIGATIONS

### 29(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. 0.87 Crore (Previous year - Rs. 0.78 Crore).

### 29(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
<b>As at 31-Mar-2023</b>	15.35	14.90	0.45
Current service cost	0.50	-	0.50
Interest expenses/ income	0.90	0.93	(0.03)
<b>Total amount recognised in profit and loss</b>	<b>1.40</b>	<b>0.93</b>	<b>0.47</b>
<b>Remeasurements</b>			
Gain/ loss from change in demographic assumption	-	-	-
Gain/ loss from change in financial assumption	0.03	0.04	(0.01)
Experience Gain/ loss	(0.76)	(0.19)	(0.57)
<b>Total amount recognised in other comprehensive income</b>	<b>(0.73)</b>	<b>(0.15)</b>	<b>(0.58)</b>
Employer contributions	-	1.61	(1.61)
Benefit payments	(6.00)	(6.00)	-
Mortality charges and taxes	-	(0.02)	0.02
<b>As at 31-Mar-2024</b>	<b>10.02</b>	<b>11.27</b>	<b>(1.25)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

	Present value of obligation	Fair value of plan assets	Net Amount
<b>As at 31-Mar-2022</b>	12.90	12.99	(0.09)
Current service cost	0.32	-	0.32
Interest expenses/ income	0.90	0.95	(0.05)
<b>Total amount recognised in profit and loss</b>	<b>1.22</b>	<b>0.95</b>	<b>0.27</b>
<b>Remeasurements</b>			
Gain/ loss from change in demographic assumption	0.10	0.10	-
Gain/ loss from change in financial assumption	0.64	(0.07)	0.71
Experience Gain/ loss	0.68	0.01	0.67
<b>Total amount recognised in other comprehensive income</b>	<b>1.42</b>	<b>0.04</b>	<b>1.38</b>
Employer contributions	-	1.12	(1.12)
Benefit payments	(0.19)	(0.19)	-
Mortality charges and taxes	-	(0.01)	0.01
<b>As at 31-Mar-2023</b>	<b>15.35</b>	<b>14.90</b>	<b>0.45</b>

### (ii) Net assets/ liabilities

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

	31-Mar-24	31-Mar-23
Present value of funded obligations	10.02	15.35
Fair value of plan assets	11.27	14.90
<b>Net deficit for funded schemes</b>	<b>1.24</b>	<b>(0.45)</b>

### (iii) Analysis of plan assets is as follows:

	31-Mar-24	31-Mar-23
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### (iv) Actuarial assumptions and sensitivity analysis

	31-Mar-24	31-Mar-23
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.20%	7.30%
Rate of increase in compensation levels		
For First year	10.00%	10.00%
Thereafter	10.00%	10.00%
Expected rate of return on plan assets	7.30%	7.00%
Expected average remaining working lives of employees (in years)	5.95	5.81
Withdrawal Rate	15.00%	15.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### Notes:

- Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- 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-24	31-Mar-23
Discount rate - Increase by 1%	(0.25)	(0.24)
Discount rate - Decrease by 1%	0.27	0.26
Salary increment rate - Increase by 1%	0.20	0.21
Salary increment rate - Decrease by 1%	(0.18)	(0.19)
Withdrawal rate - Increase by 1%	0.02	0.03
Withdrawal rate - Decrease by 1%	(0.04)	(0.03)

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 2024 are Rs. Nil . 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
<b>As at 31-Mar-2024</b>				
Defined benefit obligation - Gratuity	5.32	0.90	2.70	3.89
<b>As at 31-Mar-2023</b>				
Defined benefit obligation - Gratuity	11.39	0.64	2.42	3.34

## 30 LEASES

The details of the right-of-use asset held by the Company are as follows:

	As on April 1, 2023	Additions for FY 2023-24	Amortisation charge for FY 2023-24	As at March 31, 2024
Leasehold land & Office Premises	25.56	8.12	1.61	32.07
<b>Total</b>	<b>25.56</b>	<b>8.12</b>	<b>1.61</b>	<b>32.07</b>

Interest expense on lease liabilities is Rs. 0.40 Crore (March 31, 2023 - Rs. 0.47 Crore) for year ended March 31, 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 31 MICRO, SMALL AND MEDIUM ENTERPRISES

i)

	31-Mar-24	31-Mar-23
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period -		
- Principal amount outstanding	5.36	2.96
- 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 32 a) CONTINGENT LIABILITIES

	31-Mar-24	31-Mar-23
Income Tax matters in dispute in respect of penalty matters pending before CIT (Appeal), Pune	3.26	3.26
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(Appeal), Pune.	0.11	0.11
Income Tax matters in dispute in respect of Assessment dues (A.Y.2014-15) before ITAT, Pune & CIT (Appeal) Delhi	-	0.88
Income Tax matters in dispute in respect of Assessment dues (A.Y.2015-16) before CIT (Appeal), Delhi	1.81	1.81
Income Tax matters in dispute in respect of Assessment dues (A.Y.2016-17) before CIT (Appeal), Delhi	4.40	4.40
Income Tax matters in dispute in respect of Assessment dues (A.Y.2017-18) before CIT (Appeal), Delhi	0.92	1.12
Income Tax matters in dispute in respect of Assessment dues (A.Y.2018-19) before CIT (Appeal), Delhi	0.80	0.80
Income Tax matters in dispute in respect of Assessment dues (A.Y.2019-20) before CIT (Appeal), Delhi	2.88	2.88
TDS Matter pertaining to F.Y. 2012-13 pending with CIT(A) Pune	0.03	0.03
Sales tax liability under dispute before Joint Commissioner of Sales Tax for F.Y. 2016-17	0.34	0.34
Sales tax liability under dispute before Joint Commissioner of Sales Tax for F.Y. 2017-18	0.12	0.12
Central Excise Liability under dispute before CESTAT Mumbai	0.11	0.11
GST matters in dispute in respect of Assessment dues (F.Y. 2017-18 to F.Y. 2021-2022) before AC,CGST,Ujjain	0.42	-
GST matters in dispute in respect of Assessment dues (F.Y. 2019-20) before Superintendent,CGST,Pithampur-I	0.01	-
GST matters in dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Authority, Rudrapur	0.11	-
Bank Guarantees issued by the Company	3.05	1.82
Comfort letter in lieu of Corporate Guarantee (issued on behalf of Drivesys to their banker towards credit facilities)	27.49	2.09
Comfort letter in lieu of Corporate Guarantee (issued on behalf of Metacast to their banker towards credit facilities)	5.22	-
The Company does not expect any cash outflow in respect of the above contingent tax liabilities		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

- b) As reported earlier, certain employees, who were employed in supervisory category, remained absent from work during the Financial Year 2018-19 and also submitted the alleged charter of demand. The Company, after taking precautionary steps and in exercise of its rights as the employer, terminated services of 236 such employees and also denied their claim of salary / remuneration for the period of absence, before termination of their services. Out of the legal proceedings initiated against the Company in respect of these matters by these ex-employees; the proceedings related to 100 ex-employees are still pending before the Judicial Forum. The Company has been advised that, these individuals or any other person have no valid claims, in respect of any of their demands including but not limited to the demand related to salary/remuneration for unauthorized absenteeism during the course of their employment with the Company. This disclosure is being made as a matter of caution and without prejudice to the legal position of the Company before any Judicial Forum or Statutory Authority.
- c) The last Wage Settlement dated 01.03.2015, with the workmen of the Company, employed at the Vadu Budruk factory, expired on 31.08.2018. Thereafter, based on the Charter of Demands submitted by ZF Steering Gear Kamgar Sangathana, dated 18.03.2018, the conciliation proceedings were initiated before the Assistant Labour Commissioner (Labour Office, Pune), the Conciliation Officer. The said Officer submitted the Failure Report to the Government and the matter is referred to the Hon'ble Member, Industrial Tribunal, Pune, which Reference is pending consideration of the Hon'ble Member, Industrial Tribunal, Pune. Considering the pendency of the said Reference and though strictly not required, the Company, as a matter of caution, submitted the Approval Applications, in respect of dismissal of 74 workmen of the Company, working at the Vadu Budruk factory, to whom punishment for misconduct was awarded, after conducting enquiries. The Approval for action of termination of the workmen was granted by the Hon'ble Member, Industrial Tribunal, Pune and the matter was referred for adjudication before the Labour Court, Pune. Out of 74 cases, in case of 44 workmen, the Hon'ble Labour Court, Pune passed the order on the preliminary issues that the enquiry conducted against these workmen is legal, fair and proper. Now these 44 workmen are in the process of filing evidences before the Hon'ble Labour Court, Pune.

### 33 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

As on 31-March-2024

Name of the Company	Share in Net Assets		Share in Profit / (loss)		Share in OCI		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount
<b>Parent Company</b>								
ZF Steering Gear (India) Ltd.	98.49	460.48	101.45	47.72	100.00	0.38	101.52	45.44
<b>Subsidiary Company</b>								
Drivesys Systems Private Limited	1.56	7.30	(1.23)	(0.58)		-	(1.30)	(0.58)
Nexsteer Systems Private Limited	(0.06)	(0.27)	(0.17)	(0.08)		-	(0.18)	(0.08)
Metacast Auto Private Limited	0.01	0.03	(0.04)	(0.02)			(0.04)	(0.02)
<b>SUBTOTAL</b>	<b>100.00</b>	<b>467.54</b>	<b>100.00</b>	<b>47.04</b>	<b>100.00</b>	<b>0.38</b>	<b>100.00</b>	<b>44.76</b>
Consolidation Adjustment		9.32		3.36		-		0.70
<b>TOTAL</b>		<b>458.22</b>		<b>43.68</b>		<b>0.38</b>		<b>44.06</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

As on 31-March-2023

Name of the Company	Share in Net Assets		Share in Profit / (loss)		Share in OCI		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Assets	Amount
<b>Parent Company</b>								
ZF Steering Gear (India) Ltd.	98.20	419.58	101.56	25.44	100.00	(0.97)	101.62	24.47
<b>Subsidiary Company</b>								
Drivesys Systems Private Limited	1.84	7.88	(0.48)	(0.12)		-	(0.50)	(0.12)
Nexsteer Systems Private Limited	(0.04)	(0.19)	(1.08)	(0.27)		-	(1.12)	(0.27)
<b>SUBTOTAL</b>	<b>100.00</b>	<b>427.27</b>	<b>100.00</b>	<b>25.05</b>	<b>100.00</b>	<b>(0.97)</b>	<b>100.00</b>	<b>24.08</b>
Consolidation Adjustment		8.59		0.51		-		0.51
<b>TOTAL</b>		<b>418.68</b>		<b>24.54</b>		<b>(0.97)</b>		<b>23.57</b>

### 34 COMMITMENTS

- Estimated amount of contracts remaining to be executed at group level on capital account and not provided for Rs. 59.52 Crore. (March 2023 - Rs. 69.32 Crore)
- Total export obligation under the EPCG Scheme was Rs. 33.91 crores and obligation payable as on March 31, 2024 is Rs. 5.65 Crores (March 2023 - Rs. 9.06 Crore).

**35** There are no transactions and / or disputed balance outstanding with companies struck off under section 248 of the Companies Act, 2013.

**36** The company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond statutory period except for one charge satisfaction of which is under process by ROC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 37 RELATED PARTY DISCLOSURES

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

No.	Nature of relationship	Name of related party
1	Key managerial personnel	Mr. Dinesh Munot - Chairman
		Mr. Utkarsh Munot - Managing Director
		Mr. Jinendra Jain - Chief Financial Officer
		Mr. Satish Mehta - Company Secretary
2	Non-executive directors	Mr. Manish Motwani (Retired on 31st March, 2024)
		Mr. Shridhar S. Kalmadi
		Mr. S. A. Gundecha
		Mrs. Smita Lahoti
		Mr. Sandeep Nelamangala (Resigned on 5th April, 2023)
		Dr. Dinesh Bothra (Non-independent) Appointed on 3rd February, 2024
		Mr. Adit Rathi (Upto 31st January, 2024)
		Mr. Ajit Nemichand Gugale
		Mr. Sachin Kanakmal Gugale
		Mr. Aniket Laxman Kadam
		Mr. Gautam Prafulla Haldikar
		Mr. Prafulla Keshavrao Haldikar
3	Enterprises in which directors / shareholders have significant influence	Varsha Forging Pvt. Ltd.
		Emtech Solutions Pvt Ltd.
		Supreme Iron Pvt.Ltd

#### B Key managerial personnel compensation

	31-Mar-24	31-Mar-23
a. Short term employee benefits (Salary paid during the year)	11.18	10.27
b. Post-employment benefits (cumulative)	3.13	7.90
c. Long term employee benefits (cumulative)	-	0.60
	<b>14.31</b>	<b>18.77</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### C Transaction with related parties

	For the year ended	
	31-Mar-24	31-Mar-23
<b>Purchase of raw material &amp; components</b>		
<u>Domestic supplier of raw material &amp; components</u>		
Varsha Forging Pvt Ltd	15.66	16.25
<b>Lease Rental Payment</b>		
Emtech Solutions Pvt Ltd.	1.22	1.17
Loan from Supreme Iron Pvt.Ltd	4.85	-
<b>Services rendered</b>		
Supreme Iron Pvt.Ltd	0.01	-
<b>Sitting fees to Non Executive &amp; Independent directors</b>	0.17	0.22

### D Outstanding balances

	31-Mar-24	31-Mar-23
<b>Trade payables</b>		
<u>Domestic supplier of raw material &amp; components</u>		
Varsha Forging Pvt Ltd	3.22	4.16
Loan from Supreme Iron Pvt.Ltd	4.85	-
<u>Services rendered</u>		
Supreme Iron Pvt.Ltd	0.01	-
<u>Lease Rental Payment</u>		
	0.10	-
<u>Key managerial personnel</u>		
	1.52	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

### 38 ADDITIONAL REGULATORY INFORMATION

#### RATIO ANALYSIS

Ratio	Numerator	Denominator	Current year	Previous year	% Change
Current ratio (in times)	Total current assets	Total current liabilities	2.04	2.05	-1%
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.17	0.10	62%
Debt service coverage ratio (in times)	"Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments"	Debt service = Interest and lease payments + Principal repayments + Short Term Borrowings	1.64	1.50	9%
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	9.96%	6.03%	65%
Inventory turnover ratio (in times)	Sales	Average Inventory	7.43	7.54	-1%
Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	4.67	4.57	2%
Trade payables turnover ratio (in times)	(Cost of raw material consumed + Other expenses)	Average Trade Payables	10.46	10.71	-2%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	4.85	5.09	-5%
Net profit ratio (in %)	Net profit ratio (in %)	Revenue from operations	9.1%	5.4%	68%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total Debt + Deferred tax liabilities - Deferred Tax Assets	10.20%	8.29%	23%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	17.16%	4.23%	306%

#### REASONS FOR CHANGE IN RATIO BEING MORE THAN 25%

##### Debt-Equity ratio (in times) increased by 62%

As our debt is increased compared to previous year, hence debt equity ratio is high.

##### Return on equity ratio (in %) increased by 65%

Increase in Profit after tax by Rs. 19.13 Crores due to better returns in our investments, hence ratio is increased

##### Net profit ratio (in %) increased by 68%

Our investment has delivered better returns

##### Return on investment (in %) increased by 306%

Return on investment (in %) significantly higher in FY 2023-24 due to more returns in equity and debt mutual funds.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd...)

(Rs. in Crore)

- 39** As reported earlier, the Company had received a communication dated 19 October 2022, from ZF Friedrichshafen AG ('ZF AG'), regarding alleged infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and amongst other alleged demands, ZF Friedrichshafen AG, has claimed a sum of Rs.100 crores in damages from the Company. The Company continues to be of the opinion that, it has not committed any act of infringement and/or passing off, in any manner whatsoever. The Company vide communication dated 12 April 2023, had sent a detailed reply to ZF Friedrichshafen AG. The allegations of ZF Friedrichshafen AG and/or ZF India Private Limited are neither accepted nor acceptable to the Company. The Company has also sent a letter to certain affiliates of ZF Friedrichshafen AG, to cease and desist the use of the name "ZF" and/or "ZF India", in relation to certain products, as per the terms of the No-Objection Letter dated 28 July 2006, issued by the Company to ZF Friedrichshafen AG. In addition to the same, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune. This disclosure is made, without prejudice to the rights of the Company and only in order to comply with the applicable disclosure requirements to the Company, as a listed entity."
- 40** The ministry of corporate Affairs (MCA) vide its notification No. GSR206 (E) dated 24th March 24, 2021 has issued Companies (Audit and Auditors) Amendment Rules, 2021' read with sub-section 3 of section 143 of Companies Act, 2013 introducing new Rule 11(g) which is effective from 1st April, 2023.
- Rule 11(g) states that every company which uses the accounting software for maintaining its books of accounts shall use only the accounting software where there is a feature of recording audit trail for each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that, the audit trail cannot be disabled.
- The ZF India uses SAP HANA as a primary accounting software for maintaining the books of account, which has features of recording audit trail edit logs facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.
- 41** The Board of Directors have recommended a dividend at the rate Rs. 8 per share on equity shares of Rs.10 each for the financial year ended 31 March 2024, subject to the approval of shareholders in the Annual General Meeting of the Company.
- 42** Figures of the previous financial year have been regrouped, wherever necessary, to confirm to the current period's classification and Presented in Rupees Crore.

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For **Joshi Apte & Co.**  
 Firm Registration Number: 104370W  
 Chartered Accountants

**Kaustubh Deshpande**  
 Partner  
 Membership No. : 131090

Place: Pune  
 Date: May 25, 2024

**For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.**

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**

**Utkarsh Munot** Managing Director

**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

Date: May 25, 2024

**AOC 1 - Statement containing salient features of the Financial Statements of subsidiaries of the Company**

Sl. No.	1	2	3	4
1	Name Of The Subsidiary	DRIVESYS SYSTEMS PVT LTD	NEXSTEER SYSTEMS PVT.LTD	METACAST AUTO PVT.LTD
2	Reporting period for the subsidiary concerned if different from the holding company's reporting period.	Not Applicable	Not Applicable	Not Applicable
3	Reporting currency and exchange rate as on the last date of the relevance financial year in the case of foreign subsidiaries	INR	INR	INR
4	Share capital	8.00	0.80	0.03
5	Reserves and Surplus	(0.70)	(0.35)	(0.02)
6	Total Assets	64.82	12.88	31.00
7	Total liabilities	57.52	13.15	30.97
8	Investments	0.01	-	-
9	Turnover (Note 3)	0.03	-	-
10	Profit before Taxation	(0.71)	(0.08)	(0.02)
11	Provision for Taxation (Note 4)	-	-	-
12	Profit After Taxation	(0.58)	(0.08)	(0.02)
13	Proposed Dividend	-	-	-
14	% of shareholding	100%	100%	51%

As per our report of even date

 For **Joshi Apte & Co.**  
 Firm Registration Number: 104370W  
 Chartered Accountants

**Kaustubh Deshpande**  
 Partner

Membership No. : 131090

**Place: Pune**  
**Date: May 25, 2024**
**For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.**

CIN: L29130PN1981PLC023734

**Dinesh Munot** Chairman

**DIN : 00049801**
**Utkarsh Munot** Managing Director

**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**
**Date: May 25, 2024**



# **Business Responsibility & Sustainability Report**

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L29130PN1981PLC023734
2	Name of the Listed Entity	ZF Steering Gear (India) Limited
3	Year of incorporation	21-01-1981
4	Registered office address	Gat No. 1242/44, Village Vadu Bk., Tal. Shirur, Dist. Pune - 412 216
5	Corporate address	Pride Parmar Galaxy, 3rd Floor, C + E Wing at CTS No: 10+10A, Connaught Road, Sadhu Vaswani Chowk, Pune 411-001.
6	E-mail	<a href="mailto:investor@zfindia.com">investor@zfindia.com</a>
7	Telephone	020-67289900
8	Website	<a href="http://www.zfindia.com">www.zfindia.com</a>
9	Financial year for which reporting is being done	Start dateEnd date
	Current Financial Year	01 04 2023 31 03 2024
	Previous Financial Year	01 04 2022 31 03 2023
	Prior to Previous Financial year	01 04 2021 31 03 2022
10	Name of the Stock Exchange(s) where shares are listed	BSE
11	Paid-up Capital (In Rs)	90733000.00
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name	Mr. Jinendra Jain
	Contact	020-67289900
	E mail	<a href="mailto:investor@zfindia.com">investor@zfindia.com</a>
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

### II. Products/ services

#### 14. Details of business activities (accounting for 90% of the turnover)

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Sale of Auto Components	Manufacture/ Sale of Auto Components viz. Power and Mechanical Steering Gears requisite spares for Steering Gears.	92.23%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Sale of Steering Gears (Power and Mechanical) and requisite spares for Steering Gears.	29301	92.23%

NIC Code list link: [https://www.ncs.gov.in/Documents/NIC\\_Sector.pdf](https://www.ncs.gov.in/Documents/NIC_Sector.pdf)

### III. Operations

#### \*16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	6	1	7
International	0	0	0

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	3
International (No. of Countries)	0

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.56%

##### c. A brief on types of customers:

ZF Steering Gear (India) Limited is manufacturer and supplier of Power and Mechanical Steering Gears for Light Commercial Vehicles, Medium and Heavy Commercial Vehicles (M&HCV) and tractors.

#### IV. Employees

##### 18. Details as at the end of Financial Year:

###### A. Employees and workers (including differently abled)

Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
EMPLOYEES								
1	Permanent (D)	398	376	94.47%	22	5.53%	0	0.00%
2	Other than permanent (E)	0	0	0.00%	0	0.00%	0	0.00%
3	Total employees(D + E)	398	376	94.47%	22	5.53%	0	0.00%
WORKERS								
4	Permanent (F)	1	1	100.00%	0	0.00%	0	0.00%
5	Other than permanent (G)	1090	1028	94.31%	62	5.69%	0	0.00%
6	Total workers (F + G)	1091	1029	94.32%	62	5.68%	0	0.00%

###### B. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
DIFFERENTLY ABLED EMPLOYEES								
1	Permanent (D)	0	0	0.00%	0	0.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%	0	0.00%
3	Total differently abled employees (D + E)	0	0	0.00%	0	0.00%	0	0.00%
DIFFERENTLY ABLED WORKERS								
4	Permanent (F)	0	0	0.00%	0	0.00%	0	0.00%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%	0	0.00%
6	Total differently abled workers (F + G)	0	0	0.00%	0	0.00%	0	0.00%

##### 19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.29%
Key Management Personnel	4	0	0.00%

## 20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	Turnover rate in current FY (2023-24)				Turnover rate in previous FY (2022-23)				Turnover rate in the year prior to the previous FY (2021-22)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	52.10%	2.35%	0.00%	52.21%	56.40%	2.94%	0.00%	54.74%	41.17%	0.00%	0.00%	41.17%
Permanent Workers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21 (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	DriveSys Systems Private Limited	Subsidiary	100.00%	No
2	NexSteer Systems Private Limited	Subsidiary	100.00%	No
3	Metacast Auto Private Limited	Subsidiary	51.00%	No

## VI. CSR Details

### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in Rs.) 4778200000.00

(iii) Net worth (in Rs.) 4631400000.00

## VII. Transparency and Disclosures Compliances

### 23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No/NA)	(If Yes, then provide web-link for grievance redress policy)	FY (2023-24)			PY (2022-23)		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	<a href="http://www.zfindia.com/policies-codes.php">http://www.zfindia.com/policies-codes.php</a>	0	0	Not Applicable	0	0	Not Applicable
Investors (other than shareholders)	Yes	<a href="http://www.zfindia.com/policies-codes.php">http://www.zfindia.com/policies-codes.php</a>	0	0	Not Applicable	0	0	Not Applicable
Shareholders	Yes	<a href="http://www.zfindia.com/policies-codes.php">http://www.zfindia.com/policies-codes.php</a>	9	0	All the Complaints were resolved to the satisfaction of shareholders	6	0	All the Complaints were resolved to the satisfaction of shareholders
Employees and workers	Yes	<a href="http://www.zfindia.com/policies-codes.php">http://www.zfindia.com/policies-codes.php</a>	0	0	Not Applicable	0	0	Not Applicable
Customers	Yes	<a href="http://www.zfindia.com/policies-codes.php">http://www.zfindia.com/policies-codes.php</a>	0	0	Not Applicable	0	0	Not Applicable
Value Chain Partners	Yes	<a href="http://www.zfindia.com/policies-codes.php">http://www.zfindia.com/policies-codes.php</a>	0	0	Not Applicable	0	0	Not Applicable

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Handling Hazardous Material/ Waste	R	Handling hazardous material/ waste in business operations with care to avoid any threats posed to the health and well-being of our employees and to our surrounding environment.	<ol style="list-style-type: none"> <li>1. Adherence to standards pertaining to Occupational Health and Safety and highest operational standards.</li> <li>2. The Company's Pithampur Plant is Zero Water Pollutants discharge plant, meaning there is no pollutants discharged from that plant.</li> <li>3. The hazardous wastes generated at the Vadu Budruk plant are being disposed as per the Maharashtra Pollution Control Board (MPCB) approved sources.</li> </ol>	Negative Implications
2	Safety Risk	R	The manufacturing operations of the Company requires its employees to interact with plant, machinery and material handling equipment, all of which carry an inherent risk of injury.	<ol style="list-style-type: none"> <li>1. Adherence to the optimum safety standards for minimizing adverse impact.</li> <li>2. Periodic Training to the employees to observe basic precautions in order to prevent fatal accidents</li> </ol>	Negative Implications
3	Environmental (Regulatory) Risk	R	Changes in existing regulations/ emerging regulations impacting sourcing of materials, missions, waste generation, storage and use of material or quality of finished goods	<ol style="list-style-type: none"> <li>1. The Company continues to monitor all emerging regulations, incidents, developments and map it for compliance.</li> <li>2. The Company has an established structure for carrying out various facets of manufacturing functions as per business process defined by ISO 14001 and 45001 and IATF: 16949"</li> </ol>	Positive Implications
4	Labour Unrest	R	Disruption in manufacturing due to labour unrest	<ol style="list-style-type: none"> <li>1. Implementing alternative settlements in the plants – productivity measure changed from norm based output to output/ group based output in many plants;</li> <li>2. Knowledge sharing sessions on labour laws, situations based learnings, employee life cycle documentation, regular management and Contract Labour management;</li> </ol>	Negative Implications



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

P	Principle wise performance Disclosures
P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/ No)	Since all the policies are not required to be approved by the Board of Directors, the approval of the Board has been obtained wherever it is mandatory								
c. Web Link of the Policies, if available	www.zfindia.com								
2. Whether the entity has translated the policy into procedures. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent applicable								
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has an established structure for carrying out various facets of manufacturing functions as per business process defined by ISO 14001 and 45001 and IATF: 16949.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Goals and targets are set annually and specific commitments are set periodically. Specific sustainability targets have been identified and timelines for achieving carbon neutrality are being defined.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	For all identified Key Performance Indicators, performance reviews are conducted on an annual basis by the Top Management in Board Meetings.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Governance, leadership and oversight</b>									
7. <b>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:</b> ZF India is committed to inclusive growth objectives and as a responsible corporate citizen continues to strive for improving its performance towards environmental and social impacts while maintaining focus on economic development.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Utkarsh Munot – Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details.	The Board of Directors of the Company provides direction to the management and exercises oversight on the implementation of ESG guidelines across the various business operations of the Company.								

10. Details of Review of National Guidelines for Responsible Business Conduct (NGRBC) by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes									Business Responsibility Policies of the Company are reviewed annually. During the evaluation, effective implementation of the policies is assessed and changes, if any, are carried out in the said policies								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company complies with all the applicable statutory requirements.									Quarterly- through statutory compliance report placed before the Board.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/ No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/ No)									
The entity does not have the Financial and/ or Human and technical resources available for the task (Yes/ No)									
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### ESSENTIAL INDICATORS

##### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	13	1. Updates and awareness related to regulatory Changes Topics covered includes: Corporate Governance, Companies Act, SEBI Listing Regulations etc. 2. Familiarization Programmes for Independent Directors	100.00%
Key Managerial Personnel	13	Updates and awareness related to regulatory Changes Topics covered includes: Corporate Governance, Companies Act, SEBI Listing Regulations etc.	100.00%
Employees other than BoD and KMPs	10	1. Industrial Safety-EOHS & Emergency preparedness plan 2. Communication & Presentation skill 3. Team Work and Time Management & Personality Development 4. Product knowledge, Steering Gear System & advantage of power steering & Basic Product Knowledge on hydraulic Power steering & Mechanical Steering System 5. ZFI QA process with QMS system, IATF, EMS(14001), EHS (45001) 6. ZFI Maintenance process, Preventive maintenance, Predictive maintenance & Timebase maintenance 7. Leadership Skills 8. Lean Six Sigma 9. Product Safety 10. Basic SAP for PP, SD, QC, Maint. Team, MM	100.00%
Workers	18	1. Basic introduction of rubber/ Plastic process and Inspection 2. Types of material used in ZF, Heat Treatment Process, Metallurgical Inspection & Traceability process 3. Store, Dispatch Management & Inventory Management 4. Fire Fighting 5. MSDS - Hazardous Waste Management Training	100.00%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary	
Penalty/ Fine	NIL
Settlement	
Compounding fee	
Non- Monetary	
Imprisonment	NIL
Punishment	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

The existing policies like Vigil Mechanism (including Code of Conduct), rules and regulations adopted by the Company are in conformity with the legal and statutory framework on anti-bribery and anti-corruption legislation prevalent in India.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There were no instances of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/ KMPs/ employees/ workers.

6. Details of complaints with regard to conflict of interest:

	FY (2023-24)		PY (2022-23)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Not Applicable	0	Not Applicable

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not Applicable

## LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:
 

Total number of awareness programmes held	Topics/ principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL	NIL	NIL
2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No)  
 If Yes, provide details of the same:

Yes, the Company has a Code of Conduct for Board of Directors and senior management personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors and senior management personnel on the entities they are interested in, and ensures requisite approvals as required under the applicable laws are taken prior to entering into transactions with each entities.

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY (2023-24)	PY (2022-23)	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	NA
Capex	0.00%	0.00%	NA
2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)			Yes
b. If yes, what percentage of inputs were sourced sustainably?			100.00%
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for			
(a) Plastics (including packaging)	All Plastic & Packaging material is recycling product which we are disposing to authorised recycler. Supplier Name- BABA Metal.		
(b) E-waste	For the Company's Pune Plant, All Types of hazardous waste we sending it for the incineartion to authorised Vendor. E-WASTE- ADINATH RECYCLOTRONIX PVT LTD. E- waste was not generated as well as disposed in FY 2022-23 & 2023-24 for the Pithampur Planyt. this is also recycling product, can be disposed to only authorised recycler.		

(c) Hazardous waste	<p>For Pune Plant-All Types of hazardous waste we sending it for the incineration to authorised Vendor. hazardous waste recycling category waste Generation are as below.</p> <ol style="list-style-type: none"> <li>1. Grinding Dust- Vrranch Enterprises/MEPL.</li> <li>2. Used Oil -AL Hind Lubricants.</li> </ol> <p>This both disposed to Authorised hazardous waste recycler only. hazardous waste incineration category waste Generation are as below</p> <ol style="list-style-type: none"> <li>1. Cotton rags-MEPL</li> <li>2. Chemical Sludge- MEPL</li> <li>3. Process Waste Residues- Paintnetic Paint.</li> </ol> <p>For Pithampur Plant:-All Types of hazardous waste we sending it for the incineration to authorised Vendor Pithampur waste Management (Pithampur DHAR) hazardous waste recycling category waste Generation are as below.</p> <ol style="list-style-type: none"> <li>1. Discarded Container.</li> <li>2. Used Oil.</li> </ol> <p>Both are disposed to Authorised hazardous waste recycler only. Hazardous waste incineration category waste Generation are as below</p> <ol style="list-style-type: none"> <li>1. Waste Residues &amp; Containing Oil.</li> <li>2. Cotton rags</li> <li>3. Chemical Sludge.</li> <li>4. Process Waste Residues.</li> </ol>
(d) other waste	<p>Other Waste details are as below this also we disposed to authorised Recycler only.</p> <ol style="list-style-type: none"> <li>1. Corrugated Box.</li> <li>2. MS Turning Chips &amp; Material.</li> <li>3. Wooden. Supplier Name-BABA Metal.</li> </ol>
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).	Yes
If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?	Yes

#### LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?**

No



2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Sr. No.	Name of Product/Service	Description of the risk/ concern	Action Taken
1	Generation of Hazardous waste in whole plant area are as below... 1. Assembly Shop. 2. Machine Shop. 3. Paint Shop & Lab 4. ETP/STP. 5. Quality Milipore Lab.	Land Contamination. Health Hazard. Water Pollution.	1) Separate Hazardous waste stored area. 2) Authorised person for Handling Hazardous waste. 3) Medical Health checkup once in year. 4) Zero discharge of Water at outside. 5) Separate Non-Hazardous waste Stored area.
2	Paint Shop	Generation of process Waste & Paint. Uses of chemical. Discharge of Paint. Generation of Hazardous waste.	1) For Disposal of Hazardous waste we had Membership with Authorised Party for disposition which is authorised from MPCB. 2) We have ETP/STP plant for Treatment of Process water. 3) Chemical is stored with Secondary Containmentment.
3	Possibility of Oil & leakages	Land Contamination	Secondary Contentment provided
4	DG Yard	Stack Air Emission monitoring DG gensets.	To monitor the Stack Air Emission we have registered NABL Accredited lab to measure the Air Emission on quaterly basis as per MPCB CTO requirement.
5	Paint Shop	Generation of process Waste & Paint. Uses of chemical. Discharge of Paint. Generation of Hazardous waste. Stack Air Emission. DG gensets.	1) For Disposal of Hazardous waste we had Membership with Authorised Party for disposition which is authorised from MPPCB. 2) We have ETP/STP plant for Treatment of Process water. 3) To monitor the Stack Air Emission we have registered NABL Accredited lab to measure the Air Emission on quaterly basis as per MPPCB CTO requirement. 4) Chemical is stored with Secondary Containmentment.
6	Generation of Hazardous waste in whole plant area are as below... 1. Assembly Shop. 2. Machine Shop. 3. Paint Shop & Lab 4. ETP/STP. 5. Quality Milipore Lab.	Land Contamination. Health Hazard. Water Pollution.	1) Separate Hazardous waste stored area. 2) Authorised person for Handling Hazardous waste. 3) Medical Health checkup once in year. 4) Zero discharge of Water at outside. 5) Separate Non-Hazardous waste Stored area.
7	Possibility of Oil & leakages	Land Contamination	1) Secondary Contentment.

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Sr. No.	Indicate input material	Recycled or re-used input material to total material	
		FY (2023-24)	PY (2022-23)
1	Corrugated Box	100.00%	100.00%
2	MS barrel	100.00%	100.00%
3	MS Turning Chips	100.00%	100.00%
4	Plastic barrel	100.00%	100.00%
5	Plastic Polythene Scrap	100.00%	100.00%
6	Wooden Scrap	100.00%	100.00%

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY (2023-24)			PY (2022-23)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0.00	10.92	0.00	0.00	16.57	0.00
E waste	0.00	0.00	0.00	0.00	0.00	0.00
Hazardous waste	0.00	0.00	56.42	0.00	0.00	69.28

**Details Other waste**

Sr. No.	Name Of Other Waste	FY (2023-24)			PY (2022-23)		
		Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
1	Corrugated Box	0.00	9320.00	0.00	0.00	20770.00	0.00
2	Ms Barrel	0.00	1450.00	0.00	0.00	3464.00	0.00
3	MS Turning Chips	0.00	7350.00	0.00	0.00	11700.00	0.00
4	Plastic Barrel	0.00	851.00	0.00	0.00	5343.00	0.00
5	Plastic polythene Scrap	0.00	10920.00	0.00	0.00	16570.00	0.00
6	Wooden Scrap	0.00	9280.00	0.00	0.00	29230.00	0.00

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

NIL

## PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

### ESSENTIAL INDICATORS

#### 1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	268	226	84.33%	251	93.66%	0	0.00%	0	0.00%	0	0.00%
Female	50	8	16.00%	12	24.00%	2	4.00%	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	318	234	73.58%	263	82.70%	2	0.63%	0	0.00%	0	0.00%
Other than permanent employees											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

#### b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1	1	100.00%	1	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	1	1	100.00%	1	100.00%	0	0.00%	0	0.00%	0	0.00%
Other than permanent workers											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY (2023-24)			PY (2022-23)		
	No.of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No.of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	98.00%	100.00%	Yes	98.00%	0.00%	Yes
Gratuity	98.00%	100.00%	NA	93.00%	100.00%	NA
ESI	32.00%	0.00%	Yes	35.00%	0.00%	Yes

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Yes
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**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?**

Yes

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?**

If yes, give details of the mechanism in brief.	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes	The Company has a mechanism which is well communicated to the Employees and workers. Concerns are reported to firstly to the concerned head of the departments, subsequently to the HR department and if the same is not resolved it is escalated to the senior management of the Company.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

**7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	FY (2024-23)		PY (2023-24)			
	Total employees/ workers in respective category (A)	No.of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No.of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	0	0	0.00%	0	0	0.00%
Male	0	0	0.00%	0	0	0.00%
Female	0	0	0.00%	0	0	0.00%
Other	0	0	0.00%	0	0	0.00%
Total Permanent Workers	1	1	100.00%	1	1	100.00%
Male	1	1	100.00%	1	1	100.00%
Female	0	0	0.00%	0	0	0.00%
Other	0	0	0.00%	0	0	0.00%

**8. Details of training given to employees and workers:**

Category	FY (2023-24)					PY (2022-23)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	319	319	100.00%	222	69.59%	368	368	100.00%	263	71.47%
Female	20	20	100.00%	12	60.00%	13	13	100.00%	9	69.23%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total	339	339	100.00%	234	69.03%	381	381	100.00%	272	71.39%
Workers										
Male	1036	1036	100.00%	946	91.31%	1008	1008	100.00%	1124	93.59%
Female	45	45	100.00%	40	88.89%	77	77	100.00%	55	71.43%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total	1081	1081	100.00%	986	91.21%	1085	1085	100.00%	1179	92.25%

**9. Details of performance and career development reviews of employees and workers:**

Category	FY (2023-24)			PY (2022-23)		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
<b>Employees</b>						
Male	319	319	100.00%	368	368	100.00%
Female	20	20	100.00%	13	13	100.00%
Other	0	0	0.00%	0	0	0.00%
Total	339	339	100.00%	381	381	100.00%
<b>Workers</b>						
Male	1036	1036	100.00%	1201	1201	100.00%
Female	45	45	100.00%	77	77	100.00%
Other	0	0	0.00%	0	0	0.00%
Total	1081	1081	100.00%	1278	1278	100.00%

**10. Health and safety management system:**

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No/ NA).**

Yes

**If yes, the coverage such system?**

We are certified entity with respect to ISO14001:2015 & ISO 45001 :2018 As per both standard requirement we adhere the norms & regulations related Environment, Health & Safety.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Hazard Identification & Risk Assessment- This is live document to measure the risk & Placed the controls against Unsafe conditions at Pune and Pithampur plants.

- c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks?**

Yes

- d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?**

Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY (2023-24)	PY (2022-23)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Evaluation and action for improvement of the EOSH management system. The employer should ensure, as appropriate, the establishment and efficient functioning of a safety and health committee and the recognition of workers' safety and health representatives, in accordance with national laws and practice. This section provides information on what employers need to consider when managing health and safety and assessing the risks in healthy work place. shown above. In this section: EOHS Policy Organizing safety programme for employees Planning and implementation Evaluation and monitoring Action for Improvement for unsafe condition mitigation of Controlling the risks Accidents and Investigations and reporting Multi-employer workspaces Deciding who can help employers with their duties Consulting and participation workers Providing training and information Providing supervision First aid Safety signs etc.

## 13. Number of Complaints on the following made by employees and workers:

	FY (2023-24)			PY (2022-23)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

## 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00%
Working Conditions	100.00%

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

## LEADERSHIP INDICATORS

### 1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N) No

(B) Workers (Y/N) No

### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company does not undertake evaluation pertaining to the payment of statutory dues by value chain partners.

### 3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY (2023-24)	PY (2022-23)	FY (2023-24)	PY (2022-23)
Employees	0	0	0	0
Workers	0	0	0	0



4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No/ NA)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0.00%
Working Conditions	0.00%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NIL

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has categorised the stakeholders in following groups:

**Shareholders** play a significant role in the functioning of our entity, providing both financial and non-financial inputs.

**Employees and workers** are vital stakeholders as they share our goal and are instrumental in helping us become industry leaders

**Dealers, distributors, vendors, suppliers, and alliance partners** are critical players that help us satisfy our logistical demands on schedule.

**Communities** help us become a better corporate citizens as we strive for their all round development

**Central, State, and Local Government and Various Statutory and Regulatory Bodies** are also salient stakeholders for the Company, as it is guided by the laws and regulations, helping in the ethical conduct of business, with transparency and accountability.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Details of Other Channels of communication	Frequency of engagement	Details of Other Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders	No	Other	1. Physical and virtual meetings (AGM/ EGM) 2. Email 3. Newspaper 4. Digital Platforms 5. Disclosures to Stock Exchange	Others – please specify	Annual/ as per requirement	Financial and Non-financial Report sharing/ Dividend/ IEPF related matters, Sustainable performance, Stability and reputation
2	Employees and Workers	No	Other	1. Email 2. Meetings 3. Digital Platforms	Others – please specify	As per requirement	Sharing Policies, Welfare Schemes, Appraisals, Career Development, Health & Safety, Learning & Development
3	Dealers and Distributors	No	Other	1. Email 2. Meetings 3. Digital Platforms	Others – please specify	As per requirement	Sales plan, Sales meeting, Order, Payment, Grievances, Business value, Innovation
4	Vendors/ suppliers and alliance partners	No	Other	1. Email 2. Meetings 3. Digital Platforms	Others – please specify	As per requirement	Production plans, Invoices, Bill payments, Grievances, Long term relationship
5	Communities	Yes	Other	1. Newspaper 2. Advertisements 3. Digital Platforms 4. Disclosures to Stock Exchange	Others – please specify	As per requirement	Education, Health, Employability, Empowerment, Environment
6	Central, State and Local Governments and various Statutory and Regulatory Bodies	No	Other	1. Email 2. E - Filings 3. Website	Others – please specify	As per requirement	Compliance

## PRINCIPLE 5 Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY (2023-24)			PY (2022-23)		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	319	319	100.00%	368	368	100.00%
Other than permanent	20	20	100.00%	13	13	100.00%
<b>Total Employees</b>	<b>339</b>	<b>339</b>	<b>100.00%</b>	<b>381</b>	<b>381</b>	<b>100.00%</b>
<b>Workers</b>						
Permanent	0	0	0.00%	1	1	0.00%
Other than permanent	1081	1081	100.00%	1084	1084	100.00%
<b>Total Workers</b>	<b>1081</b>	<b>1081</b>	<b>100.00%</b>	<b>1085</b>	<b>1085</b>	<b>100.00%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY (2023-24)					PY (2022-23)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F /D)
Employees										
Male	319	20	6.27%	295	92.48%	297	60	20.20%	296	99.66%
Female	20	0	0.00%	20	100.00%	21	0	0.00%	13	61.90%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total Permanent Employees	339	20	5.90%	315	92.92%	318	60	18.87%	309	97.17%
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total Other than Permanent Employees	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%

Category	FY (2023-24)					PY (2022-23)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F /D)
Workers										
Male	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total Permanent Employees	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%
Male	1036	787	75.97%	249	24.03%	1008	760	75.40%	248	24.60%
Female	45	45	100.00%	0	0.00%	77	40	51.95%	37	48.05%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total Other than Permanent Employees	1081	832	76.97%	249	23.03%	1085	800	73.73%	285	26.27%

3. Details of remuneration/salary/wages, in the following format:

Particulars	Male		Female		Other	Median remuneration/ salary/ wages of respective category
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category	Number	
Board of Directors (BoD)	5	3,30,000	1	4,30,000	0	0
Key Managerial Personnel (KMP)	4	2,45,50,000	0	0	0	0
Employees other than BoD and KMP	259	8,80,31,528	19	52,35,044	0	0
Workers	1036	2,29,35,960	45	1,08,00, 405	0	0

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Yes, the Company has formulated mechanism to address the concerns pertaining to Human rights to deal with the following:

1. HR Operational Issues: benefits, remuneration, overtime etc.
2. Compliance concerns: Fraud, Theft, Corruption, Conflict of Interest, Breach of Code of Conduct/ Policy, Harassment, Bullying or Discrimination.

**6. Number of Complaints on the following made by employees and workers:**

	FY (2023-24)			PY (2022-23)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The concerns pertaining to discrimination and harassment are addressed by the Company's HR Function. Since there have been no issues as highlighted in Question 9, no corrective actions were required. To address the risks and concerns, the Company has created organisation-wide awareness of all aspects mentioned above.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)**

Yes

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100.00%
Forced/involuntary labour	100.00%
Sexual harassment	100.00%
Discrimination at workplace	100.00%
Wages	100.00%

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

To address the risks and concerns, the Company has created organisation-wide awareness of all aspects mentioned above. Since there have been no issues as highlighted.

### LEADERSHIP INDICATORS

**1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.**

No business processes have been modified or introduced for addressing human rights grievances/ complaints.

**2. Details of the scope and coverage of any Human rights due-diligence conducted**

Company is committed to protecting and respecting Human Rights and remedying rights violations in case they are identified; for example, issues relating to human trafficking, forced labour, child labour, freedom of association, right to collective bargaining.

**3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	0.00%
Discrimination at workplace	0.00%
Child Labour	0.00%
Forced Labour/Involuntary Labour	0.00%
Wages	0.00%

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

To address the risks and concerns, the Company has created organisation-wide awareness of all aspects.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY (2023-24)	PY (2022-23)
Total electricity consumption (A)	18711107.00	18568727.00
Total fuel consumption (B)	104606.00	76297.00
Energy consumption through other sources ©	31476.00	57009.00
<b>Total energy consumption (A+B+C)</b>	<b>18847189.00</b>	<b>18702033.00</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	144384613.80	149695127.00
Energy intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?</b>	<b>No</b>	

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?**

No

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY (2023-24)	PY (2022-23)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	30062760.00	24921394.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>30062760.00</b>	<b>24921394.00</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>29394.27</b>	<b>24921.39</b>
Water intensity per rupee of turnover (Water consumed / turnover)	862558374.55	716780980.47
Water intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?**

Yes

If yes, name of the external agency.

- For Pune Plant:** M/s.GREENENVIRO Plot No.-7, Wireless Colony S. No. - 167/2B & 168/2B, Aundh, Pune 411 007
- For Pithampur Plant:** Madhya Pradesh Industrial Development Corporation, RO-Indore. First Floor, Atulya IT Park, Khandwa Road Indore Pin: 452010

**4. Has the entity implemented a mechanism for Zero Liquid Discharge?**

Yes

If yes, provide details of its coverage and implementation.

For both the Plants: We have inhouse water treatment facility as a ETP/STP implementation. Treatment Plant.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY (2023-24)	PY (2022-23)
NOx	Mg/NM3	44.44	40.92
SOx	Kg/day	40.03	50.63
Particulate matter (PM)	Mg/NM3	101.02	170.23
Persistent organic pollutants (POP)	NIL	NIL	NIL
Volatile organic compounds (VOC)	Ppm	1.548	2.093
Hazardous air pollutants (HAP)	NIL	NIL	NIL



**Others – please specify**

Sr. No.	Name of other air emission	Please specify unit	FY (2023-24)	PY (2022-23)
1	PM10	mg/m <sup>3</sup>	131.72	70.93
2	PM2.5	mg/m <sup>3</sup>	67.61	35.20
3	SO2	mg/m <sup>3</sup>	33.66	17.50
4	NO2	mg/m <sup>3</sup>	42.57	23.60
5	Ammonia	mg/m <sup>3</sup>	20.00	20.00
6	CO	mg/m <sup>3</sup>	0.19	0.10
7	LEAD as PD	mg/m <sup>3</sup>	0.10	0.10
8	Benzene	mg/m <sup>3</sup>	4.00	4.00
9	Arsenic	mg/m <sup>3</sup>	5.00	5.00
10	Nickel	mg/m <sup>3</sup>	5.00	5.00
11	OZONE	mg/m <sup>3</sup>	20.30	20.30
12	Benzene Plrene	mg/m <sup>3</sup>	0.10	0.10

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

**If yes, name of the external agency.**

**1. For Pune Plant:** M/s.GREENENVIRO Plot No.-7, Wireless Colony S. No. - 167/2B & 168/2B, Aundh, Pune 411 007

**2. For Pithampur Plant:** Third party - Science ECO tech he NABL Accredited lab also have authorization from MPPCB.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY (2023-24)	PY (2022-23)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	NA	0	0
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	NA	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover	NA	0	0
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	0	0
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)			Yes
<b>If yes, name of the external agency.</b>			
<b>1. For Pune Plant:</b> M/s.GREENENVIRO Plot No.-7, Wireless Colony S. No. - 167/2B & 168/2B, Aundh, Pune			
<b>2. For Pithampur Plant:</b> Third party - Science ECO tech he NABL Accredited lab also have authorization from MPPCB.			

**7. Does the entity have any project related to reducing Green House Gas emission?**

No

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY (2023-24)	PY (2022-23)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	10920	16570
E-waste (B)	0	1.32
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	23098.38	35824.78
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	18311	40377
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>52329.39</b>	<b>92773.11</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	18409.38	35824.78
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>18409.38</b>	<b>35824.78</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	23014.7	35744.2
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
<b>Total</b>	<b>23014.7</b>	<b>35744.2</b>
<b>Note:</b> Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		Yes
<b>If yes, name of the external agency.</b> MEPL AUTHORIZED DISPOSAL AGENCY		

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company disposes hazardous wastes in line with Maharashtra Pollution Control Board (MPCB) norms

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Location of operations/offices	Type of operations	Whether the conditions of environmental approval /clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Nil	NA	NA

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

The Company has not undertaken any new projects in FY 2023-24 and it has not conducted any environmental impact assessments of projects.

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).**

Yes

**LEADERSHIP INDICATORS**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter		FY (2023-24)	PY (2022-23)
From renewable sources			
Total electricity consumption (A)		0	0
Total fuel consumption (B)		0	0
Energy consumption through other sources (C)		3151786	3098953
Details of Energy consumed from renewable sources			
Sr. No.	Name of other parameter	FY (2023-24)	PY (2022-23)
1	Shop Floor	746739.00	791945.00
2	Cmm Room	52058.40	46006.10
3	Mezzanine Floor	10474.40	8856.20
4	Canteen	5064.00	24816.00
5	Admin Office	36548.70	42680.30
6	Fire Pump Room	21344.70	19968.50
7	ETP/STP	13236.00	12113.80
8	Compressor Room	528161.00	484033.00
9	Paint Shop	461049.90	267034.50
10	Ultrasonic Washing Machine	142125.00	105180.00
11	MLDB	153827.50	183753.50
12	other	80211.40	187047.10
13	HT Plant 1, Air Compressor	900946.00	925519.00
Total energy consumed from renewable sources (A+B+C)		3151786	3098953

From non-renewable sources			
Total electricity consumption (D)		0	0
Total fuel consumption (E)		0	0
Energy consumption through other sources (F)		15559321	15469774
Details of Energy consumed from non renewable sources			
Sr. No.	Name of other parameter	FY (2023-24)	PY (2022-23)
1	Plant 1,2,3, HT, Tool Room, Street light, shop floor light, utility, Paint shop, PSA, Canteen	15559321.00	15469774.00
Total energy consumed from non-renewable sources (D+E+F)		15559321	15469774
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)			No

2. Provide the following details related to water discharged:

Parameter	FY (2023-24)	PY (2022-23)
Water discharge by destination and level of treatment (in kilolitres)		
<b>(i) To Surface water</b>	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>(ii) To Groundwater</b>	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>(iii) To Seawater</b>	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>(iv) Sent to third-parties</b>	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>(v) Others</b>	15120760	17122060
No treatment	15120760	17122060
With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>15120760</b>	<b>17122060</b>
<b>Note:</b> Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		Yes
<b>If yes, name of the external agency.</b>		
M/s.GREENENVIRO Plot No.-7, Wireless Colony S. No. - 167/2B & 168/2B, Aundh, Pune		

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY (2023-24)	PY (2022-23)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	0.00	0.00	0.00
Total Scope 3 emissions per rupee of turnover	0.00	0.00	0.00
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00	0.00

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

1. a. Number of affiliations with trade and industry chambers/ associations:

The Company one affiliation with trade and industry chamber/ associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body the entity is a member of/ affiliated to.

Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
Automotive Components Manufacturers' Association (ACMA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable: Since there was no anti-competitive conduct on part of the Company.		

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Currently the Company does not have any Social Impact Assessment (SIA) projects in place.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

No, the Company does not have any projects for which R&R is being undertaken

3. Describe the mechanisms to receive and redress grievances of the community:

The Company has devised Vigil Mechanism to address concerns of all the Stakeholders

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY (2023-24)	PY (2022-23)
Directly sourced from MSMEs/ small producers	39.64%	36.00%
Sourced directly from within the district and neighbouring districts	61.33%	55.00%

### LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (In INR)
Maharashtra	Pune	200000.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups?

No, the Company has no preferential procurement policy

- (b) From which marginalized/ vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The Company has not acquired any Intellectual Property Rights during the Financial Year 2023-24.

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

Not Applicable

**6. Details of beneficiaries of CSR Projects:**

Sr.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Skill Development under NAPS	91	0.00%

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### ESSENTIAL INDICATORS

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company treats customer complaints with utmost importance and believe that it needs to be agile, transparent and solution-oriented to resolve them efficiently and satisfactorily. The Company ensures to keep the customer informed throughout the entire process of complaint resolution and focus on resolving retail customer complaints. The Company also maintains multiple points of communication with the customer. Customers can lodge Complaints with the Company's Quality Control Department and the said complaints are resolved in time bound manner on priority basis as well as the nature of Complaints.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	0.00%
Safe and responsible usage	0.00%
Recycling and/or safe disposal	0.00%

**3. Number of consumer complaints in respect of the following**

Particulars	FY (2023-24)		Remark	PY (2022-23)		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	Not Applicable	0	0	Not Applicable
Advertising	0	0	Not Applicable	0	0	Not Applicable
Cyber-security	0	0	Not Applicable	0	0	Not Applicable
Delivery of essential services	0	0	Not Applicable	0	0	Not Applicable
Restrictive Trade Practices	0	0	Not Applicable	0	0	Not Applicable
Unfair Trade Practices	0	0	Not Applicable	0	0	Not Applicable
Other	0	0	Not Applicable	0	0	Not Applicable

#### 4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?

No

If available, provide a web-link of the policy

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

During the Financial Year ended March 31, 2024, no instances were identified on issues relating to advertisement and delivery of essential products, cyber security and data privacy of customers, re-occurrence of instances of product recalls. No penalties were levied or actions taken by any regulatory authorities on safety of products/ services.

### LEADERSHIP INDICATORS

#### 1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available) also available on website of the co. [www.zfindia.com](http://www.zfindia.com):

The platforms used for the information are Website, Integrated Annual Report and Media advertisement/ publications also available on the website of the Company at [www.zfindia.com](http://www.zfindia.com)

#### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed.

#### 3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services:

Customers are informed through emails, telecommunications, further the Company also informs to the stock exchange in case there is disruption/ temporary closure of operations.

#### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No):

Not Applicable

#### 5. Provide the following information relating to data breaches:

##### a. Number of instances of data breaches along-with impact:

The Company has not had any known incident of data breach during the Financial Year 2023-24.

##### b. Percentage of data breaches involving personally identifiable information of customers:

Not Applicable



## Mission

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

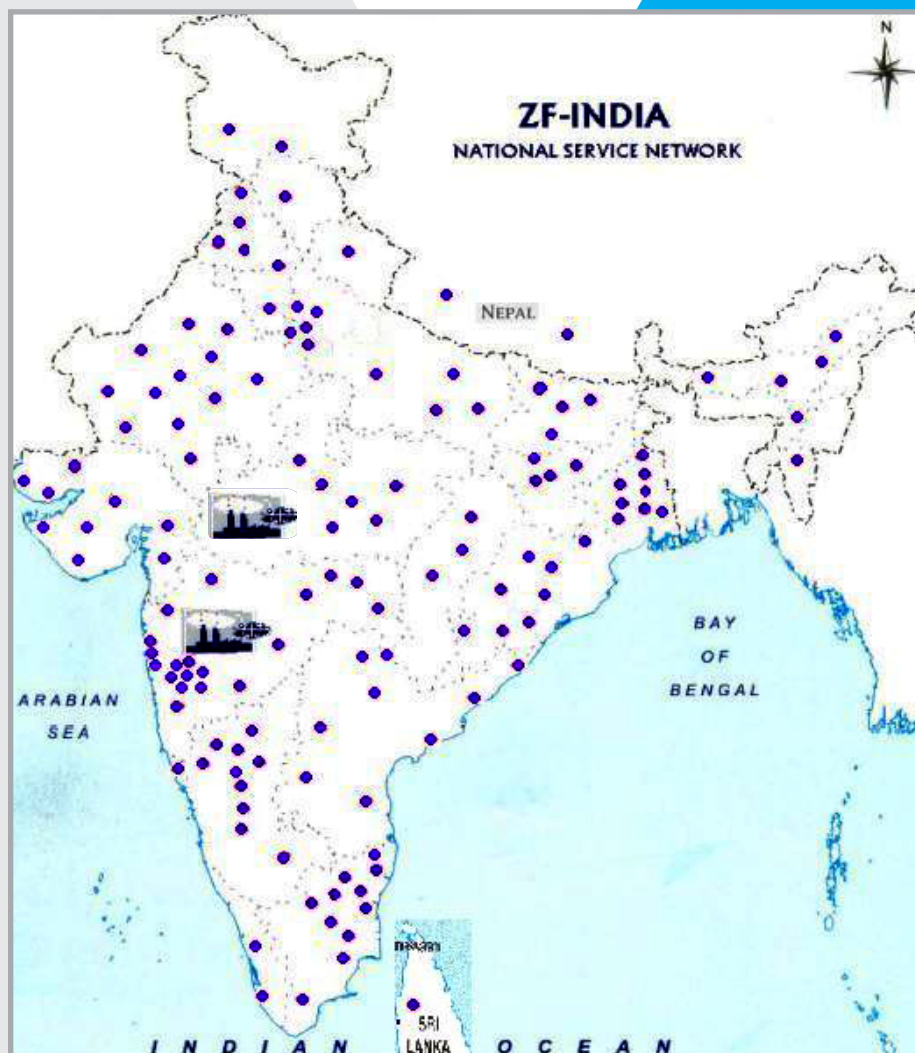
**We** shall ensure that our products give the necessary comfort and safety in driving.

**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

### REGD. OFFICE & PLANT

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