



ZF STEERING GEAR (INDIA) LTD.

Regd. Office & Works :

Gat Nos. 1242 & 1244, Village Vadu BK., Tal. Shirur,
Dist. Pune - 412 216 (India) Tel: 02137-305100, Fax: 02137-305302
Web: www.zfindia.com, Email Id: enquiry@zfindia.com
Corporate Identity Number (CIN) : L29130PN1981PLC023734



August 11, 2025

BSE Limited

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

Sub: Annual Report for the Financial Year 2024-25

Ref: BSE Scrip Code: 505163

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), we are enclosing herewith 45th Annual Report of the Company including Notice convening 45th Annual General Meeting and other Statutory Reports for the Financial Year 2024-25, which is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Registrar & Share Transfer Agent (**RTA**)/Depository Participant(s) (**DP**).

Further, in accordance with the Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to the Shareholders whose e-mail addresses are not registered with the Company/ RTA/ DPs, providing a web link from where the Annual Report 2024-25 can be accessed on the website of the Company.

Aforesaid documents are also available on the website of the Company, i.e., <http://www.zfindia.com/annual-reports.php> and on website of National Securities Depository Limited at <https://www.evoting.nsdl.com>.

You are requested to take the aforesaid on your record.

Thank You,
Yours faithfully
for **ZF Steering Gear (India) Limited**

Company Secretary



ZF STEERING GEAR (INDIA) LIMITED

Steering Towards Future



45th
ANNUAL REPORT
2024-2025



www.zfindia.com



IATF



ISO 14001



ISO 45001

PLANTS OF SUBSIDIARIES OF THE COMPANY



DriveSys Systems Private Limited situated at Supa MIDC Ahilyanagar/ Ahmednagar, Maharashtra



Metacast Auto Private Limited situated at Five Star MIDC, Kolhapur, Maharashtra

BOARD OF DIRECTORS	BOARD COMMITTEES	GENERAL DETAILS
Chairman Mr. Dinesh Munot	Audit Committee Mr. Shrenik Gandhi – Chairman Mrs. Smita A. Lahoti Mr. Utkarsh Munot Mr. Rohit Rathi Mr. Bharat Agarwal	REGISTERED OFFICE & WORKS Gat Nos. 1242 / 1244, Village VaduBudruk, 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
Managing Director Mr. Utkarsh Munot		
Non-Executive Directors Independent Directors Mrs. Smita A. Lahoti Mr. Rohit Rathi (from August 6, 2024) Mr. Shrenik Gandhi (from April 1, 2025) Mr. Bharat Agarwal (from April 1, 2025) Mr. Shridhar S. Kalmadi (up to March 31, 2025) Mr. S. A. Gundecha (up to September 14, 2024)	Stakeholders' Relationship Committee Mr. Shrenik Gandhi – Chairman Mr. Utkarsh Munot Dr. Dinesh Bothra	BANKERS HDFC BANK Kotak Mahindra Bank
Non-Independent Director Dr. Dinesh Bothra	Nomination and Remuneration Committee Mr. Bharat Agarwal – Chairman Mrs. Smita Lahoti Dr. Dinesh Bothra Mr. Rohit Rathi	REGISTRARS & SHARE TRANSFER AGENTS MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) Block No. 202, A Wing, 2nd Floor, AkshayComplex, Off. Dhole Patil Road, Pune – 411 001 Tel: 020-26160084, Fax: 020- 26163503 E- mail: pune@in.mppms.mufg.com, rnt.helpdesk@in.mppms.mufg.com
SENIOR MANAGEMENT <ul style="list-style-type: none"> Mr. Anant Kalvit President (Business Development and Design) Mr. Ajit Gugale President (Works) Mr. Jinendra Jain Chief Financial Officer Mr. Sachin Gugale Chief Information Officer Mr. Aniket Kadam Deputy Chief Financial Officer and Head of Accounts 	Corporate Social Responsibility Committee Mr. Dinesh Munot – Chairman Mr. Utkarsh Munot Mr. Bharat Agarwal	STATUTORY AUDITORS M/s. Joshi Apte & Co. Chartered Accountants
COMPANY SECRETARY Mr. Satish Mehta		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 the **Forty-Fifth 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: Monday

Date: September 8, 2025

Time: 10:00 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, 2025, 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, 2025, and the Report of the Auditors thereon.
2. To appoint a Director in place of Dr. Dinesh Bothra (DIN: 00049883), who retires by rotation under Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. Appointment of M/s. SIUT & Co., LLP, Company Secretaries as a Secretarial Auditor of the Company from FY 2025-26 to FY 2029-30.

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

"RESOLVED THAT pursuant to the provisions of Sections 179 and 204 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendations of the Audit Committee and the Board of Directors, the approval of the members, be and is hereby accorded, for the appointment of M/s. SIUT & Co., LLP, Company Secretaries, as Secretarial Auditors of the Company for a term of five consecutive years, commencing from Financial Year 2025- 26 till Financial Year 2029-30, on a remuneration of Rs. 1,51,000/- as Secretarial Audit Fees for FY 2025-26, which will increase by 5 (five) per cent per annum, from next Financial Year, during their tenure, plus applicable taxes and reimbursement of out of pocket

expenses, and to avail any other services, certificates, or reports as may be permissible under applicable laws, as may be determined by the Board of Directors.

RESOLVED FURTHER THAT The Board of Directors of the Company, (including its committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

4. Approval of Revised Material Related Party Transactions – In Supersession of Earlier Resolution in terms of Regulation 23 of the Listing Regulations by the Company.

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

"RESOLVED THAT in supersession of the earlier resolution passed by the members of the Company, on March 22, 2025, pursuant to the provisions of Regulation 23 read with Regulation 2(1)(zb), Regulation 2(1)(zc) and other applicable regulations 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 the 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 any Related Party Transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) for 3 (three) Financial Years commencing from Financial Year 2025-26, by the Company and/ or its subsidiaries viz. DriveSys Systems Private Limited (**DriveSys**) and Metacast Auto Private Limited (**Metacast**) and/ or any of them, whether by way of renewal(s) or extension(s) or modification(s) of earlier/ existing or fresh contracts/ arrangements/ transactions or otherwise, on such terms and conditions, as the Board may decide, up to a maximum aggregate value of the Related Party Transactions not exceeding Rs. 100 crore, per Financial Year, by the Company and its subsidiaries viz. DriveSys and Metacast and/ or any of them, notwithstanding the fact that the aggregate value of the Related Party Transactions may exceed materiality threshold, as prescribed under Regulation 23 of the Listing Regulations or other Applicable Laws, provided however, that the said Related Party Transactions shall be carried out at an arm's length basis and in the ordinary course of business of the Company and/ or its subsidiaries, and such Related Party Transactions would mean any transaction (sale, purchase

and/ or supply of goods or services or both) by and between the Company and its subsidiaries viz. DriveSys and Metacast and/ or any of them with entities forming part of the Supreme Group viz. Supreme Autocasts, Supreme Engineering, Supreme Autocasts Private Limited, Supreme Iron (India) Private Limited and/ or any related party/ affiliate of such entity(ies)/ firm(s), Related Parties of Metacast – Subsidiary and Joint Venture of the Company, more specifically set out in the explanatory statement to this resolution.

RESOLVED FURTHER THAT the Board of Directors (including any duly constituted committee thereof) of the Company and/ or the Board of Directors of respective subsidiaries, be and are 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/ appropriate contract(s), arrangement(s), agreement(s), guarantee(s) and such other document(s) as may be required, 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."

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

July 26, 2025

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, Circular No. 9/ 2023 dated September 25, 2023 and Circular No. 9/ 2024 dated September 19, 2024 ("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 45th 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 3 and 4 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 Dr. Dinesh Bothra, 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 with a copy marked to evoting@nsdl.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. 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. 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 2016-17 have been transferred to the IEPF. Unclaimed dividend for FY. 2017-18, is due for transfer in October 2025. Members who have not yet claimed the dividend warrants for financial years 2017-18, and thereafter are requested to contact the Company at the earliest.
12. 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.
13. The Members/ claimants whose shares and unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Members/ claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.
14. 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.
15. Members are requested to write to the Company for claiming the dividend for the aforesaid years. The details of unclaimed dividends of the aforesaid years are available on the Ministry of Corporate Affairs website at www.mca.gov.in and on the website of the Company viz. <http://www.zfindia.com/unclaimed-dividend.php>.
16. 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, MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), 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>.

17. 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.

18.

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, MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited). 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>.

However, SEBI vide its Circular dated July 2, 2025, has opened a special window for re-lodgement of requests for transfer of physical shares from July 7, 2025, to January 6, 2026, wherein only those shareholders whose had lodged such transfer requests to transfer the such shares prior to April 1, 2019, which was rejected due to documentation errors, shall be allowed to re-lodge transfer requests. Further, the shares so transferred pursuant to the said procedure shall be issued only in dematerialized form.

19. 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.

20. The Register of Members of the Company shall remain closed from September 2, 2025 to September 8, 2025 (**both days inclusive**).

21. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Monday, September 1, 2025, 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 Friday, September 5, 2025 (9:00 a.m. IST) and ends on Sunday, September 7, 2025 (5:00 p.m. IST).

22. M/s. SIUT & Co., LLP, Company Secretaries, has been appointed as the Scrutinizers to scrutinize the e-voting during the AGM and to conduct 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.

23. 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 National Securities Depository Limited (**NSDL**) 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.

24. In compliance with the aforesaid MCA Circulars and the SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report 2024–25, 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, websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com and on the website of NSDL at <https://www.evoting.nsdl.com/>.

25. The Notice calling the AGM has been uploaded on the website of the Company at www.zfindia.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.
26. 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 MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), 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.
27. 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 National Securities Depository Limited (**NSDL**) 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 NSDL.
2. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at August 12, 2025. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available

on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

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.
4. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars issued from time to time.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, September 5, 2025 at 09:00 A.M. and ends on Sunday, September 7, 2025 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 1, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 1, 2025.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

- A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 users to login Easi /Easiest are requested to visit CDSL website www.cdsliindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdsliindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdsliindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdsliindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizers M/s. SIUT & Co., LLP, Company Secretaries, by e-mail to cs@siut.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Rahul Rajbar at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 investor@zfindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@zfindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to

refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned

above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@zfindia.com. The same will be replied by the company suitably.
6. 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. 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. These queries will be resolved by the company suitably by email.

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 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 contains 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. 3

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, the Company, on the basis of recommendation of the Audit Committee and the Board of Directors, shall appoint or re-appoint an individual as Secretarial Auditor for not more than one term of five consecutive years; or a firm of Practising Company Secretaries as Secretarial Auditors for not more than two terms of five consecutive years, with the approval of the shareholders in Annual General Meeting (**AGM**).

M/s. SIUT & Co., LLP, Company Secretaries have conducted Secretarial Audit of the Company for FY 2024-25.

After due consideration of their qualifications and experience, the Audit Committee and the Board of Directors, have approved the appointment of M/s. SIUT & Co., LLP, Company Secretaries, as the Secretarial Auditors of the Company, for a period of 5 (five) consecutive financial years from 2025-26 to 2029-30 and recommend the same to the Members of the Company at the ensuing AGM.

Profile: M/s. SIUT & Co., LLP, Company Secretaries is a peer reviewed firm in terms of guidelines issued by the Institute of Company Secretaries of India (ICSI) providing services in diverse domains with partner having over three decades of experience in the field of Company Law and allied matters, Securities Laws, Foreign Exchange and Management Laws, MSME and Insolvency and Bankruptcy Law, Secretarial Audit, Due Diligence etc. Over the years, M/s. SIUT & Co., LLP has built a diverse client base spanning corporates in the public sector, listed entities, multinational corporations, MSMEs, and various firms, showcasing its ability to cater to a wide range of industries and business sizes.

The Company has received consent from M/s. SIUT & Co., LLP to act as Secretarial Auditors of the Company for five consecutive years from FY 2025-26 to FY 2029-30. Further, the Company has received a declaration from M/s. SIUT and Co., LLP, Company Secretaries, that they meet the eligibility criteria as enumerated under Regulation 24A (1A) of the Listing Regulations. The appointment, if made, will be in accordance with the conditions prescribed under the Act, the Listing Regulations and guidelines issued by the ICSI.

The proposed fees payable to M/s. SIUT & Co., LLP is Rs. 1,51,000/- per annum, as Secretarial Audit Fees for FY 2025-26, which will increase by 5 (five) per cent per annum, from next Financial Year. The said fees shall exclude GST, certification fees, applicable taxes, reimbursements and other outlays.

None of the Directors or key managerial personnel or their relatives, is in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set forth at Item No. 3 for approval of the Members.

Item No. 4

Background of the proposed Transactions

On March 22, 2025, the Members of the Company had already approved Material Related Party Transactions by ZF Steering Gear (India) Limited (**the Company/ ZF India**) and its Subsidiaries viz. DriveSys Systems Private Limited (**DriveSys**) and Metacast Auto Private Limited (**Metacast**), for purchase of Raw Material/ Components including but not limited to Vane Pump Housings, Housing Covers, Vane Pump Mounting Brackets etc., and other transactions in Ordinary Course of Business from Supreme Autocasts - a proprietorship firm, owned by Mrs. Vidya Haldikar, who is spouse of Mr. Prafulla Haldikar and mother of Mr. Gautam Haldikar, Directors of Metacast, Subsidiary and Joint-Venture of the Company, starting from Financial Year 2025-26, by way of Postal Ballot.

In May 2025, the Company received a communication from Supreme Autocasts informing that they had incorporated a new company viz. Supreme Autocasts Private Limited (**SAPL**), and it was proposed by Supreme Autocasts that all the orders placed/ to be placed by ZF Steering Gear (India) Limited and/ or its subsidiaries, for aforementioned Raw Material/ Components etc. shall be executed by SAPL from a future date. Till that date, the orders will continue to be executed by Supreme Autocasts, in order to ensure undisrupted supply of Raw Material/ aforementioned Components.

SAPL, Supreme Iron (India) Private Limited (**SIPL**), Supreme Autocasts and Supreme Engineering and/or any related party/ affiliate of such entity(ies)/ firm(s) (collectively referred to as the **'Supreme Group'**), are Related Parties of Metacast, in terms of Regulation 2(1)(zb) of the Listing Regulations, and any transaction(s) with any entity of Supreme Group, by the Company (**ZF India**) or any of its subsidiaries, would be Related Party Transaction(s) in terms of Regulation 2(1)(zc) of the Listing Regulations.

Further, the nature of Relationship with entities of Supreme Group, is as follows:

- **Supreme Autocasts**: a proprietorship firm, owned by Mrs. Vidya Haldikar, who is spouse of Mr. Prafulla Haldikar and mother of Mr. Gautam Haldikar, Directors of Metacast, Subsidiary and Joint Venture of the Company.
- **Supreme Engineering**: a proprietorship firm, owned by Mr. Gautam Haldikar, Director of Metacast, Subsidiary and Joint Venture of the Company.
- **Supreme Autocasts Private Limited**: a Company, where Mr. Prafulla Haldikar and Mr. Gautam Haldikar, Directors of Metacast, Subsidiary and Joint Venture of the Company, along with their relatives, are Directors.
- **Supreme Iron (India) Private Limited**: a Company, where Mr. Prafulla Haldikar and Mr. Gautam Haldikar, Directors of Metacast, Subsidiary and Joint Venture of the Company, along with their relatives, are Directors.

Relationship inter-se within the entities of ZF India Group, is as follows

- ZF Steering Gear (India) Limited (**ZF India/ the Company/ the Holding Company**)
- DriveSys – Wholly-Owned Subsidiary of the Company
- Metacast – Subsidiary and Joint-Venture of the Company with JV Partner Supreme Iron (India) Private Limited

Details of the Proposed Transactions

In order to make the best use of the installed capacity available and achieve highest synergy, it has been decided that some models/ variants of castings will be manufactured by Supreme

Group and directly supplied to ZF India. Some models of Castings are manufactured by a JV Company – Metacast and supplied to ZF India through Drivesys (as Metacast being CPV for DriveSys). Similarly, some variants manufactured by Metacast cater to the needs of Supreme Group and supplied to Supreme through DriveSys.

ZF India, DriveSys and Metacast, individually or collectively, propose to enter into transactions (sale, purchase and/ or supply of goods or services or both) with one or more entities forming part of the Supreme Group, which shall include, but not be limited to: (i) procurement of raw materials/ components, including Vane Pump Housings, Housing Covers, Mounting Brackets, etc.; (ii) job work arrangements such as machining of castings; (iii) purchase and/ or sale of castings; (iv) supply of services; and (v) other ancillary transactions in ordinary course of business and on an arm's length basis.

Related Party Transactions between DriveSys and Metacast have already been approved by the Members, starting from Financial Year 2025-26, through a separate Resolution vide Postal Ballot, which concluded on March 22, 2025.

All the aforementioned transactions taken together, with one or more entities of Supreme Group, may exceed during any financial year, the Materiality threshold specified in Regulation 23(1) of the Listing Regulations, wherein, the aggregate amount of the transactions may exceed 10% of the Annual Consolidated Turnover of the Company, for which approval of Members of the Company is required, as stipulated in Regulation 23(4) of the Listing Regulations.

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/0155** dated **November 11, 2024**, are set forth herein below:

Sr. No.	Particulars	Details
1	Type, material terms and particulars of the proposed transactions;	Purchase of Raw Material/ Components, purchase and/ or sale of castings and Other transactions in ordinary course of business, more specifically explained in ' Details of the Proposed Transactions ' mentioned above.
2	Names of the related parties and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Names of the Related Parties: Supreme Autocasts, Supreme Engineering, Supreme Autocasts Private Limited, and Supreme Iron (India) Private Limited and/or any related party/ affiliate of such entity(ies)/firm(s) (Collectively referred to as the Supreme Group) Relationship: Please refer to ' Background of the Proposed Transactions ' mentioned above.
3	Tenure of the proposed transactions	The above arrangements are proposed to be continuing business transactions. Approval of the members is being sought for the aforementioned transactions during 3 (three) financial years i.e., from Financial Year (FY) 2025-26 to FY 2027-28.

4	Value of the proposed transactions;	Aggregate amount of all the transactions as mentioned in clause (1), taken together, with Supreme Group, of an amount not exceeding Rs. 100 crore, per year, for 3 (three) Financial Years, from FY 2025-26.
5	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 transactions (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);	<p>Percentage of Annual Consolidated Turnover of the Listed entity as on March 31, 2025: The proposed transaction is 20.3% of the Annual Consolidated turnover of the Company as on March 31, 2025.</p> <p>Percentage of Annual Standalone Turnover of Metacast as on March 31, 2025: The proposed transaction is 403% of the Annual Standalone Turnover of DriveSys as on March 31, 2025.</p> <p>Percentage of Annual Standalone Turnover of Metacast Auto Private Limited as on March 31, 2025: The proposed transaction is 1148% of the Annual Standalone Turnover of Metacast as on March 31, 2025.</p>
6	Justification as to why the RPT is in the interest of the listed entity;	Supreme Autocasts has been a reliable vendor of Castings for ZF India over a decade. Other benefits include such as superior quality, assurance of uninterrupted and timely supply of the aforementioned raw materials and components in the required volumes. Additionally, given the established production integration and proximity, sale of castings to entities within the Supreme Group enables operational efficiency, and optimized capacity utilization, resulting in a mutually beneficial business relationship conducted at an arm's length basis.

Arm's length pricing

The proposed Related Party Transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) are/ will be at arm's length basis and in the ordinary course of business, as per the provisions of the Act and other applicable laws. The aforementioned Related Party Transactions will be entered into based on the prevailing market price of the relevant material. If, in any case, market price is not available, alternative method including reimbursement of actual cost incurred or cost plus reasonable mark-up, shall be considered as per arm's length pricing criteria.

Further, the proposed Related Party Transactions, set out in the Notice have been approved by the Independent Directors of the Audit Committee, after satisfying themselves that the Related Party Transactions are at arm's length and in the ordinary course of business, and the Board of Directors of the Company.

In accordance with Regulation 23 of the Listing Regulations, approval of the members is sought for Related Party Transactions which, may exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, in a Financial year.

Apart from Mr. Dinesh Munot – Chairman, Mr. Utkarsh Munot – Managing Director, Mr. Jinendra Jain – Chief Financial

Officer, Mr. Satish Mehta – Company Secretary and Mr. Aniket Kadam – Deputy Chief Financial Officer of the Company, and their relatives, to the extent of their shareholdings, if any, who may be deemed to be concerned or interested in the proposed transactions, 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 transactions.

The Board recommends the **Ordinary Resolution** set forth at Item No. 4 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
July 26, 2025

Profile of the Directors being appointed/ reappointed, as required under Regulation 36(3) of 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:

Profile of Dr. Dinesh Bothra

Name of the Director	Dr. Dinesh Bothra
DIN	00049883
Designation	Non – Executive, Non – Independent Director
Age	58 years
Date of Appointment	February 3, 2024
Qualification	B.Tech, IIT Delhi and Ph.D. in Chemical/ Bio-Chemical Engineering from Lehigh University, U.S.A.
Experience	Dr. Bothra is having vast experience in the field of Pharmaceuticals and Specialty Materials. He is the founder of Indo-Bio Active Labs Private Limited, a pioneering company in India developing and manufacturing peptide therapeutics and other critical care medicines. He is also a co-founder of ABR Organics Ltd., a company specializing in specialty materials for space and defense applications.
Expertise	Specialty Materials and Pharmaceuticals.
Directorships held in other Companies	Indo-Bio Active Labs Private Limited ABR Organics Limited Accela Pharmaceuticals Private Limited
Membership of the Committees (in the Company)	Nomination and Remuneration Committee Stakeholders' Relationship Committee
Membership of the Committees (Others)	Nil
No. of Equity Shares held in 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
July 26, 2025

BOARD'S REPORT

Board's Report

To the Members,

The Board of Directors (**the Board**) is delighted to present 45th 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, 2025.

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

(Rs. in crore)

Particulars	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from Operations and other Income	521.07	515.65	514.59	512.16
Profit before Depreciation and Tax	81.86	89.44	67.28	85.58
Depreciation and Amortization Expenses	31.42	33.40	42.78	33.71
Profit Before Tax (PBT)	50.44	56.04	24.50	51.87
Tax Expense	16.55	8.32	11.91	8.19
Net Profit for the year	33.89	47.72	12.59	43.68
a) Owners of the Company	33.89	47.72	14.92	43.69
b) Non-controlling interest	N.A.	N.A.	(2.33)	(0.01)
Other comprehensive Income	0.09	0.38	0.04	0.38
Total Comprehensive Income for the year	33.98	48.10	12.63	44.06
a) Owners of the Company	33.98	48.10	14.96	44.07
b) Non-controlling interest	N.A.	N.A.	(2.33)	(0.01)
Balance of Profit Brought Forward from previous year	216.40	172.84	211.47	171.94
Transfer to General Reserve	Nil	Nil	Nil	Nil
Dividend Paid during the year	(7.26)	(4.54)	(7.26)	(4.54)
Closing balance as per the Profit and Loss Statement c/f	243.12	216.40	219.17	211.47
Earnings Per Share Basic and Diluted (Rs.)	37.35	52.59	13.88	48.14

II) Dividend

In order to conserve resources of the Company, for the purpose of the Company's ongoing expansion/diversification plans, through its Subsidiaries, the Board decided not to recommend any dividend for the financial year ended on March 31, 2025.

III) Share Capital

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

As on March 31, 2025, the paid-up share capital of the Company stood at Rs. 9,07,73,000 (Rupees Nine crore Seven Lakh Seventy-Three Thousand only) comprising 90,73,300 (Ninety Lakh Seventy-Three Thousand Three Hundred) 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, 2025, in addition to the Standalone Financial Statements, as there were three Subsidiaries of the Company as of March 31, 2025.

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. Further, Form AOC-1 is attached to the Consolidated Financial Statements for the Financial Year ended on March 31, 2025, forming part of this Annual Report, giving key financials of the subsidiaries.

The Company did not have any Associate Company as of March 31, 2025.

Consolidated Financial Statements for the Financial Year ended on March 31, 2025, form part of this Annual Report.

V) Management discussion and Analysis

1. Indian Economy

India became the 4th largest global economy in 2025, driven by domestic reforms and global positioning under the vision of Aatmanirbhar Bharat. India is the world's fastest-growing major economy.

Despite global uncertainties and internal economic challenges, India has demonstrated remarkable resilience.

In FY 2024-25, the Indian economy grew by approximately 6.5%, supported by robust domestic consumption, sustained capital expenditure by the government, and improved manufacturing and services activity.

Outlook - FY 2025-26 and beyond

The **Reserve Bank of India (RBI)** has retained Indian economy's real GDP growth forecast at 6.5%, citing strong domestic demand, infrastructure push, and a supportive monetary stance. Inflation is expected to remain moderate, averaging around 3.7%, with the RBI signalling a neutral-to-accommodative policy stance to support growth.

A normal monsoon is expected to support broader economic activity, especially in rural and semi-urban regions, which would be a tailwind for auto sector demand. India's commercial vehicle (**CV**) industry is poised for a modest recovery in FY 2025-26. Nevertheless, India may face challenges amidst geopolitical uncertainties.

The Government has initiated the formulation of the Automotive Mission Plan 2047 aimed at enhancing innovation, global competitiveness, and sustainable development to establish India as a global leader by 2047.

2. Industry Overview

Number of Commercial Vehicles (CV) Sold

The overall Commercial Vehicle sales were 10.37 lakh units in FY 2024-25, as compared to 10.34 lakh units in FY 2023-24, registering minuscule growth of 0.3%. Sales of Medium and Heavy Commercial Vehicles increased from 3.92 lakh to 3.97 lakh units (1.2% increase) and Light Commercial Vehicles dipped from 6.42 lakh to 6.40 lakh units (0.3% decrease) in FY-2024-25, compared to the previous year. Delays in infrastructure projects and Government spending

due to elections, Financing constraints, and Inventory Overhang were the main factors for the minuscule growth.

(Source: SIAM -Society of Indian Automobile Manufacturers)

As per Auto Components Manufacturers Association's (ACMA) report, the country's Auto Components' production and aftermarket sales grew robustly in FY 25, even amid external volatility. The auto component sector saw 9.6 per cent growth, reaching ₹6 lakh crore, despite softened exports and rare earth shortages.

3. Company Overview

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.

Your Company Sales:

Type	FY 2024-25 (Value Rs. in crore)	FY 2023-24 (Value Rs. in crore)	Growth
Power Steering	468.45	449.78	4.2%
Mechanical Steering	19.37	19.10	1.4%
Total	487.82	468.88	4.0%

4. Renewable Energy

Solar Energy

The Company's 5 MW Solar Power Project at Gujarat Solar Park, Charka Village, District Patan (Kutch), Gujarat, generated 0.69 crore Units of Electricity with sales-revenue of Rs. 4.50 crore in the FY 2024-25. The entire electricity is purchased by Gujarat Urja Vikas Nigam Limited (**GUVNL**), a Government of Gujarat Company, in terms of the multi-year Power Purchase Agreement.

The Company's rooftop solar project, situated at its Vadu Budruk plant, generated 0.17 crore units of electricity in FY 2024-25, 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 & Sambhajinagar (formerly known as Aurangabad),

having aggregate capacity of over 8.10 MW generated a total of 1.17 crore units in FY 2024-25. Out of this, 0.98 crore units were used as captive consumption, which accounted for approximately 64.3% per cent of the energy-consumption of the Company's factory at Village Vadu Budruk, and remaining 0.19 crore units were sold to Maharashtra State Electricity Board.

5. Financials of the Company (based on Standalone figures)

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 4%.

Revenue from Renewable Energy declined by 44.3%, in view of the downward revision in the unit-rate of electricity, in terms of the Power Purchase Agreement entered into with GUVNL in December 2010 coupled with deterioration in income from Solar Rooftop, due to climate change, wear and tear of Solar Panels etc.

Total Revenue from Operations went up by 1.05%.

Finance Cost

Finance cost was Rs.2.86 crore (5.7% of PBT) for FY 2024-25 (compared to Rs. 0.91crore (1.6% of PBT) in FY 2023-24, due to higher utilisation of working capital limits availed from Banks.

Other Income

During the year under review, Other Income was Rs. 28.21 crore as against Rs. 37.78 crore in the Financial Year 2023-24. Other Income (mainly) is aggregate of the realised gains during the financial year, on sale of financial investments during the year and the unrealised gains, based on mark to market valuation as of March 31, 2025, on the financial investments held as of that date as well as subsidy received Rs. 4.16 crores, from Madhya Pradesh State Government. For details of Other Income, kindly refer to Note No. 16 to the Financial Statements.

Financial Investments

As of March 31, 2025, Financial Investments of the Company stood at Rs.168.53 crore as against Rs.142.12 crore as of March 31, 2024. 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 dip in Other Income, increase in Fixed Costs and Finance Cost, Profit before Tax stood at Rs. 50.44 crore for FY 2024-25, in comparison to Rs. 56.04 crore for FY 2023-24. Profit for the year (after tax) is Rs. 33.89 crore and Total comprehensive income was Rs. 33.98 crore. Earnings per share was Rs. 37.35.

6. Credit Rating

In the month of June 2025, ICRA – the Credit Rating Agency, reaffirmed the Credit Rating, in respect of the Working Capital facilities sanctioned to the Company, as **A+** for Long Term Fund based and Non-Fund based Facilities and **A1+** for Short Term Fund based and Non-Fund Based Facilities. Further, the outlook on ratings of the Long Term Working Capital facilities was also reaffirmed 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 2024-25	FY 2023-24	Change
Debt Equity Ratio (in times)	0.08	0.07	16%
Inventory Turnover Ratio (in times)	7.57	7.48	1%
Interest Coverage Ratio (in times)	18.64	62.58	-72%
Debtors Turnover Ratio (in times)	4.71	4.67	1%
Current Ratio (in times)	1.82	2.44	-25%
Operating Profit Margin (%)	11.09	11.00	1%
Net Profit Margin (%)	6.90	10.00	-31%

Interest Coverage Ratio:

Reduction in Interest coverage ratio is due to increased interest cost resulting from higher borrowings and lower profits, compared to previous year.

Current Ratio:

The current ratio has dipped mainly due to substantial increase in current liabilities, the reason being increase in short-term borrowings and Trade Payables.

Net Profit Margin:

Reduction in Net Profit Margin was mainly due to lower Other Income and much higher Tax Expense.

8. Return on Net Worth

Particulars	FY 2024-25	FY 2023-24
Return on Net Worth (%)	7.1	10.8

The Company is efficiently using Members' equity to generate profit, which was reduced due to absorption of fixed expenses obligation.

9. Segment wise Profitability

Auto-Components Segment reported Profit before Tax (**PBT**) of Rs. 20.43 crore, substantial improvement over the previous year. Renewable Energy Segment reported PBT of Rs. 8.55 crore and PBT from other (Un-allocable) segment/ Other Income was Rs. 21.46 crore against Rs. 31.07 crore in previous year.

10. Outlook, Opportunities and Threats

i) Communication received from ZF Friedrichshafen AG

As reported in the previous year's Board's Report, the Company 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 claimed a sum of Rs.100 crore 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 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.

Further, In September 2024, the Company received a communication, from ZF Friedrichshafen AG and ZF India Private Limited, stating that they have filed a Commercial IP Suit along with Interim Application before the Hon'ble High Court of Judicature at Bombay in relation to the alleged infringement of the alleged trademarks/ mark of ZF Friedrichshafen AG and/ or and ZF India Private Limited and

amongst other things, ZF Friedrichshafen AG and ZF India Private Limited have allegedly demanded a sum of Rs. 200 crore in alleged damages, from the Company and prayed for certain interim relief(s) till the conclusion of the aforesaid Commercial Suit. The said Commercial Suit and the said Interim Application is pending consideration of the Hon'ble High Court of Judicature at Bombay. In the Company's opinion, it has not committed any act of infringement and/ or passing off and the Company does not in any manner whatsoever, accepts any allegation of infringement, passing off and/ or demands of ZF Friedrichshafen AG and ZF India Private Limited. 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.

ii) Strategic Initiatives, Expansion and Capital Expenditure

1. Investment in Subsidiaries

The Company, as a strategy, had chalked out an Expansion Plan, by way of backward integration, through its subsidiaries, for manufacturing of some of the key components, required for the Company's end product i.e. Steering Gear Systems. Backward Integration plans have been carried out and they are in operation.

The Company has now planned diversification through subsidiaries, by entering into the businesses of Aluminium Extrusion and Manufacture of certain Electric Equipment's Components, as detailed further in this Report. These projects are being undertaken through its 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 and NexSteer – Wholly Owned Subsidiaries

DriveSys and NexSteer were initially formed to ensure in-house reliable source of supply of semi-finished components required for the Company's existing business line. External market is being tapped after fulfillment of internal requirements. DriveSys manufactures Machined Components viz. housing machining, sector shaft machining, piston machining, oil tanks, plastic injection moulding, Steering Pump Assembly etc.

During FY 2024-25, DriveSys clocked turnover of Rs. 24.79 crore, majority of sales were to ZF Steering Gear (India) Limited. Phase II expansion has started. Raw Material supplies from Metacast have now been established. Further, new machinery will be ordered on receipt of new orders from customers.

The Construction of Factory Building for NexSteer is complete and NexSteer has applied to MIDC for issue of Building Completion Certificate (**BCC**).

As already announced, the Company's Wholly Owned Subsidiary - DriveSys Systems Private Limited (**DriveSys**) is set to enter into new businesses, in order to enhance the Company's product portfolio, diversify revenue streams and to gain advantage of favorable market conditions across various sectors. These are:

- Aluminium Extrusion and Melting, for which operations are proposed to be carried out at the factory of NexSteer, situated at Plot No. E-3/2, MIDC Supa Parner Industrial Park, Ahmednagar 414 301 (the said facility). The said facility is adjacent to the factory of DriveSys. Further, Factory Building of NexSteer is now ready and NexSteer has applied to MIDC for issue BCC. In furtherance of the foregoing developments and pursuant to the approval and recommendation of the Board of Directors of the respective Wholly Owned Subsidiaries, the Board has approved in-principle, the sale/ transfer and/ or assignment of leasehold rights in the said facility (land and factory building), held by NexSteer, to DriveSys, at arm's length price, on the receipt of BCC and subsequent receipt of statutory approval/s from various authorities. In that case, NexSteer would not be required to operate as Captive Process Vendor (**CPV**) for DriveSys.
- Business activities pertaining to manufacturing of Moulded Case Circuit Breaker (**MCB/ MCCB**), Residential Current Circuit Breaker (**RCB**) and Mechanism Operated Auxiliary Contactor (**MOC**), wherein estimated outlay is around Rs. 12 crore.
- Machineries for both the projects either have been ordered or being ordered and the arrival of the same is expected to start from the Month of October 2025.

The Details of Investments in DriveSys and NexSteer, by the Company as on March 31, 2025, are as follows:

Sr. No.	Name of the Company	Investment (Equity) (Rs. in crore)	Loan (Rs. in crore)
1	DriveSys Systems Private Limited	8.00	48.25
2	NexSteer Systems Private Limited	0.08	19.68

Further, DriveSys has also availed credit facility from a bank and its closing balance stood at Rs. 26.4 crore, at the year-end. NexSteer has not availed any facility from the bank.

Metacast – 51% Subsidiary and Joint-Venture

Metacast is a Joint-Venture with Supreme Iron (India) Private Limited. Metacast is in the foundry business.

Metacast operates as the Captive Process Vendor (**CPV**) for DriveSys, for supply of castings.

Metacast commenced commercial production in the month of November 2024 and has clocked turnover of Rs. 9.44 crore for the year ended on March 31, 2025, majority of sales was to DriveSys.

During the Financial Year 2024-25, Metacast issued 79.5 lakh equity shares of Rs. 10 each, on Rights basis at the premium of Rs. 2 per share, to its existing Promoters/shareholders, pursuant to which Metacast's paid-up share capital stood at Rs. 8 crore as on March 31, 2025. After the aforementioned issue, the Company's investment in Metacast is Rs. 4.90 crore (including premium on Rights Issue) by way of 51% equity participation in its equity share Capital.

As of March 31, 2025, closing balance of Loans taken by Metacast from (both) the Promoters was Rs. 26.13 crore. Additionally, closing balance of credit facilities availed by Metacast from Bank, was Rs. 24.98 crore.

2. Capital-Expenditure

In the current Financial Year, your Company has planned Rs. 26 crore towards replacement of old machinery, procurement of balancing equipment etc. for its Pune and Pithampur factories. Further, the Company has allocated around Rs. 94 crore towards subsidiaries out of which Rs. 22 crore is for expansion plans of their existing business and Rs. 72 crore is for new business lines of DriveSys.

3. Financing and Fund Raising

The Members would kindly recall that in the previous Annual General Meeting of the Company, the Members had granted approval to the Company to issue additional equity shares of the Company, for an amount not exceeding Rs 200 crore (including share-premium) through private placement, preferential issue, qualified institutions placement etc. As the capital market response was not up to the Company's expectations, the proposed issue has been shelved for the time being. The Company would tap the market at an opportune time. Till then, the Board has decided to fund the projects through internal accruals and bank borrowings.

iii) Internal Control System and its Adequacy

Your Company has aligned its current systems of internal financial control with the requirements 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, 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 its 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/ 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, 2025, the Company's internal financial controls were adequate and operating effectively.

iv) 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.

VI) 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.

VII) Board of Directors and Key Managerial Personnel:

With effect from April 1, 2025, the Company's Board comprise 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, one Non-Executive, Non-Independent Director and four are Independent Directors (including one Woman Independent Director).

Following are the changes in composition of the Board of Directors of the Company, during the Financial Year 2024-25.

Pursuant to the recommendation of the Nomination and Remuneration Committee of the Board, the Board appointed Mr. Rohit Rathi as a Non-Executive, Independent Director of the Company, for five consecutive years, with effect from August 6, 2024, which was approved by the Members of the Company at its 44th Annual General Meeting (**AGM**) held on September 10, 2024.

Mr. S.A. Gundecha and Mr. Shridhar Kalmadi, Non-Executive, Independent Directors of the Company, ceased to be Directors, following completion of their second term of five consecutive years, with effect from close of business hours on September 14, 2024 and March 31, 2025, respectively. The Board places on record the appreciation for the valuable contribution, support and guidance rendered by Mr. S.A. Gundecha and Mr. Shridhar Kalmadi, during their tenure as Independent Directors of the Company.

Further, Based on the recommendations of the Nomination and Remuneration Committee of the Board:

- Mr. Shrenik Gandhi and Mr. Bharat Agarwal, were appointed as Non-Executive, Independent Directors of the Company, by the Board, with effect from April 1, 2025. The Members of the Company, had approved their appointments as Directors of the Company, by way of Postal Ballot which concluded on March 22, 2025.
- Mrs. Smita Lahoti was reappointed as the Non-Executive, Independent Director for second term of Five consecutive years, with effect from June 27, 2025, the said reappointment was approved by the Members, by way of Postal Ballot, which concluded on March 22, 2025.

Pursuant to the requirements under Section 152(6) of the Act, Dr. Dinesh Bothra retires by rotation and he offers himself for reappointment at the ensuing 45th Annual General Meeting of the Company. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the reappointment of Dr. Dinesh Bothra (DIN: 00049883) in the ensuing Annual General Meeting.

The Resolution for reappointment of Dr. Dinesh Bothra (DIN: 00049883) along with his brief profile, forms a part of the Notice of 45th 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 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 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 enrollment 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.

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

VIII) Directors' Responsibility Statement

1. In the preparation of the Annual Financial Statements for the financial year ended on March 31, 2025, the applicable Accounting Standards read with requirements set out under Schedule III to the Companies Act, 2013 (**the Act**), 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, 2025, 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 statements 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.

IX) 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.

X) Business Responsibility and Sustainability Report (BRSR)

The Business Responsibility and Sustainability Report, for the year ended on March 31, 2025, is not applicable to your Company, as the Company has remained out of its applicability for three consecutive years, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024.

XI) 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 2024-25, 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.

All the Material Related Party Transactions (**RPTs**) undertaken by the Company during the year were duly approved by Shareholders under the provisions of Regulation 23(4) of the Listing Regulations.

Certain RPTs 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 2024-25, are provided in the Note 35 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 in Form AOC-2, is not required to be attached to the Financial Statements of the Company.

During FY 2024-25, 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 resolution, for approval of the Members, forming part of Notice of 45th AGM, in respect of Material Related Party Transactions,

in terms of Regulation 23(1) of the Listing Regulations for Purchase of Raw Material/ Components etc., Sale of Castings, Machined Housings and Related Outputs, Job Work for Machining of Castings and other transactions in Ordinary Course of Business, by the Company and its Subsidiaries viz DriveSys and Metacast, with Supreme Autocasts, Supreme Iron (India) Private Limited, Supreme Autocasts Private Limited, and Supreme Engineering - Related Parties of Metacast - Subsidiary and Joint Venture of the Company. The transaction/s being material related party transactions have been approved and recommended by the Audit Committee and approved by the Board of Directors of the Company, which now requires Members' approval.

The Company has formulated a policy on 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. 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, which 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 44th Annual General Meeting held on September 10, 2024 had reappointed M/s. Joshi Apte & Company, Chartered Accountants (Firm Registration No. 104370W), as Statutory Auditors of the Company, for a second term of five consecutive years from the conclusion of 44th Annual General Meeting until the conclusion of 49th Annual General Meeting.

There are no qualifications, reservations or adverse remarks in the Statutory Auditors' Reports for the Financial Year 2024-25. The Statutory Auditors' Reports are enclosed with the financial statements in the Annual Report.

Secretarial Auditor

The Board had appointed M/s. SIUT & Co., LLP, Company Secretaries, to conduct Secretarial Audit for the financial year 2024-25. 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.

Pursuant to amendments in the Listing Regulations, the appointment of Secretarial Auditors requires approval of the Members of the Company in terms of Regulation 24A of the Listing Regulations, and the tenure of the said appointment shall not be for more than single term of five years, in case if Secretarial Auditor is an

individual and in case of a firm, the same shall not be more than two terms of five consecutive years.

In furtherance of the foregoing developments, the Board recommends resolution for appointment of M/s. SIUT & Co., LLP, Company Secretaries, to hold office, for the period of five years from FY 2025-26 to FY 2029-30. The said resolution forms part of the Notice of 45th AGM of the Company.

The Company has received requisite consent from M/s. SIUT & Co., LLP, to act as the Secretarial Auditors of the Company for aforementioned period. Further, the Company has also obtained declaration from M/s. SIUT & Co., LLP, confirming their Non-Disqualification to act as the Secretarial Auditors of the Company, as outlined in Regulation 24A (1A) of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185, dated December 31, 2024.

6. Disclosures

Meetings of the Board

Five Meetings of the Board of Directors were held during the financial year 2024-25. 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 thereunder 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 Para A of Part D 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.

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 Para B of Part D 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:

- All the Directors/ Employees are made aware of the Company's Vigil Mechanism;
- 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
- The Company has Whistle Blower Policy in terms of Section 177 of the Act and Regulation 22 of the Listing Regulations, which outlines 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 www.zfindia.com.

9. Annual Return

The Annual return is placed on the Company's website <http://www.zfindia.com/annual-return.php>

10. Industrial Relations

By and large, Industrial Relations at all locations of the Company were amicable. The Company has been constantly endeavouring to improve quality, reduce cost, ensure safety and improve productivity at all levels. Emphasis was also laid towards raising awareness on health and wellness of employees.

For details on some of the pending litigations, which are not material financially, please refer to Note No. 31 under Notes to Accounts.

11. 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 are available for inspection at the Registered Office of the Company during working hours, on any working day. Any Member interested in obtaining this information may write to the Company Secretary and this information would be provided on request.

12. 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.

Details of Complaints Received by the ICC During the Year:

Sr. No.	Particulars	Number of Complaints
1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints disposed during the year	NIL
3	Number of cases pending for more than ninety days	NIL

13. 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 2024-25. 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 2024-25, 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 2024-25.

(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.

(xii) The Company has duly complied with all the relating to the Maternity Benefit Act, 1961.

XII) 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.

Dinesh Munot
Chairman
(DIN: 00049801)

Pune
July 26, 2025

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

Pune Pant

1. SVG (Static Var Generator) fitment to all 3 transformer this led to improvement in PF (power factor) from 0.96 to 0.99.
2. Sodium vapour lamp 150 W each replaced by LED lamp with 90W = 55 nos in HT & Oil tank assembly area. Hence energy save in year 13860 KWh.

Pithampur Plant

1. Power factor improved from 0.97 to 0.98 by replacing the semi-conductor fuse.
2. Paint shop 24-Watt machine lamps replaced by 18-Watt LED lamps, which provides better illumination and saves energy.

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. 8050 A NEW variant is designed and developed which gives variable ratio in 8049 Segment. This product will be with highest torque available in Indian Industry.
- c. Developed a small hydraulic steering gear MO30 for last mile vehicles.
- d. Developed a small aluminium pump for last mile vehicles. Two variants are developed in aluminium pump in view to cater after market.
- e. Developed a middle version of 8043 and 8046, which is known as M043 which is well suited for ICV and HCV. This has gained popularity in 19T segment where good volumes are seen in Indian market after BS6.
- f. Implemented the alternate material in forging to avoid the use of Nickel & Moly.
- g. Developed Hydraulic steering gear for Tractor segment of Mahindra, Tafe motors and Qucev vehicles.

- h. HPAS steering system for tractor has been improved with integrated bracket and integrated flow and pressure control with enhanced capacity. This will increase the range of application from current 35HP to 50 Hp Tractor.
- i. Implemented Scada software for Pit Furnace to effective data monitoring.
- j. Established pump integrated with motor which IP66 class for the EV segment.

Technology Absorption at the Manufacturing facilities of the Company:

Pune Plant

- a. Introduction of Honing operation in piston centre bore to enhance the surface finish & cylindricity of the component and improve product quality.
- b. Introduction of Honing operation in piston M bore to enhance the surface finish & improve ovality of the component and improve product quality.
- c. Introduction of two Dynaspede automated steering gear assembly test rig to reduce the manual intervention and enhance product quality.
- d. Indigenization semi-automated Cast iron pump line to enhance quality, productivity and error proofing.
- e. Introduced new CJMT machine for sector shaft shaving operation for capacity enhancement.
- f. Old DB panel which equipped with old SFU (Switch fuse unit), ACB (Air circuit breaker) replaced by new DB panel with updated ACB & MCCB. Also, some old cables, joints replaced, this led to reduction in harmonics level from 2.5 THD to 1.5 THD (Total harmonic distortion).
- g. In Heat treatment department CQI 09 standard implemented to improve process and quality.
- h. New addition in product portfolio – M&M (Yovotech for tractor) & Bolero steering gear for Bolero pickup.

Pithampur Plant

- a. Introduction of Honing operation in piston centre bore to enhance the surface finish & cylindricity of the component and improve product quality.

- b. Indigenization semi-automated Cast iron pump line to enhance quality, productivity and error proofing.

2. Benefits Derived as a result of aforesaid efforts

- a. Product quality and cost reduction to meet customer expectation.
- b. Reduction in foreign exchange outgo.

- c. Improvements in Manufacturing methods and quality standards.
- d. Reduction in usage of Corrugated boxes & implemented returnable packaging for raw material & finish goods to avoid the use of Paper, as a part of ESG drive.

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.

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. 4.50 crore in FY 2024-25. 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 FY 2023-24, its Rooftop Solar Project at its Vadu Budruk plant has generated 0.17 crore units of electricity in FY 2024-25, which was captively consumed in the said plant.

Wind Energy

Windmills of aggregate 8.10 MW capacities as on March 31, 2025, generated 1.17 crore units of

electricity in FY 2024-25. Out of this 0.98 crore units were captively consumed in the Company's plant at Vadu Budruk. This covered 64.3% of total power consumption of that plant for the year. Balance 0.19 crore units were sold to Maharashtra State Electricity Board.

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

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

C. Foreign Exchange Earnings and Outgo for FY 2024-25:

Sr. No.	Particulars	Amount (Rs. In crore)
1	Earnings in Foreign Exchange	9.07
2	Expenditure in Foreign Exchange	5.82
3	Value calculated on CIF basis - Raw Material, Components etc. - Capital Goods	2.83 2.37

For and on behalf of the Board of Directors

Pune

July 26, 2025

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, the corporate governance philosophy is based on the tenets of integrity, accountability, transparency, value and ethics. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation.

A clearly structured and fully implemented corporate governance system is the Company's highest priority. Good corporate governance is the basis for decision-making and control processes.

It is this conviction that has led the Company to make strong corporate governance values integral to its operations. The Company has established systems and procedures based on the overview and strategic counsel of the Board and it is fully equipped to discharge its responsibilities and to provide management with the strategic direction it needs.

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.

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 <http://zfindia.com/policies-codes.php>.

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 has an optimum combination of Executive and Non-Executive Directors and the composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**) and provisions of the Companies Act, 2013 (**the Act**), as amended from time to time.

The Board of Directors (**Board**) comprises 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, 2024, the Company's Board comprised 6 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. Rohit Rathi was appointed as a Non-Executive, Independent Director, on the Board of the Company, with effect from August 6, 2024. Further, Mr. S.A. Gundecha and Mr. Shridhar Kalmadi, Non-Executive, Independent Directors, ceased to be Directors of the Company, pursuant to the conclusion of their second consecutive term, as Independent Directors, at the close of business hours on September 14, 2024 and March 31, 2025, respectively. Further, Mr. Shrenik Gandhi and Mr. Bharat Agarwal were appointed as Non-Executive, Independent Directors, with effect from April 1, 2025 and from that date the Board comprises 7 Directors, out of which 4 are Independent Directors including 1 woman Independent Director. Further, Mrs. Smita Lahoti was reappointed as the Non-Executive, Independent Director, with effect from June 27, 2025.

A detailed profile of Board of Directors is available on the Company's website 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. 2024-25	Last AGM Held on September 10, 2024	Other Directorship	Committee Membership	Committee Chairmanship
1.	Mr. Dinesh Munot (Chairman)	Executive Director	5/5	Yes	5	1	-
2.	Mr. Utkarsh Munot (Managing Director)	Executive Director	5/5	Yes	5	-	-
3.	Mr. Shridhar S. Kalmadi (up to March 31, 2025)	Non-Executive, Independent Director	3/5	Yes	3	-	-
4.	Mr. S. A. Gundecha (up to September 14, 2024)	Non-Executive, Independent Director	3/3	Yes	-	-	-
5.	Mrs. Smita A. Lahoti	Non- Executive, Independent Director	5/5	Yes	1	-	-
6.	Dr. Dinesh Bothra	Non-Executive, Non-Independent Director	5/5	Yes	3	-	-
7.	Mr. Rohit Rathi (from August 6, 2024)	Non- Executive, Independent Director	4/4	Yes	1	-	-
8.	Mr. Shrenik Gandhi (from April 1, 2025)	Non- Executive, Independent Director	N.A.	N.A.	3	-	-
9.	Mr. Bharat Agarwal (from April 1, 2025)	Non- Executive, Independent Director	N.A.	N.A.	7	-	-

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 5 Meetings. These were held on May 25, 2024, August 6, 2024, August 10, 2024, November 11, 2024, and February 8, 2025.

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 Act.

The information, including as specified in Schedule II to 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.

Nil

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 February 8, 2025
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. Shridhar S. Kalmadi (up to March 31, 2025)	2	2	1	1	1
Mr. S.A. Gundecha (up to September 14, 2024)	2	1	1	N.A.	N.A.
Mrs. Smita A. Lahoti	4	2	N.A.	N.A.	1
Dr. Dinesh Bothra	N.A.	2	1	N.A.	N.A.
Mr. Rohit Rathi (from August 6, 2024)	N.A.	N.A.	N.A.	N.A.	1

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 - Business Strategy.
Mr. Utkarsh Munot	Managing Director	Strategic Leadership Across Operations, Engineering, Business Development & New Initiatives.
Mr. Shridhar S Kalmadi (up to March 31, 2025)	Non-Executive, Independent Director	Engineering with Specialization in Automobiles, CSR and others
Mr. S A. Gundecha (up to September 14, 2024)	Non-Executive, Independent Director	Accounting, Legal, Governance, Regulatory, Joint-Ventures and others
Mrs. Smita A Lahoti	Non-Executive, Independent Director	Accounts/ IFRS/ Audit/ Taxation/ Company Law and others
Dr. Dinesh Bothra	Non-Executive, Non-Independent Director	Speciality Materials, Pharmaceuticals and Entrepreneurship
Mr. Rohit Rathi (from August 6, 2024)	Non-Executive, Independent Director	Top Management, Strategies, Entrepreneurship etc.
Mr. Shrenik Gandhi (from April 1, 2025)	Non-Executive, Independent Director	Dispute Resolution/ Litigation (Taxes, Arbitration and Civil Litigation); Mergers and Acquisition (Joint Venture collaboration)
Mr. Bharat Agarwal (from April 1, 2025)	Non-Executive, Independent Director	Manufacturing, Retail Sector, Academics

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 Director 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 Director is Non-Independent Directors 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 or they are exempt owing to their qualifications and experience.

The Audit Committee, the Stakeholders’ Relationship Committee and the Nomination and Remuneration Committee have a majority of 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 the 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, responsibilities 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>.

4. AUDIT COMMITTEE

On April 1, 2024, the Audit Committee comprised 4 members out of which three were Independent Directors viz. Mr. S.A. Gundecha as the Chairman of the Committee, Mrs. Smita A. Lahoti and Mr. Shridhar Kalmadi, and Mr. Utkarsh Munot, Managing Director. During the year, Mr. S.A. Gundecha and Mr. Shridhar Kalmadi ceased to be Members of the Committee, after conclusion of their second term as Independent Directors of the Company, with effect from close of business hours on September 14, 2024 and March 31, 2025, respectively. Mr. Rohit Rathi, Mr. Shrenik Gandhi and Mr. Bharat Agarwal, Independent Directors, were appointed on the Committee, with effect from April 1, 2025. As such on April 1, 2025, the Committee comprised 5 Directors viz. Mr. Shrenik Gandhi-Chairman of the Committee, Mrs. Smita Lahoti, Mr. Rohit Rathi and Mr. Bharat Agarwal, being four Independent Directors and Members of the Committee. Mr. Utkarsh Munot - the Managing Director is also a Member of the Committee. 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;
- 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.
- 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 is 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 2024-25 - May 25, 2024, August 6, 2024, November 11, 2024, and February 8, 2025.

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under the provisions of 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

On April 1, 2024, the Nomination and Remuneration Committee (**the Committee**) comprised 3 Directors viz. Mr. S.A. Gundecha, Independent Director, as the Chairman, Mr. Shridhar Kalmadi and Mrs. Smita Lahoti, Independent Directors and Members of the Committee. Mr. S.A. Gundecha and Mr. Shridhar Kalmadi, ceased to be members of the Committee, after expiry of their second term of five consecutive years, as Independent Directors, with effect from close of business hours on September 14, 2024 and March 31, 2025, respectively. Dr. Dinesh Bothra, Non-Executive, Non-Independent Director, was appointed on the Committee with effect from September 15, 2025. Mr. Rohit Rathi and Mr. Bharat Agarwal were

appointed on the Committee with effect from April 1, 2025, pursuant to which the Committee presently comprises 4 Directors viz. Mr. Bharat Agarwal, Independent Director and Chairman of the Committee, Mrs. Smita Lahoti and Mr. Rohit Rathi, Independent Directors and Members and Dr. Dinesh Bothra, Non-Executive Director and Member of the Committee.

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 August 3, 2024 and February 8, 2025.

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 Individual Directors, the Board, the Board Committees and the Chairman of the Board were undertaken through circulation of separate questionnaires, one for the Individual 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, 2025, are as under:

(Rupees in crore)		
Particulars	Mr. Dinesh Munot	Mr. Utkarsh Munot
Basic Salary	4.02	2.73
Perquisites	3.60	2.50
Commission/ Bonus	-	-
Total	7.62	5.23
Present Term of Five Years		
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, 2025, 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 (up to September 14, 2024)	2,70,000
Mr. Shridhar Kalmadi (up to March 31, 2025)	3,80,000
Mrs. Smita A. Lahoti	4,80,000
Dr. Dinesh Bothra	2,80,000
Mr. Rohit Rathi (from August 6, 2024)	2,50,000

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, 2025, 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. Shridhar S Kalmadi (up to March 31, 2025)	Non-Executive, Independent Director	Nil
4	Mr. S. A. Gundecha (up to September 14, 2024)	Non-Executive, Independent Director	1,250
5	Mrs. Smita A. Lahoti	Non-Executive, Independent Director	Nil
6	Dr. Dinesh Bothra	Non-Executive, Non-Independent Director	Nil
7	Mr. Rohit Rathi (from August 6, 2024)	Non-Executive, Independent Director	10
8	Mr. Shrenik Gandhi (from April 1, 2025)	Non-Executive, Independent Director	Nil
9	Mr. Bharat Agarwal (from April 1, 2025)	Non-Executive, Independent Director	Nil

9. STAKEHOLDERS' RELATIONSHIP COMMITTEE

On April 1, 2024, the Stakeholders' Relationship Committee (**the Committee**) comprised 3 Directors viz. Independent Directors Mr. S.A. Gundecha - being the Chairman and Mr. Shridhar S. Kalmadi - Member, and Mr. Utkarsh Munot – Managing Director and Member of the Committee. During the year, Mr. S.A. Gundecha and Mr. Shridhar Kalmadi ceased to be Members of the Committee, after conclusion of their second term as Independent Directors of the Company, with effect from close of business hours on September 14, 2024 and March 31, 2025, respectively. Dr. Dinesh Bothra and Mr. Shrenik Gandhi were appointed on the Committee with effect from September 15, 2024 and April 1, 2025, respectively. As such, with effect from April 1, 2025, the Committee comprised 3 Directors viz. Mr. Shrenik Gandhi, as an Independent Director and Chairman, Mr. Utkarsh Munot – Managing Director and Member and Dr. Dinesh Bothra, Non-Executive Director and Member of the Committee.

The Committee is primarily responsible to review all matters connected with the Company's redressal of shareholders' grievances. The Committee looks into redressing of shareholders' complaints like transmission/ transposition of shares, non-receipt of Letter of Confirmation, 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 2024-25, the Committee met on August 3, 2024. 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 14. 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.

As on April 1, 2024, 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, Independent Director. Mr. Shridhar Kalmadi, ceased to be a Member of the Committee, following the completion of his tenure as a Director, with effect from close of business hours on March 31, 2025. Mr. Bharat Agarwal, Non-Executive, Independent Director, was appointed on the Committee with effect from April 1, 2025. As such, with effect from April 1, 2025, the Committee comprises 3 Directors as Members viz.

Mr. Dinesh Munot, Chairman and Whole-Time Director as Chairman of the Committee, Mr. Utkarsh Munot, Managing Director and Member and Mr. Bharat Agarwal, Independent Director and Member.

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 February 8, 2025. The attendance record of the members of the Committee is given above (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, 2025, 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. Mr. Jinendra Jain – Chief Financial Officer
- IV. Mr. Sachin Gugale – Chief Information Officer
- V. Mr. Aniket Kadam – Deputy Chief Financial Officer and Head of Accounts and Legal
- VI. Mr. Satish Mehta – Company Secretary and Compliance Officer

As mentioned in the previous report, 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 February 8, 2025, 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's 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 & 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 June 25, 2025, ICRA – the Credit Rating Agency, reaffirmed the Credit Rating, in respect of the Working Capital facilities sanctioned to the Company, as A+ for Long Term Fund based and Non-Fund based Facilities and A1+ for Short Term Fund based and Non-Fund Based Facilities. Further, the outlook on ratings of the Long Term Working Capital facilities was also reaffirmed as '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
2022-23	42nd AGM	(held through two-way video conferencing)	03.09.2022	10:30 a.m.	No Special Resolution was passed
2023-24	43rd 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
2024-25	44th AGM	(held through two-way video conferencing)	10.09.2024	10:30 a.m.	Special Resolution passed for: 1) Appointment of Mr. Rohit Rathi (DIN: 00018654) as an Independent Director of the Company. 2) Issuance of equity shares, for an amount not exceeding Rs. 200,00,00,000 (Rupees Two hundred crore only).
2024-25	Postal Ballot	NA	22.03.2025	NA	Special Resolutions: *As Mentioned below

M/s. SIUT & 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/ 2024 dated September 19, 2024, respectively issued by the Ministry of Corporate Affairs.

***As mentioned in the table 3, Special Resolutions were passed through Postal Ballot via e-voting and Voting Pattern for each resolution is as follows:**

- 1) Appointment of Mr. Shrenik Gandhi (DIN: 10929891) as a Non-Executive, Independent Director of the Company w.e.f. April 01, 2025.
 - In favour – 99.99%
 - Against – 0.01%
- 2) Appointment of Mr. Bharat Agarwal (DIN: 00256915) as a Non-Executive, Independent Director of the Company w.e.f. April 01, 2025.
 - In favour – 99.99%
 - Against – 0.01%
- 3) Reappointment of Mrs. Smita Lahoti (DIN: 08764528) as a Non-Executive, Independent Director of the Company w.e.f. June 27, 2025.

- In favour – 99.99%
- Against – 0.01%

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 2024-25 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 2024-25, to the Statutory Auditors is Rs.14 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 at <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. The Financial Results are also electronically filed on 'BSE Listing Centre'. Further the Company has designated Email ID 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 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 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 during the year.

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 MCA.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

GENERAL SHAREHOLDER INFORMATION:

45th Annual General Meeting

Day, Date and Time	Monday, September 8, 2025 at 10:00 am (IST)
	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 2, 2025 to September 8, 2025 (**both days inclusive**).

30. DIVIDEND AND DIVIDEND PAYMENT DATE:

In order to conserve resources of the Company, for the purpose of ongoing Company's expansion/ diversification plans, the Board decided not to recommend any dividend for the financial year ended on March 31, 2025.

31. UNCLAIMED DIVIDEND:

Unclaimed dividend for the years prior to and including the unpaid dividend for F.Y.2016-17 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 2017-18, 2022-23 and 2023-24, 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.

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, 2025 (in Rs.)	Due date for transfer to Investor Education and Protection Fund (IEPF)
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
2023-24	September 10, 2024	Final	7,25,86,400	8,61,405	November 8, 2031

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)
Transferred to IEPF during Financial Year 2024-25	5402
Shares claimed during Financial Year 2024-25	Nil
Total Number of Shares held by IEPF as on March 31, 2025.	68,776

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

The lists of Members whose shares have been transferred to the Demat Account of the IEPF is available on the website of the Company -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 2025-26:

BSE	505163
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 2025-26.

35. Stock Market Data:

Market Price of Company's Share at BSE			BSE SENSEX	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-24	1120.00	820.00	75124.28	71816.46
May-24	1125.00	1011.65	76009.68	71866.01
Jun-24	1145.40	870.00	79671.58	70234.43
Jul-24	1189.70	1000.00	81908.43	78971.79
Aug-24	1809.90	1052.05	82637.03	78295.86
Sep-24	1864.90	1418.00	85978.25	80895.05
Oct-24	1947.00	1420.65	84648.40	79137.98
Nov-24	1849.00	1475.00	80569.73	76802.73
Dec-24	1635.00	1425.10	82317.74	77560.79
Jan-25	1545.00	1185.05	80072.99	75267.59
Feb-25	1389.70	900.00	78735.41	73141.27
Mar-25	1168.00	901.00	78741.69	72633.54

STOCK PERFORMANCE:

Share Price Performance in comparison to broad based indices - April 2024 to March 2025.

Stock performance compared to broad based indices			
Sr. No.	Particulars	ZF India	BSE SENSEX
1.	F.Y. 2024-25	20.2%	5.1%
2.	3 Years	141.5%	32.1%
3.	5 Years	337.9%	162.7%

Registrar and Transfer Agents:

MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited) (website: <https://in.mpmms.mufg.com/>) (email: mt.helpdesk@in.mpmms.mufg.com)

Pune Office	Mumbai Office
Block No. 202, Akshay Complex, Near Ganesh Temple, Pune- 411001	C 101, 247 Park, L.B.S. Marg, Vikhroli (W) Mumbai-400083
Phone No. (020) 2616 1629/26160084	Phone No. (022) 49186270
Fax No. (020) 2616 3503	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, MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited), 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 – Investors – Investor Service Requests.

Shareholding Pattern as on March 31, 2025.

Category	No. of Shares of Rs. 10 each	Percentage of shareholding
Promoters (Munot Family)	60,79,061	67.00
Banks, Financial Institutions, Insurance Companies, Mutual Funds	2,647	0.03
IEPF	68,776	0.76
Private Corporate Bodies	1,16,616	1.29
Indian Public	27,68,534	30.50
NRIs/ OCBs	37,666	0.42
Total	90,73,300	100
	As on March 31, 2025	As on March 31, 2024
No. of Shareholders	10,149	10,156

37. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2025

No. of Shares held (Face Value of Rs. 10 Each)	No. of Share-holders	% to total No. of share-holders	No. of Shares held	% to total No. of Shares
1-500	9,410	92.7	7,79,527	8.6
501-1000	380	3.7	2,82,321	3.1
1001-5000	296	2.9	6,07,332	6.7
5001-10000	21	0.2	1,54,667	1.7
10001 & above	42	0.5	72,49,453	79.9
Total	10,149	100.00	90,73,300	100.00

38. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The details of Equity shares dematerialized and those held in physical form as on March 31, 2025, are given hereunder:

Particulars of Equity Shares	Equity Shares of Rs. 10 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized form				
NSDL	50,52,830	55.7	4,836	47.6
CDSL	39,18,377	43.2	4,787	47.2
Sub-total				
Physical Form	1,02,093	1.1	526	5.2
Total	90,73,300	100	10,149	100

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 MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited), 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.

However, as per the SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 2, 2025, SEBI has opened special window for those shareholders holding shares in physical mode and who had lodged/ re-lodged request for transfer of physically held shares prior to April 1, 2019, for completion of such transfer, with effect from July 7, 2025 to January 6, 2026.

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	8.00
2024-25	Nil

*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

45. PLANT LOCATIONS (OWN):

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, 2025
1	DriveSys Systems Private Limited (Wholly-Owned Subsidiary of the Company)	i. Mr. Dinesh Munot- Chairman ii. Mr. Utkarsh Munot- Managing Director iii. Mr. S.A. Gundecha	48.25
2	NexSteer Systems Private Limited (Wholly-Owned Subsidiary of the Company)		19.68

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, 2025, 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		September 9, 2024

48. ADDRESS FOR INVESTOR CORRESPONDENCE:

For transfer/ dematerialization of shares MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited) 2202 A-Wing, Second Floor, AkshayComplex, Off Dhole Patil Road, Pune- 411 001 Phone- (020) 26161629/ 26163503/ 26160084 E-mail- pune@in.mpms.mufg.com

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 Phone- 02137-305100.

Pune
July 26, 2025

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 10th Sept, 2024.
2. This report contains details of compliance of conditions of Corporate Governance by ZFSteeringGear(India) Limited('the Company') for the year ended 31st March,2025as 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, 2025.

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: 25131090BMHWXZ3804
 Pune: July 26, 2025

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 2024-25.

For and on behalf of the Board of Directors

Pune
 July 26, 2025

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 17, 2025

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 Requirements) 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 VillageVadu Budruk Tal Shirur, Pune, Maharashtra, India, 412216 (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) 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, 2025 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 ¹	00044301	26/05/2009
2	DINESHCHAND HIRACHAND MUNOT	00049801	08/11/1986
3	UTKARSH DINESHCHAND MUNOT	00049903	31/10/2006
4	SMITA AMOL LAHOTI	08764528	27/06/2020
5	DINESH KESHARI CHAND BOTHRA	00049883	03/02/2024
6	ROHIT KISHOR RATHI	00018654	06/08/2024

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

Partner

FCS: 2298

CP: 1402

UDIN: F002298F000432123

Peer Review Certificate No.: 5460/2024

Date: 17/05/2025

Place: Pune

¹ Mr. Shridhar Kalmadi ceased to be a Director of the Company with effect from close of business hours on March 31, 2025.

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 or programs proposed to be undertaken and a reference to the web-link of 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.

1. Mr. Dinesh Munot	Chairman
2. Mr. Utkarsh Munot	Member/ Managing Director
3. Mr. Shridhar Kalmadi (up to March 31, 2025)	Member/ Independent Director
4. Mr. Bharat Agarwal (from April 1, 2025)	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

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 Maharashtra Madhya Pradesh	State Maharashtra Madhya Pradesh	District Pune Pithampur		0.56	0.56	NIL	No	Yashaswi BSA Yuvashakti Foundation
Total							0.56	0.56	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
	Total					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)	0.56
ii.	Total amount spent for the Financial Year	0.56
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 year

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

July 26, 2025

Dinesh Munot

Chairman

(DIN: 00049801)

ANNEXURE - IV to the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2025

[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** having (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 books, papers, minute books, forms and returns filed and other records maintained by the Company and based on such verification and also based on 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 31.03.2025 generally 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 31.03.2025 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) Regulations, 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 SEBI (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 except for a delay in the filing of Form DIR-12 for Mr. Dinesh Bothra (DIN: 00049883), which as informed by the Company, was due to a technical issue.

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, except for the Board Meeting dated 10th August, 2024 which was held at shorter notice 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.

As informed by the Company, we further report that during the audit period, following major events have taken place:

1. The Company, at its Annual General Meeting held on September 10, 2024, obtained approval from its shareholders to raise funds by way of issuance of equity shares for an amount not exceeding Rs. 200,00,00,000 (Rupees Two Hundred Crore only) through one or more permissible modes as may be permitted under applicable laws. Howev-

er, as on the date of this report, the Company has not taken any further steps to implement the said resolution.

2. 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.
3. ZF Friedrichshafen AG has filed Commercial IP Suit No. (L): 27382 of 2024 along with Interim Application No. (L): 28099 of 2024 before the Hon'ble High Court of Judicature at Bombay, inter-alia alleges an infringement and passing off, of the trademark/ mark "ZF" and/or "ZF India" and a claim of Rs. 200 Crore as damages. The case is now listed for hearing of interim application.
4. The Company has been allotted 40,54,500 (Forty lakh Fifty-Four Thousand Five Hundred) Equity shares of Rs. 10 each offered by its Subsidiary and Joint-Venture 'Metacast Auto Private Limited' as rights issue.

For SIUT & Co LLP

Company Secretaries

(Unique code: L2021MH011500)

Name: CS I U Thakur

Partner

FCS: 2298

CP: 1402

UDIN: F002298G000365881

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 and for which we relied on the report of statutory auditor.
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, and 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: 17/05/2025
Place: Pune

For SIUT & Co LLP
Company Secretaries
(Unique code: L2021MH011500)
Name: CS I U Thakur
Partner
FCS: 2298
CP: 1402
UDIN: F002298G000365881
Peer Review Certificate No.: 5460/2024



STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH, 2025

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 31 March 2025, 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 31 March 2025, 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 judgement, 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>Revenue recognition- Rebates, Discounts and Price Variations</p> <p>The Company measures revenue net of any trade discounts volume rebates and price variations. 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>Principal Audit Procedures</p> <ul style="list-style-type: none"> 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; 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); 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; 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; 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.

Sr. No.	Key Audit Matter	Auditor's Response	Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Evaluation of Investment in equity investment and loans given to Subsidiaries</p> <p>The Company has made equity investments of Rs. 12.97 crores and has advanced loans of Rs. 90.23 crores to DriveSys Systems Private Limited, NexSteer Systems Private Limited and Metacast Auto Private Limited.</p> <p>(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 Private Limited has been operational from March 2024 and Metacast Auto Private Limited has been operational from November 2024, whereas NexSteer Systems Private Limited is 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>Principal Audit Procedures</p> <p>With the assistance of our fair value specialists, we evaluated the reasonableness of the</p> <ul style="list-style-type: none"> (1) valuation methodology and (2) discount rate by: • Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation. • Developing a range of independent estimates and comparing those to the discount rate selected by management. • Performed a sensitivity analysis to determine the effect of variation in the cash flow estimates. 	3	<p>Litigation with regard to Trade Mark disclosed in note 37 of Financial Statements</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>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.</p> <p>In current year, ZF Friedrichshafen AG and ZF India Private Limited have filed a Commercial IP Suit along with Interim Application before the Hon'ble High Court of Judicature at Bombay. Refer Note No. 37 of Standalone Financial Statements.</p> <p>Whether a liability is to be recognized or disclosed as a contingent liability in the financial statements is inherently judgemental 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>Principal Audit Procedures</p> <p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • 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. • 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. • Assessed management's discussions held with their legal consultants and understanding precedents in similar cases; • 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.

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, 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 to those charged with governance. We have nothing to report in this regard.

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

The accompanying Standalone Financial Statements have been approved by the Company's Board of Directors. 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 and other accounting principles generally accepted in India. 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 judgement 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 on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

- 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 read with Schedule V 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, 2025 on its financial position in its Standalone Financial Statements. Refer Note 31 and 37 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.

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. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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: 25131090BMHWWL4876
 Pune, May 17, 2025**

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, 2025.

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, 2025 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, 2025, 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: 25131090BMHWWL4876
Pune, May 17, 2025

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, 2025.

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:

Description of property	Land at Koregaon Bhima, Taluka Shirur, District Pune, Maharashtra	Land at Koregaon Bhima, Taluka Shirur, District Pune, Maharashtra
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 monthly 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: -

Particulars	Loan to employees (Rs. In Crores)	Loan to Subsidiaries (Rs. In Crores)	Loan to Others (Rs. In Crores)	Guarantees/ Securities Provided (Rs. In Crores)
Aggregate amount provided during the year	0.02	42.51	(0.50)	8.39
Balance Outstanding as at Balance Sheet Date	0.19	90.23	1.87	41.10

(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 of loan to subsidiaries is not initiated currently due to moratorium period of three years. After which the loan will be repayable within next four years. The repayments/ receipts of interest are regular.

(d) There is no overdue amount in respect of loans or advances in the nature of loan granted to such companies, firms, LLPs or other parties.

(e) The Company has granted loans or advances to its subsidiaries in the nature of loans. Repayment

obligations (including interest) which had fallen due during the year has been repaid on or before their respective due dates. The repayment period of the principal sum granted to subsidiaries that was falling due from April 2025 to March 2030 has been modified to April 2026 to March 2030. Moreover, during the year fresh loans have been granted amounting to Rs. 42.51 crores, to cover working capital needs and repayment obligations of the subsidiaries. The aggregate amount of repayment obligations settled from such fresh loans is Rs. 14.61 crores which is 34.37 % of the total loans granted during the year to the subsidiaries.

- (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)

Details of dues of Income Tax, Excise Duty and Value Added Tax which have not been deposited as at 31 March, 2025 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	Assessment Dues	CIT (Appeal), Delhi	FY 2014-15	1.80
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*
Income Tax Act, 1961	Assessed TDS Dues by CPC	CIT (Appeal), Delhi	FY 2012-13	0.03
Maharashtra Value Added Tax, 2002	Assessment Dues	Jt. Commissioner Appeal	FY 2016-17	0.34
Central Excise Act	Excise dues	CESTAT, Mumbai		0.11
Goods & Service Tax Act	GST dues	GST Appellate Authority, Madhya Pradesh	From 2017-18 (July 2017 to March 2018) to FY 2021- 22	0.06
Goods & Service Tax Act	GST dues	Superintendent, CGST Pithampur -I	FY 2019-20	0.01
Goods & Service Tax Act	GST dues	GST Appellate Authority, Rudrapur	FY 2023-24	0.11
Goods & Service Tax Act	GST dues	GST Appellate Authority, Karnataka	FY 2024-25	0.05
Labour Laws	Building Cess, Madhya Pradesh	Office of the Cess Assessment Officer and Assistant Labour Commissioner, Indore	FY 2018-19, FY 2019-20 and FY 2020-21	0.31

* 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 on thereon to any lender.

b) According to the information and explanations given to us including representation receive 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 2025.

(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) and (b) 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: 25131090BMHWWL4876
Pune, May 17, 2025**

STANDALONE BALANCE SHEET
AS AT 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	Notes	As at 31 March, 2025	As at 31 March, 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	3[a]	120.85	122.99
Right of use asset	3[b]	9.96	11.46
Capital work-in-progress	3[c]	2.37	3.59
Investment Property	4[b]	0.71	0.75
Other Intangible assets	4[a]	0.73	0.79
Intangible assets under development	3[d]	-	0.33
Financial assets			
(i) Investments	5[a]	168.53	142.12
(ii) Loans	5[e]	92.21	50.20
(iii) Other non-current financial assets	5[f]	0.66	0.67
Other non-current assets	6	2.46	3.76
Income Tax Assets (Net)	7	3.19	4.49
Deferred Tax Assets (Net)	8	8.81	16.66
Total non-current assets		410.48	357.81
Current assets			
Inventories	9	62.16	66.37
Financial assets			
(i) Trade receivables	5[b]	111.73	97.70
(ii) Cash and cash equivalents	5[c]	0.74	12.89
(iii) Bank Balances other than cash and cash equivalents	5[d]	0.19	0.16
(iv) Loans	5[e]	0.08	0.06
(v) Others	5[f]	5.80	5.68
Other current assets	6	3.11	4.45
Total current assets		183.81	187.31
TOTAL ASSETS		594.29	545.12

STANDALONE BALANCE SHEET
AS AT 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	Notes	As at 31 March, 2025	As at 31 March, 2024
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	9.07	9.07
Other equity	11	480.79	454.07
Total Equity		489.86	463.14
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liability	12[c]	1.91	3.17
Provisions	13	1.02	1.05
Other non-current liabilities	14	0.48	0.96
Total non-current liabilities		3.41	5.18
Current liabilities			
Financial liabilities			
(i) Borrowings	12[a]	37.74	29.09
(ii) Trade payables			
A) Total outstanding dues of Micro and Small Enterprises	12[b]	4.51	4.87
B) Total outstanding dues of creditors other than Micro and Small Enterprises	12[b]	38.12	26.90
(iii) Lease Liability	12[c]	1.21	1.07
(iv) Others	12[d]	6.92	3.41
Provisions	13	3.20	2.99
Other current liabilities	14	9.32	8.47
Total current liabilities		101.02	76.80
Total liabilities		104.43	81.98
TOTAL EQUITY AND LIABILITIES		594.29	545.12

Material Accounting Policies

2

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

As per our report of even date

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.
CIN: L29130PN1981PLC023734

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Chairman of Audit Committee
DIN :10929891

Kaustubh Deshpande
Partner
Membership No. : 131090

Jinendra Jain
Chief Financial Officer

Satish Mehta
Company Secretary

Place: Pune
Date: 17 May, 2025
Place: Pune
Date: 17 May, 2025

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	Note	For the year ended 31 March, 2025	For the year ended 31 March, 2024
INCOME			
Revenue from operations	15	492.86	477.87
Other income	16	28.21	37.78
Total Income		521.07	515.65
EXPENSES			
Cost of raw material consumed	17	317.95	321.09
Change in Inventory of finished goods and work-in-progress	18	1.60	(7.94)
Employee benefits expense	19	66.14	63.93
Other expenses	20	50.66	48.22
Total Expenses		436.35	425.30
Profit before interest, tax, depreciation, amortisation expenses and exceptional items (EBITDA)		84.72	90.35
Finance costs	21	2.86	0.91
Depreciation and amortisation expense	22	31.42	33.40
Profit before exceptional items and tax		50.44	56.04
Exceptional items		-	-
Profit before tax		50.44	56.04
Tax Expense	23		
Current tax		13.94	9.83
Minimum Alternative Tax (MAT) credit entitlement		-	(1.48)
Deferred tax		2.61	(0.03)
Total tax expense		16.55	8.32
Net Profit for the year after tax		33.89	47.72
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		0.14	0.58
- Income tax relating to the above items	23	(0.05)	(0.20)
Other comprehensive income for the year (net of tax)		0.09	0.38
Total comprehensive income for the year		33.98	48.10
Earnings per equity share of Rs 10 each	24		
Basic and diluted earnings per share		37.35	52.59

Material Accounting Policies

2

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As per our report of even date

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Satish Mehta
Company Secretary

Place: Pune
Date: 17 May, 2025

Place: Pune
Date: 17 May, 2025

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2025
 (All amount in Rs. Crores unless otherwise stated)

	For the year ended 31 March, 2025	For the year ended 31 March, 2024
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/ (Loss) before exceptional items and tax	50.44	56.04
Adjustments for:		
Depreciation and amortisation expense	31.42	33.40
Interest paid	2.86	0.91
Fair value change in investment	(4.76)	(15.64)
(Profit)/ Loss on sale of property, plant & equipment	(0.07)	(3.23)
(Profit)/ Loss on sale of investment	(8.12)	(7.51)
Interest Income	(7.07)	(3.27)
Exchange variation	(0.08)	0.19
Dividend received	(0.49)	(0.36)
Operating profit before working capital changes	64.13	60.53
Adjustments for changes in working capital:		
(Increase)/ Decrease in inventory	4.21	(8.22)
(Increase)/ Decrease in trade receivables and financial asset	(14.19)	1.83
(Increase)/ Decrease in other current assets and non-current assets	5.10	0.48
(Increase)/ Decrease in trade payable and financial liabilities	13.25	(3.87)
(Increase)/ Decrease in other liabilities and provisions	(6.18)	1.87
Cash generated from operations	66.32	52.62
Income tax paid - Net	(7.45)	(9.89)
Net cash generated from operating activities	58.87	42.73
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(23.67)	(26.57)
Sale proceed from property, plant and equipment	1.82	4.48
Interest received	7.06	3.25
Dividend received	0.49	0.36
Purchase of Investment	(59.50)	(5.03)
Sale proceed from Investment	51.05	41.50
Investment in subsidiaries	(4.87)	0.03
Loans given to subsidiaries (net)	(42.52)	(35.31)
Loan Given to Others	0.56	-
Net cash used in investing activities	(69.58)	(17.29)

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	For the year ended 31 March, 2025	For the year ended 31 March, 2024
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	3.85	-
Repayment of borrowings	-	(2.58)
Proceeds from bill discounting (net)	4.80	(4.47)
Dividend paid	(7.23)	(4.75)
Interest paid	(2.86)	(0.91)
Net cash used in financing activities	(1.44)	(12.71)
Net Increase/ (Decrease) in cash and cash equivalents	(12.15)	12.73
Cash and cash equivalents as at the beginning of the year	12.89	0.16
Cash and cash equivalents as at the end of the year	0.74	12.89
Cash and cash equivalents comprise of the following:		
Cash on hand	0.01	0.02
Balances with banks - Current accounts	0.73	12.87
	0.74	12.89

Material Accounting Policies

2

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

As per our report of even date

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.
CIN: L29130PN1981PLC023734

For Joshi Apte & Co.
Firm Registration Number: 104370W
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Partner
Membership No. : 131090

Jinendra Jain
Chief Financial Officer

Satish Mehta
Company Secretary

Place: Pune
Date: 17 May, 2025

Place: Pune
Date: 17 May, 2025

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at 01 April, 2024		9.07
Changes in equity share capital due to prior period errors		-
Restated balance as at 01 April 2024		9.07
Changes in equity share capital during the current year	10	-
As at 31 March, 2025		9.07

	Notes	Amount
As at 01 April, 2023		9.07
Changes in equity share capital due to prior period errors		-
Restated balance as at 01 April 2023		9.07
Changes in equity share capital during the previous year	10	-
As at 31 March, 2024		9.07

B. Other Equity

	Attributable to owners Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 01 April, 2024	0.35	2.32	235.00	216.40	454.07
Profit for the year	-	-	-	33.89	33.89
Other comprehensive income for the year (net of tax)	-	-	-	0.09	0.09
Total comprehensive income for the year	-	-	-	33.98	33.98
Dividend paid	-	-	-	(7.26)	(7.26)
Balance at 31 March, 2025	0.35	2.32	235.00	243.12	480.79

	Attributable to owners Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 01 April, 2023	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
Total comprehensive income for the year	-	-	-	48.10	48.10
Dividend paid	-	-	-	(4.54)	(4.54)
Balance at 31 March, 2024	0.35	2.32	235.00	216.40	454.07

Material Accounting Policies

2

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

As per our report of even date

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.
CIN: L29130PN1981PLC023734

For Joshi Apte & Co.

Firm Registration Number: 104370W
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Partner
Membership No. : 131090

Jinendra Jain

Chief Financial Officer

Satish Mehta

Company Secretary

Place: Pune

Date: 17 May, 2025

Place: Pune

Date: 17 May, 2025

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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 17, 2025.

(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
- The financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency and all values are rounded off to nearest crores, except when otherwise indicated. Whenever, an amount is presented as INR "0"(Zero) in crores its construct value is less than Rs.1,00,000.

(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, 2025 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 Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in normal operating cycle,
- b) it is held primarily for the purpose of trading,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

- c) it is due to be settled within twelve months after the reporting period
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

2.4 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.

2.5 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.

2.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expense the related costs for which the grants are intended to compensate. Specifically,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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.

2.7 Income Tax

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

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

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

2.8 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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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.

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) 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amount in Rs. Crores unless otherwise stated)

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.

(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.

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(All amount in Rs. Crores unless otherwise stated)

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 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 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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

	Gross Block			Accumulated Depreciation			Net Block		
	Carrying amount as at 1 April, 2024	Additions / Disposals	Deletions / Disposals	Balance as at 31 March, 2025	Balance as at 1 April, 2024	Depreciation for the year	Accumulated depreciation on deletions/ disposals	Balance as at 31 March, 2025	As at 31 March, 2024
Property, Plant and Equipment (PPE)									
Land*	1.09	-	-	1.09	-	-	-	-	1.09
Buildings	55.42	1.46	-	56.88	22.96	3.32	-	26.28	30.60
Plant & Equipment	217.50	25.77	(21.21)	222.06	152.25	20.94	(19.52)	153.67	68.39
Plant & Equipment (R & D)	1.17	-	-	1.17	0.98	-	-	0.98	0.19
Furniture & Fixtures	4.02	0.23	-	4.25	2.42	0.42	-	2.84	1.41
Vehicles	10.78	-	(0.14)	10.64	6.96	1.14	(0.12)	7.98	2.66
Office Equipment	7.08	1.04	(0.32)	7.80	5.51	0.80	(0.30)	6.01	1.79
Electrical Installation	9.56	0.53	-	10.09	7.13	0.73	-	7.86	2.23
ETP/STP Plant	0.36	-	-	0.36	0.27	0.02	-	0.29	0.07
Wind Mills	15.32	-	-	15.32	6.35	1.04	-	7.39	7.93
Solar Power Plant	26.92	-	-	26.92	21.41	1.02	-	22.43	4.49
	349.22	29.03	(21.67)	356.58	226.24	29.43	(19.94)	235.73	120.85
Property, Plant and Equipment (PPE)									
Land*	1.09	-	-	1.09	-	-	-	-	1.09
Buildings	55.34	0.08	-	55.42	18.77	4.19	-	22.96	32.46
Plant & Equipment	203.69	21.76	(7.95)	217.50	138.34	21.00	(7.09)	152.25	65.25
Plant & Equipment (R & D)	1.17	-	-	1.17	0.98	-	-	0.98	0.19
Furniture & Fixtures	3.93	0.31	(0.22)	4.02	2.12	0.47	(0.17)	2.42	1.60
Vehicles	10.21	1.11	(0.54)	10.78	5.96	1.51	(0.51)	6.96	3.82
Office Equipment	6.06	1.04	(0.02)	7.08	4.65	0.88	(0.02)	5.51	1.57
Electrical Installation	9.12	0.63	(0.19)	9.56	6.27	1.04	(0.18)	7.13	2.43
ETP/STP Plant	0.36	-	-	0.36	0.24	0.03	-	0.27	0.09
Wind Mills	15.32	-	-	15.32	5.16	1.19	-	6.35	8.98
Solar Power Plant	26.92	-	-	26.92	20.15	1.26	-	21.41	5.51
	333.21	24.93	(8.92)	349.22	202.64	31.57	(7.97)	226.24	122.99

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025
 (All amount in Rs. Crores unless otherwise stated)

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

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 :

1. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rule made thereunder.
2. Refer Note 2.11 for policy on depreciation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

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3 [b] Right of Use Asset

	Category of Right of Use asset
	Leasehold land & Office Premises
Balance as at 01 April, 2024	11.46
Additions	-
Amortisation	1.50
Balance as at 31 March, 2025	9.96
Balance as at 01 April, 2023	12.92
Additions	-
Amortisation	1.46
Balance as At 31 March, 2024	11.46

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

	As at 31 March, 2025	As at 31 March, 2024
Projects in progress	2.37	3.59
Projects temporarily suspended	-	-
	2.37	3.59

Capital Work-in-Progress ageing schedule as on 31 March, 2025

Particulars	As on 31 March, 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.37	-	-	-	2.37
Projects temporarily suspended	-	-	-	-	-

Capital Work-in-Progress aging schedule as on 31 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	-	-	-	-	-

3 [d] Intangible assets under development

	As at 31 March, 2025	As at 31 March, 2024
Projects in progress	-	0.33
Projects temporarily suspended	-	-
	-	0.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Intangible assets under development aging schedule as on 31 March, 2025

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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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					

Note:

There was no overdue completion for any of the projects and there was no cost overrun for any project in FY 2024-25 and FY 2023-24. There were no material projects which have exceeded their original plan cost as at 31st March, 2025.

4 a) INTANGIBLE ASSETS

	Computer software	Technical know how	Patent	Total
Gross Carrying Amount				
Carrying amount as at 01 April, 2024	6.39	0.01	0.05	6.45
Additions	0.46	-	-	0.46
Disposals / adjustments	(1.66)	-	-	(1.66)
At March 31, 2025	5.19	0.01	0.05	5.25
Accumulated amortization and impairment, if any				
Carrying amount as at 01 April, 2024	5.63	-	0.03	5.66
Charge for the year	0.50	-	0.00	0.50
Disposals / adjustments	(1.64)	-	-	(1.64)
As at 31 March, 2025	4.49	-	0.03	4.52
Net Block as at 31 March, 2025	0.70	0.01	0.02	0.73

	Computer software	Technical know how	Patent	Total
Gross Carrying Amount				
Carrying amount as at 01 April, 2023	6.06	0.01	0.05	6.12
Additions	0.33	-	-	0.33
Disposals / adjustments	-	-	-	-
As at 31 March, 2024	6.39	0.01	0.05	6.45
Accumulated amortization and impairment, if any				
Carrying amount as at 01 April, 2023	5.29	-	0.02	5.31
Charge for the year	0.34	-	0.01	0.35
Disposals / adjustments	-	-	-	-
As at 31 March, 2024	5.63	-	0.03	5.66
Net Block as at 31 March, 2024	0.76	0.01	0.02	0.79

Amount of depreciation pertaining to patent as on 31 March, 2025 is Rs. 29,702 (31 March, 2024 Rs. 64,224).

Refer Note 2.13 for policy on depreciation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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4 b) INVESTMENT PROPERTY

	As at 31 March, 2025
Balance as at 01 April, 2024	0.75
Additions	-
Deletions	0.04
Amortisation	0.04
Balance as at 31 March, 2025	0.71
	As at 31 March, 2024
Balance as at 01 April, 2023	1.08
Additions	-
Deletions	0.29
Amortisation	0.04
Balance as at 31 March, 2024	0.75

Fair Market Value of investment property at ICC Tower, Pune as on 31 March, 2025 Rs. 8.28 Crores (31 March, 2024 Rs. 8.20 Crores).

Refer Note 2.12 for policy on investment properties.

5 FINANCIAL ASSETS

5 (a) INVESTMENTS

	Notes	31-Mar-25	31-Mar-24
Non-Current			
Investments in equity shares (quoted, fully paid-up, at FVTPL)	See note (i)	31.22	32.53
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)	119.94	97.08
Investments in subsidiaries (unquoted, at cost)	See note (iv)	12.97	8.11
		168.53	142.12
		31-Mar-25	31-Mar-24
Aggregate amount of quoted investments and market value thereof		151.16	129.61
Aggregate amount of quoted investments (at amortised cost)		4.40	4.40
Aggregate amount of unquoted investments (at cost)		12.97	8.11

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

	31-Mar-25		31-Mar-24	
	Nos	Amount	Nos	Amount
ICICI Bank Limited (Face value of Rs. 2 each)	78,424	10.58	78,424	8.57
Tata Consultancy Services Limited (Face value of Re. 1 each)*	24,432	8.81	24,432	9.47
KPIT Technologies Limited (Face value of Rs. 10 each)	60,000	7.85	60,000	8.92
Birlasoft Limited (Face value of Rs. 2 each)	38,011	1.47	38,011	2.82
Borosil Renewables Limited (Face value of Re. 1 each)	8,000	0.38	8,000	0.40
Infosys Limited (Face value of Rs. 5 each)	-	-	5,386	0.81
Mahindra & Mahindra Limited (Face value of Rs. 5 each)	8,000	2.13	8,000	1.54
		31.22		32.53

* Equity shares of TCS Ltd. (Nos.5,000) having a market value of Rs 1.80 Crores as at 31 March, 2025 (31 March, 2024 Rs.1.94 Crores) are pledged in favour of Prabhudas Lilladher Pvt. Ltd. (A stock broker) as Margin.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amount in Rs. Crores unless otherwise stated)

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

	31-Mar-25		31-Mar-24	
	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
		4.40		4.40

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

Nature	31-Mar-25		31-Mar-24	
	Nos	Amount	Nos	Amount
HDFC Banking and PSU Debt Fund - Direct- Growth ¹	1,19,34,999	27.94	1,19,34,999	25.76
Kotak banking and PSU debt fund - Direct - Growth ²	42,00,467	27.97	42,00,467	25.77
Kotak Nifty SDL July 2033 Index Fund - Direct - Growth ³	49,66,723	6.03	49,66,723	5.48
HDFC Credit Risk Debt Fund - Growth ³	49,63,912	12.59	49,63,912	11.60
Tata Nifty G-Sec Dec 2029 Index Fund - Direct Plan - Growth ³	49,17,388	5.89	49,17,388	5.40
Invesco India Corporate bond Fund - Direct - Growth	24,770	8.25	24,770	7.58
Invesco India Arbitrage Fund - Direct - Growth	38,63,519	13.10	-	-
Mirae Asset Nifty 8-13 Year G-SEC ETF	21,02,677	5.95	21,02,677	5.42
360 One special opportunities fund	20,20,047	0.15	20,20,047	1.03
Bajaj Finserv Flexi Cap Fund - Direct- Growth	20,00,000	2.66	20,00,000	2.36
HDFC Manufacturing Fund - Direct - Growth	20,00,000	1.97	-	-
Tata India Innovation Fund	14,97,181	1.35	-	-
Mirae Asset Nifty 200 Alpha 30 ETF	5,85,151	1.31	5,85,151	1.35
IRB Invit fund	1,00,000	0.50	1,00,000	0.67
ICICI Prudential Multi asset Fund - Direct - Growth	54,120	4.28	-	-
HDFC Defence Fund - Direct- Growth	-	-	20,00,000	3.32
ICICI Prudential Commodities Fund Direct Growth	-	-	3,46,630	1.37
Reliance Capital Limited Series B/ 437 - NCD	-	-	500	-
		119.94		97.08

Note:

1. Total 1,19,34,999 units are pledged against overdraft facility utilised by the company.
2. Total 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) to Kotak Mahindra Bank Ltd.
3. Total 1,48,48,023 units are pledged against Term loan facility used by Drivesys Sysytems Private Limited (Wholly owned Subsidiary) to Kotak Mahindra Bank Ltd.
4. Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.

(iv) Investments in subsidiaries (unquoted, at cost)

	31-Mar-25			31-Mar-24		
	Nos	Amount	%	Nos	Amount	%
Investment in Wholly Owned Subsidiaries						
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
		8.08			8.08	

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(All amount in Rs. Crores unless otherwise stated)

	31-Mar-25			31-Mar-24		
	Nos	Amount	%	Nos	Amount	%
Investment in Subsidiary						
Metacast Auto Private Limited (Face value of Rs. 10 each, fully paid)*	40,80,000	4.89	51.00	25,500	0.03	51.00
		4.89			0.03	

*During the year, Company has subscribe to Right Issue made by the Metacast Auto Private Limited at Rs. 12 per share (Face value Rs.10 plus Share premium Rs.2).

5 (b) TRADE RECEIVABLES

	31-Mar-25	31-Mar-24
Trade receivables	111.73	97.70
Less: Allowance for doubtful debts		
Total receivables	111.73	97.70
Current portion	111.73	97.70
Non-current portion	-	-

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

Break-up of security details

	31-Mar-25	31-Mar-24
Trade receivables		
Unsecured, considered good	111.73	97.70
Sub-total	111.73	97.70
Less: Impairment allowance	-	-
Total	111.73	97.70

Note:

- The Company's exposure to credit risk, currency risk related to trade receivables are disclosed in Note no. 25.
- Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.
- Refer Note 35 for amount receivable from related parties which includes debts, trade receivables.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

Ageing of Trade Receivables as on 31st March, 2025

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	98.88	12.31	0.53	0.01	-	-	111.73
(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, 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	-	-	-	-	-	-	-

5 (c) CASH AND CASH EQUIVALENTS

	31-Mar-25	31-Mar-24
Cash on hand	0.01	0.02
Balances with banks - Current accounts	0.73	12.87
	0.74	12.89

Note: Company has not traded or invested in Crypto Currency or Virtual Currency during the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

5 (d) BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

	31-Mar-25	31-Mar-24
Balances with banks in - on account of unpaid dividends	0.19	0.16
	0.19	0.16

5 (e) LOANS

	31-Mar-25	31-Mar-24
Non Current (Unsecured, considered good)		
Loan to subsidiaries ¹	90.23	47.72
Loan to Others ²	1.87	2.37
Loan to employees	0.11	0.11
	92.21	50.20
Current (Unsecured, considered good)		
Loan to employees	0.08	0.06
	0.08	0.06

1. The company has provided loan to subsidiaries for the purpose of Capital Expenditure and also to meet the working capital requirement of such business exclusively. The loan is repayable after April, 2026 upto March, 2030 and interest is accrued on monthly basis, payable annually on 31st March.
2. The company has provided loan to Supreme Autocast a vendor for the purpose of Capital Expenditure.

Name of the Loanee	Rate of interest	Secured/ Unsecured	Maximum Amount Outstanding During the year		Outstanding as at	
			31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Drivesys Systems Private Limited	Repo Rate + 3.20%	Unsecured	48.25	19.17	48.25	19.17
Nexsteer Systems Private Limited	Repo Rate + 2.20%	Unsecured	19.68	13.04	19.68	13.04
Metacast Auto Private Limited **	Repo Rate + 2.40%	Unsecured**	25.57	22.52	22.30	15.52

- (i) 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 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 date.
- (ii) The Company has complied the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money Laundering Act, 2002 (15 of 2003).
- (iii) Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.
- (iv) Company has issued comfort letter in lieu of Corporate Guarantee on behalf of subsidiary to their banker towards credit facilities.

** The Company has created charge over the 49% shares of Metacast Auto Pvt Ltd, which are held by Suprem Iron (India) Pvt. Ltd.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

5 (f) OTHERS FINANCIAL ASSETS

	31-Mar-25	31-Mar-24
Non-Current (Unsecured, considered good)		
Security Deposits	0.66	0.67
	0.66	0.67
Current		
Incentives under Government schemes/ Grant	4.21	4.24
Interest on Fixed Deposit/ others	0.18	0.19
Gratuity (net) (Refer note 29)	1.41	1.25
	5.80	5.68

(i) Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.

6 OTHER ASSETS

	31-Mar-25	31-Mar-24
Non-Current		
Capital Advances	2.46	3.76
	2.46	3.76
Current		
Balances with Government authorities	0.35	0.39
Prepaid expenses	1.99	2.62
Advances to suppliers	0.77	1.44
	3.11	4.45

7 NON-CURRENT TAX ASSETS

	31-Mar-25	31-Mar-24
Non-Current		
Opening balance	4.49	4.43
Add: Taxes paid during the year	7.45	9.89
Less: Tax expenses pertaining to current year	(13.94)	(9.83)
Less: MAT credit utilized during the year	5.19	-
Closing balance	3.19	4.49

8 DEFERRED TAX ASSETS (Net)

	31-Mar-25	31-Mar-24
Deferred tax (liabilities)/ assets		
Minimum Alternative Tax (MAT) credit	10.13	15.32
Property, plant and equipment	5.66	5.07
Provision for expenses to be claimed on payment basis	(0.08)	0.13
Financial asset at fair value through profit and loss (FVTPL)	(7.52)	(4.46)
Business Loss	-	0.40
Others	0.62	0.20
Deferred tax (liabilities)/ assets net	8.81	16.66

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	01-Apr-24	Recognised in			31-Mar-25
		Profit or loss	OCI	Equity	
Property, plant and equipment	5.07	0.59	-	-	5.66
Provision for expenses to be claimed on payment basis	0.13	(0.16)	(0.05)	-	(0.08)
Financial asset at fair value through profit and loss (FVTPL)	(4.46)	(3.06)	-	-	(7.52)
Business Loss	0.40	(0.40)	-	-	-
Others	0.20	0.42	-	-	0.62
	1.34	(2.61)	(0.05)	-	(1.32)

	01-Apr-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
Financial asset at fair value through profit and loss (FVTPL)	(3.58)	(0.88)	-	-	(4.46)
Business Loss	0.40	-	-	-	0.40
Others	-	0.20	-	-	0.20
	1.52	0.02	(0.20)	-	1.34

9 INVENTORIES

		31-Mar-25	31-Mar-24
(at lower of cost or net realisable value)			
Raw materials		10.10	12.71
Work - in - Progress		28.30	30.32
Finished Goods		23.76	23.34
Total		62.16	66.37
Included in inventories goods in transit/ at godown as follows:			
Raw materials		-	0.67
Finished goods		12.43	10.87
Total		12.43	11.54

Refer note 2.9 for policy on Valuation of Inventories.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

10 SHARE CAPITAL

[a] Authorised share capital

	31-Mar-25	31-Mar-24
2,00,00,000 Equity shares of Rs.10/- each (31 March, 2024: 2,00,00,000 Equity shares of Rs.10/- each)	20.00	20.00
	20.00	20.00

[b] Issued, subscribed and fully paidup share capital

	31-Mar-25	31-Mar-24
90,73,300 Equity shares of Rs.10/- each (31 March, 2024: 90,73,300 Equity shares of Rs.10/- each)	9.07	9.07
	9.07	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.

The Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

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.

The shareholders of the company at its annual general meeting held on 10 September 2024 declared dividend of Rs.8/- per equity share of Rs. 10 each for the Financial Year 2023-24.

[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-25		31-Mar-24	
	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 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

[d] Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as on 31st March, 2025 is as follows

Promoter Name	Shares held by Promoters				% Change during the year	
	As on 31st March, 2025		As on 31st March, 2024			
	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	2,24,059	2.47	-	
Mrs. Amita Jinendra Munot	1,47,215	1.62	1,47,215	1.62	-	
Mrs. Pramila Amolchand Munot	1,30,616	1.44	1,45,753	1.61	(0.17)	
Mrs. Trupti Sushen Gupta	1,23,496	1.36	1,23,496	1.36	-	
Mr. Piyush Jinendra Munot	1,16,235	1.28	1,16,235	1.28	-	
Mr. Yash Munot	1,13,427	1.25	1,13,427	1.25	-	
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. Preerna Bothra	1,886	0.02	1,886	0.02	-	
Robert Bosch Automotive Steering GmBH**	-	-	-	-	-	
	60,79,061	66.99	60,94,198	67.17	(0.17)	

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

11 OTHER EQUITY

	31-Mar-25	31-Mar-24
General Reserve	235.00	235.00
Securities Premium	2.32	2.32
Capital Reserve	0.35	0.35
Retained Earnings	243.12	216.40
	480.79	454.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

(i) General Reserve

	31-Mar-25	31-Mar-24
Balance at the beginning of the year	235.00	235.00
Movement during the year	-	-
Balance at the end of the year	235.00	235.00

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

(ii) Securities Premium

	31-Mar-25	31-Mar-24
Balance at the beginning of the year	2.32	2.32
Movement during the year	-	-
Balance at the end of the year	2.32	2.32

Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013.

(iii) Capital Reserve

	31-Mar-25	31-Mar-24
Balance at the beginning of the year	0.35	0.35
Movement during the year	-	-
Balance at the end of the year	0.35	0.35

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-25	31-Mar-24
Balance at the beginning of the year	216.40	172.84
Net profit for the year	33.89	47.72
Dividend Paid	(7.26)	(4.54)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation (net of tax)	0.09	0.38
Balance at the end of the year	243.12	216.40

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 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

12 FINANCIAL LIABILITIES

12 [a] CURRENT BORROWINGS

	Security	31-Mar-25	31-Mar-24
Secured			
(i) From banks			
Overdraft Facilities	These facilities are secured against pledge of certain financial asset of the Company (refer note 5a).	3.85	-
Bill discounting with banks	Secured against trade receivables of Tata Motors	33.89	29.09
		37.74	29.09

1. 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-25	31-Mar-24
Current			
Total outstanding dues of Micro and Small Enterprises (Refer note -30)		4.51	4.87
Total outstanding dues of creditors other than Micro and Small Enterprises		38.12	26.90
		42.63	31.77

(i) Details of trade payables to related parties are disclosed as part of note 35 - 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 31 March, 2025

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) Micro and Small Enterprises	-	4.47	0.04	-	-	-	4.51
(ii) Others	6.37	18.94	12.76	0.05	-	-	38.12
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	6.37	23.41	12.80	0.05	-	-	42.63

Ageing of Trade Payables as on 31 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) Micro and Small Enterprises	-	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	-	-	-	-	-	-	-
TOTAL	5.67	12.73	13.19	0.18	-	-	31.77

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025
(All amount in Rs. Crores unless otherwise stated)

12 [c] LEASE LIABILITY

	31-Mar-25	31-Mar-24
Non-current		
Lease liability	1.91	3.17
	1.91	3.17
Current		
Lease liability	1.21	1.07
	1.21	1.07

The following is the movement in lease liability during the year ended 31 March, 2025:-

	Amount
Balance as of 1 April 2024	4.24
Addition	-
Finance cost accrued during the period	0.30
Payment of Lease Liability	(1.42)
Balance as on 31 March, 2025	3.12
Balance as of April 1, 2023	5.08
Addition	-
Finance cost accrued during the period	0.40
Payment of Lease Liability	(1.24)
Balance as on 31 March, 2024	4.24

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March, 2025 on an undiscounted basis:

	31-Mar-25	31-Mar-24
Less than 1 year	1.42	1.36
one to five year	1.48	2.72
More than 5 year	1.26	1.44
Total	4.16	5.52

12[d] OTHERS

	31-Mar-25	31-Mar-24
Current		
Payable for capital goods	6.73	3.25
Unpaid dividends	0.19	0.16
	6.92	3.41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

13 PROVISIONS

	31-Mar-25	31-Mar-24
Non-current		
Provision for leave encashment	1.02	1.05
	1.02	1.05
Current		
Provision for leave encashment	1.11	1.38
Warranty provision [See note (i) below]	2.09	1.61
	3.20	2.99

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

	31-Mar-25	31-Mar-24
Carrying amount in the beginning of the year	1.61	0.99
Additional provision made	1.57	1.50
Amount used	(1.09)	(0.88)
Carrying amount at the end of the year	2.09	1.61

14 OTHER LIABILITIES

	31-Mar-25	31-Mar-24
Non Current		
Deferred Income	0.01	0.01
Security Deposit	0.47	0.47
Export Promotion Capital Goods (EPCG) (see note (i) below)	-	0.48
	0.48	0.96
Current		
Advance from customers	1.61	1.70
Deferred revenue	0.76	0.89
Statutory liabilities	4.26	3.74
Others	2.69	2.14
	9.32	8.47

Note :

(i) As per EPCG scheme, the Company is committed to prescribed times of duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. This grants relating to property, plant and equipment related to duty saved on import of capital goods under EPCG scheme.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

15 REVENUE FROM OPERATIONS

	For the year ended	
	31-Mar-25	31-Mar-24
Revenue from sale of products		
-Sale of Products	484.63	465.50
	484.63	465.50
Revenue from rendering services		
- Domestic services	1.55	1.72
	1.55	1.72
Other operating income		
- Solar power income	4.50	7.94
- Windmill income	0.54	1.05
- Sale of scrap	1.64	1.66
	6.68	10.65
	492.86	477.87

16 OTHER INCOME

	For the year ended	
	31-Mar-25	31-Mar-24
Dividend income	0.49	0.36
Interest income from financial assets measured at amortized cost	7.07	3.27
Realised gains on Financial assets Investment measured at FVTPL*	8.12	7.51
Unrealised gain/ (loss) on Financial assets Investment measured at FVTPL	4.76	15.64
Profit on sale/ discard of assets	0.07	-
Profit on sale of investment property	-	3.32
Foreign exchange gain	0.08	-
Government grants**	4.64	5.01
Export incentive	0.20	0.35
Other non-operating income	1.74	1.34
Rental Income from Investment Property	1.04	0.98
	28.21	37.78

* The realised gain includes Rs.3.28 Cr received from Reliance Capital Limited of NCD under insolvency resolution plan as per NCLT guideline.

** Government Grants include subsidy due / received from Madhya Pradesh State Government Rs. 4.16 Cr (Rs.4 Cr for FY 23-24 & Rs. 0.16 Cr for FY 22-23)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025
 (All amount in Rs. Crores unless otherwise stated)

17 COST OF RAW MATERIAL CONSUMED

	For the year ended	
	31-Mar-25	31-Mar-24
Raw material consumed	312.11	314.18
Packing material consumed	2.22	3.06
Fabrication and processing charges	3.62	3.85
	317.95	321.09

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

	For the year ended	
	31-Mar-25	31-Mar-24
Opening stock		
Work-in-progress	30.32	28.61
Finish goods (Includes Goods in transit/ at godown)	23.34	17.11
	53.66	45.72
Less: Closing stock		
Work-in-progress	28.30	30.32
Finish goods (Includes Goods-in-transit/ at godown)	23.76	23.34
	52.06	53.66
	1.60	(7.94)

19 EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	31-Mar-25	31-Mar-24
Salaries, wages, bonus etc.	34.54	30.61
Contribution to provident and other funds (Refer Note No 29)	1.63	1.31
Staff welfare expenses	4.91	4.50
Contract Labour Expenses	25.06	27.51
	66.14	63.93

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

20 OTHER EXPENSES

	For the year ended	
	31-Mar-25	31-Mar-24
Power and fuel	14.28	14.86
[Net of credit of windmill and solar income for year ended 31 March, 2025 Rs. 7.93 Crore, (31 March, 2024: Rs. 6.07 Crore)]		
Repairs and maintenance		
-Buildings	2.97	1.36
-Machinery	5.38	5.81
-Others	1.41	0.93
Rent	0.09	0.07
Insurance	0.71	0.84
Rates and taxes	0.56	0.55
Selling and distribution expenses	9.07	8.96
Solar energy generation expenses	0.77	1.11
Windmill energy generation expenses	1.21	1.07
Foreign exchange loss	-	0.19
Loss on sale/ discard of assets	-	0.09
Corporate social responsibility expenditure (refer note 20(B) below)	0.56	0.02
Audit fees (refer note 20(A) below)	0.15	0.13
Legal & Professional expenses	4.33	3.29
Travelling & Conveyance expenses	4.47	3.53
Other miscellaneous expenses	4.70	5.41
	50.66	48.22

A. AUDITORS' REMUNERATION

	31-Mar-25	31-Mar-24
Audit fees	0.10	0.09
Limited review	0.02	0.02
Tax audit fees	0.02	0.01
For Certification and other related work	0.01	0.01
	0.15	0.13

*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 for skill development of apprentices.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	31-Mar-25	31-Mar-24
Gross amount required to be spent by the Company during the year	0.56	0.24
Amount spent during the year on :		
Construction/Acquisition of any asset	-	-
On purpose other than above	0.56	0.02

21 FINANCE COSTS

	For the year ended	
	31-Mar-25	31-Mar-24
Interest expenses	2.80	0.81
Other borrowing cost	0.06	0.10
	2.86	0.91

22 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended	
	31-Mar-25	31-Mar-24
Depreciation on property, plant and equipment	29.44	31.57
Amortisation of intangible assets	0.50	0.35
Amortisation of right of use assets	1.48	1.48
	31.42	33.40

23 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended	
	31-Mar-25	31-Mar-24
Statement of profit and loss		
Current tax		
Current tax on profits for the year	13.94	9.83
Total current tax expense	13.94	9.83
Minimum Alternative Tax (MAT) credit entitlement		
MAT credit entitlement	-	(1.48)
Total MAT credit entitlement	-	(1.48)
Deferred tax		
Deferred tax expense/ (income)	2.61	(0.03)
Total deferred tax expense/ (benefit)	2.61	(0.03)
Income tax expense	16.55	8.32
Other comprehensive income		
Deferred tax related to OCI items		
- On loss/ (gain) on remeasurements of defined benefit plans	(0.05)	(0.20)
	(0.05)	(0.20)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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

	For the year ended	
	31-Mar-25	31-Mar-24
Profit before exceptional items and tax	50.44	56.04
Tax at the Indian tax rate of 34.944% (FY 2023-24: 17.472%)	17.63	9.79
Effect of non-deductible expenses	-	0.03
Deductible/non-deductible/income/expenses items	2.61	(0.03)
Minimum Alternative Tax (MAT) credit entitlement	-	(1.48)
Others	(3.69)	-
Income tax expense	16.55	8.32

24 EARNINGS PER SHARE

	For the year ended	
	31-Mar-25	31-Mar-24
Basic and diluted earnings per share (face value of Rs. 10 each)		
- Profit attributable to the equity share holders of the Company (Rs. In Crores)	33.89	47.72
- Weighted average number of shares (in Nos.)	90,73,300	90,73,300
Basic and diluted earnings per share (in Rs.)	37.35	52.59

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 STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

[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-25	31-Mar-24
Not past due	98.88	91.82
Past due but not impaired		
- Past due 0 to 180 days	12.31	5.87
- Past due more than 180 days	0.54	0.01
	111.73	97.70

[B] Liquidity risk

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

Maturities of financial liabilities

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

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-25					
Non-derivatives					
Borrowings	37.74	37.74	-	-	37.74
Lease Liability	4.16	1.42	1.48	1.26	4.16
Trade payables	42.63	42.63	-	-	42.63
Capital creditors	6.73	6.73	-	-	6.73
Other financial liabilities	0.19	0.19	-	-	0.19
Total	91.45	88.71	1.48	1.26	91.45

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-24					
Non-derivatives					
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
Total	69.79	65.63	2.72	1.44	69.79

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

[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
31-Mar-25				
Financial assets				
Trade receivables	1.02	-	-	1.02
Net exposure to foreign currency risk (assets)	1.02	-	-	1.02
Financial liabilities				
Trade payables	0.11	0.23	0.58	0.92
Net exposure to foreign currency risk (liabilities)	0.11	0.23	0.58	0.92

	USD	EUR	YEN	Total
31-Mar-24				
Financial assets				
Trade receivables	3.75	-	-	3.75
Net exposure to foreign currency risk (assets)	3.75	-	-	3.75
Financial liabilities				
Trade payables	0.10	0.05	0.60	0.75
Net exposure to foreign currency risk (liabilities)	0.10	0.05	0.60	0.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

(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-25	31-Mar-24
USD		
- Increase by 10%	0.06	0.26
- Decrease by 10%	(0.06)	(0.26)
EUR		
- Increase by 10%	(0.02)	-
- Decrease by 10%	0.02	-
YEN		
- Increase by 10%	(0.04)	(0.04)
- Decrease by 10%	0.04	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-25		31-Mar-24	
	Amount	% of total borrowings	Amount	% of total borrowings
Variable rate borrowings - Overdraft facility average borrowing rate 8.70% (P.Y. 8.90%)	3.85	10%	-	0%
Variable rate borrowings - Bill discounting average borrowing rate 7.75% (P.Y. 7.75%)	33.89	90%	29.09	100%
Fixed rate borrowing	-	0%	-	0%
Total Borrowing	37.74		29.09	

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-25	31-Mar-24
Interest rate increase by 100 basis points	(0.24)	(0.01)
Interest rate decrease by 100 basis points	0.24	0.01

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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

	31-Mar-25							31-Mar-24						
	Carrying amount			Fair value			Carrying amount			Fair value				
	FVTPL	Amor-tised Cost	Cost	FVTOCI	Level 1	Level 2	Level 3	FVTPL	Amor-tised Cost	Cost	FVTOCI	Level 1	Level 2	Level 3
[i] Financial assets														
Non-Current														
Investment														
Investment in equity quoted	31.22	-	-	-	31.22	-	-	32.53	-	-	-	32.53	-	-
Investment in mutual fund	119.94	-	-	-	119.94	-	-	97.08	-	-	-	97.08	-	-
Investment in bond	-	4.40	-	-	-	-	-	-	4.40	-	-	-	-	-
Investment in subsidiaries	-	-	12.97	-	-	-	-	-	-	8.11	-	-	-	-
Loans														
Security deposit	-	0.66	-	-	-	-	-	-	0.67	-	-	-	-	-
Loan to subsidiaries	-	90.23	-	-	-	-	-	-	47.72	-	-	-	-	-
Other financial assets	-	1.98	-	-	-	-	-	-	2.48	-	-	-	-	-
Current														
Trade receivables	-	111.73	-	-	-	-	-	-	97.70	-	-	-	-	-
Cash and cash equivalents	-	0.74	-	-	-	-	-	-	12.89	-	-	-	-	-
Other bank balances	-	0.19	-	-	-	-	-	-	0.16	-	-	-	-	-
Other financial assets	-	5.88	-	-	-	-	-	-	5.74	-	-	-	-	-
	151.16	215.81	12.97	-	151.16	-	-	129.61	171.76	8.11	-	129.61	-	-
[ii] Financial liabilities														
Non-Current														
Lease Liability	-	1.91	-	-	-	-	-	-	3.17	-	-	-	-	-
Current														
Short term borrowings	-	37.74	-	-	-	-	-	-	29.09	-	-	-	-	-
Trade payables	-	42.63	-	-	-	-	-	-	31.77	-	-	-	-	-
Lease Liability	-	1.21	-	-	-	-	-	-	1.07	-	-	-	-	-
Capital creditor	-	6.73	-	-	-	-	-	-	3.25	-	-	-	-	-
Other financial liabilities	-	0.19	-	-	-	-	-	-	0.16	-	-	-	-	-
	-	90.41	-	-	-	-	-	-	68.51	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

(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 has 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

(a) Risk management

The Company's objective when managing capital are to:

Safeguard its ability to continue as going concern, so that it can continue to provide returns for its shareholder and benefits for others.

Maintain an optimal capital structure to reduce the cost of equity

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders return capital to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio

Net Debt (Total borrowing net and obligations under finance lease of cash and cash equivalents and other bank balance) and divided by Total equity (as shown in the Balance Sheet)

The Capital Gearing Ratio for 31 March, 2025 and 31 March, 2024 are as follows:

	31-Mar-25	31-Mar-24
Net Debt	41.16	21.72
Total Equity	489.86	463.15
Net Debt to equity ratio	0.08	0.05

(b) Dividends

	31-Mar-25	31-Mar-24
(i) Equity shares		
Final dividend for the year ended 31 March, 2024 of Rs.8 per fully paid equity share (31 March, 2023 of Rs.5 per fully paid equity share)	7.26	4.54

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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.

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-25				31-Mar-24			
	Auto component	Renewable energy	Unallocable	Total	Auto component	Renewable energy	Unallocable	Total
Segment revenue:								
External revenue*	494.55	12.97	21.48	529.00	475.52	15.12	31.08	521.72
Less: inter segment revenue	-	(7.93)	-	(7.93)	-	(6.07)	-	(6.07)
Total segment revenue	494.55	5.04	21.48	521.07	475.52	9.05	31.08	515.65
segment profit before tax	20.43	8.55	21.46	50.44	14.91	10.06	31.07	56.04
Segment results	20.43	8.55	4.91	33.89	14.91	10.06	22.75	47.72
Segment results includes :								
Interest expenses	2.86	-	-	2.86	0.91	-	-	0.91
Interest income	-	-	7.07	7.07	-	-	3.27	3.27
Depreciation	29.00	2.42	-	31.42	30.58	2.82	-	33.40
Tax expenses	-	-	16.55	16.55	-	-	8.32	8.32
Segment assets	346.95	61.86	185.48	594.29	312.25	52.30	180.57	545.12
Segment assets includes:								
Capital expenditure incurred during the year	29.49	-	-	29.49	25.26	-	-	25.26
Segment liabilities	104.26	0.17	-	104.43	81.80	0.18	-	81.98

- * External Revenue - Auto Components - Rs. 494.55 Crores includes Revenue from sale of products - Rs. 485.18 Crores; Revenue from rendering services - Rs. 1.55 Crores; Revenue from Sale Of Scrap - Rs. 1.64 Crores; Government Grants - Rs. 4.16 Crores; Export Incentive - Rs. 0.20 Crores; Other Non-Operating Income - Rs. 1.74 Crores, and Foreign Exchange gain - Rs. 0.08 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 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

[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-25	31-Mar-24
India	512.00	503.03
Overseas	9.07	12.62
	521.07	515.65

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

	31-Mar-25	31-Mar-24
India	140.27	148.16
	140.27	148.16

[D] Major customers

Revenue of approximately Rs. 317.14 Crore (31 March, 2024 Rs. 319.09 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. 0.99 Crore (Previous year - Rs. 0.87 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

(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
As at 01-Apr-2024	10.02	11.27	(1.25)
Current service cost	0.63	-	0.63
Interest expenses/ income	0.70	0.81	(0.11)
Total amount recognised in profit and loss	1.33	0.81	0.52
Remeasurements			
Gain/ loss from change in demographic assumption	-	-	-
Gain/ loss from change in financial assumption	0.20	(0.01)	0.21
Experience Gain/ loss	(0.36)	(0.01)	(0.35)
Total amount recognised in other comprehensive income	(0.16)	(0.02)	(0.14)
Employer contributions	-	0.56	(0.56)
Benefit payments	(0.56)	(0.56)	-
Mortality charges and taxes	-	(0.02)	0.02
As at 31-Mar-2025	10.63	12.04	(1.41)

	Present value of obligation	Fair value of plan assets	Net Amount
As at 01-Apr-2023	15.35	14.90	0.45
Current service cost	0.50	-	0.50
Interest expenses/ income	0.90	0.93	(0.02)
Total amount recognised in profit and loss	1.40	0.93	0.47
Remeasurements			
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)
Total amount recognised in other comprehensive income	(0.73)	(0.15)	(0.58)
Employer contributions	-	1.61	(1.61)
Benefit payments	(6.00)	(6.00)	-
Mortality charges and taxes	-	(0.02)	0.02
As at 31-Mar-2024	10.02	11.27	(1.24)

(ii) Net assets/ liabilities

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

	31-Mar-25	31-Mar-24
Present value of funded obligations	10.63	10.02
Fair value of plan assets	12.04	11.27
Net Surplus/(Deficit) for funded schemes	1.41	1.25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

(iii) Analysis of plan assets is as follows:

	31-Mar-25	31-Mar-24
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
Total	100%	100%

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-25	31-Mar-24
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.60%	7.20%
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	7.20%	7.30%
Expected average remaining working lives of employees (in years)	6.09	5.95
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.
- 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-25	31-Mar-24
Discount rate - Increase by 1%	(0.32)	(0.28)
Discount rate - Decrease by 1%	0.36	0.30
Salary increment rate - Increase by 1%	0.28	0.24
Salary increment rate - Decrease by 1%	(0.26)	(0.23)
Withdrawal rate - Increase by 1%	(0.05)	(0.03)
Withdrawal rate - Decrease by 1%	0.05	0.04

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, 2025 are Rs. Nil . The expected maturity analysis of undiscounted post employment benefit is as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amount in Rs. Crores unless otherwise stated)

	Less than 1 year	1 to 2 years	2-5 Years	More than 5 years
As at 31-Mar-2025				
Defined benefit obligation - Gratuity	5.30	0.94	2.88	4.34
As at 31-Mar-2024				
Defined benefit obligation - Gratuity	5.32	0.90	2.70	3.89

30 MICRO, SMALL AND MEDIUM ENTERPRISES

i)

	31-Mar-25	31-Mar-24
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period -		
- Principal amount outstanding	4.51	4.87
- 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 MSME.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

31 a) CONTINGENT LIABILITIES

		31-Mar-25	31-Mar-24
A	Taxation Matters		
A-1	Income tax		
	Dispute in respect of penalty matters pending before CIT (Appeal), Delhi	3.26	3.26
	Dispute in respect of Assessment dues (A.Y.2015-16) before CIT (Appeal), Delhi	1.80	1.80
	Dispute in respect of Assessment dues (A.Y.2016-17) before CIT (Appeal), Delhi	4.40	4.40
	Dispute in respect of Assessment dues (A.Y.2017-18) before CIT (Appeal), Delhi	0.92	0.92
	Dispute in respect of Assessment dues (A.Y.2018-19) before CIT (Appeal), Delhi	0.80	0.80
	Dispute in respect of Assessment dues (A.Y.2019-20) before CIT (Appeal), Delhi	2.88	2.88
	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), Delhi.	0.11	0.11
	TDS Matter pertaining to F.Y. 2012-13 pending with CIT(A) Delhi	0.03	0.03
A-2	Sales Tax/Excise		
	Dispute before Joint Commissioner of Sales Tax for F.Y. 2016-17	0.34	0.34
	Dispute before Joint Commissioner of Sales Tax for F.Y. 2017-18	-	0.12
	Central Excise Liability under dispute before CESTAT Mumbai	0.11	0.11
A-3	Goods and Service tax		
	Dispute in respect of Assessment dues (F.Y. 2017-18 to F.Y. 2021-2022) before AC, CGST, Ujjain	0.06	0.42
	Dispute in respect of Assessment dues (F.Y. 2019-20) before Superintendent, CGST, Pithampur-I	0.01	0.01
	Dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Authority, Rudrapur	0.11	0.11
	Dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Vijaypura, Karnataka.	0.05	-
B	Other		
	Bank Guarantees issued by the Company	2.56	3.05
	Comfort letter in lieu of Corporate Guarantee (issued on behalf of Drivesys to their banker towards credit facilities)	26.43	27.49
	Comfort letter in lieu of Corporate Guarantee (issued on behalf of Metacast to their banker towards credit facilities)	14.67	5.22

Note:

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 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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.

As per legal obligation, the company had filed 236 approval applications by way of abandoned cautions. Before the Industrial Tribunal, Pune out of which 228 approvals are granted by the Tribunal, and 8 cases are pending in court in approval application. Further, out of 236 dismissal cases, 135 employees have settled their all cases and remaining 101 cases are pending in Pune courts.

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 Sangathan, 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, in respect of 74 cases. Out of 74 cases, in case of 44 workmen, the Hon'ble Labour Court, Pune passed the order dated 12.03.2024 on the preliminary issues that the enquiry conducted against these workmen is legal, fair and proper. On challenge the said order dated 12.03.2024 by these 44 workmen in writ petition, the Hon'ble Bombay High Court vide its order dated 05.12.2024 has rejected the said writ petition and upheld the findings of the Enquiry Officer as legal, fair and proper. Now these 44 workmen are in the process of filing evidences before the Hon'ble Labour Court, Pune. For the balance 30 workmen, the matter is pending consideration of the Hon'ble Labour Court, Pune. 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.

32 COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 18.82 Crore (31 March, 2024 - Rs.24.07 Crore).

b) Total export obligation under the EPCG Scheme was Rs. 33.64 Crores (31 March, 2024 is Rs. 33.91 Crores) and obligation payable as on 31 March, 2025 is Rs.5.61 Crore (31 March, 2024 Rs.5.65 Crore).

33 There are no transactions and / or disputed balance outstanding with companies struck off under section 248 of the Companies Act, 2013.

34 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 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

35 RELATED PARTY DISCLOSURES

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

No.	Nature of relationship	Name of related party
1	Wholly Owned Subsidiaries	Drivesys Systems Private Limited
		Nexsteer Systems Private Limited
	Subsidiary	Metacast Auto Private Limited
2	Key managerial personnel	Mr. Dinesh Munot - Chairman
		Mr. Utkarsh Munot - Managing Director
		Mr. Jinendra Jain - Chief Financial Officer
		Mr. Satish Mehta - Company Secretary
3	Non-executive directors	Mr. Shridhar S. Kalmadi (Independent) (up to 31 March, 2025)
		Mrs. Smita Lahoti (Independent)
		Mr. Rohit Rathi (Independent) (w.e.f. 06 August 2024)
		Mr. Shrenik Gandhi (Independent) (w.e.f. 01 April 2025) - Chairman of the Audit Committee
		Mr. Bharat Agarwal (Independent) (w.e.f. 01 April 2025)
		Dr. Dinesh Bothra (Non-independent)
		Mr. S.A. Gundecha (Independent) (up to 15 September 2024)
4	Entities over which key managerial personnel able to exercise significant influence	Varsha Forging Pvt. Ltd.
		Emtech Solutions Pvt Ltd.
		KCTR Varsha Automotive Pvt. Ltd.
		Deva Autotronics Pvt. Ltd.

B Key managerial personnel compensation

	31-Mar-25	31-Mar-24
a. Short term employee benefits (Salary paid during the year)	13.46	11.18
b. Post-employment benefits (cumulative)	3.19	3.13
	16.65	14.31

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

C Transaction with related parties

	For the year ended	
	31-Mar-25	31-Mar-24
Purchase of goods & Services		
Varsha Forging Pvt Ltd	17.90	15.66
Drivesys Systems Private Limited	23.82	0.03
Sale of goods & services		
Deva Autotronics Pvt. Ltd.	0.88	0.12
Sale of Assets		
Drivesys System Private Limited	1.85	-
Lease Rental Payment		
Emtech Solutions Pvt Ltd.	1.14	1.08
Sitting fees to Non Executive & Independent directors		
	0.17	0.17
Interest Income on Loan given		
Drivesys Systems Private Limited	3.37	1.00
Nexsteer Systems Private Limited	1.26	0.92
Metacast Auto Private Limited	1.78	0.71
Services rendered		
Drivesys Systems Private Limited	0.71	0.72
Nexsteer Systems Private Limited	0.06	0.07
Metacast Auto Private Limited	0.31	0.19
Loan or advances given		
Drivesys Systems Private Limited	42.08	14.61
Nexsteer Systems Private Limited	6.64	5.17
Metacast Auto Private Limited	14.60	15.52
Loan or advances received back		
Drivesys Systems Private Limited	13.00	-
Metacast Auto Private Limited	7.82	-

D Outstanding balances

	31-Mar-25	31-Mar-24
Trade payables (Domestic supplier of raw material & components)		
Varsha Forging Pvt Ltd	4.32	3.22
Drivesys Systems Private Limited	7.69	0.03
Lease Rental Payment		
	0.10	0.09
Key managerial personnel		
	1.74	1.52
Loan receivable		
Drivesys Systems Private Limited	48.25	19.17
Nexsteer Systems Private Limited	19.68	13.03
Metacast Auto Private Limited	22.30	15.52
Trade Receivables		
Drivesys Systems Private Limited	0.86	0.85
Nexsteer Systems Private Limited	0.08	0.08
Metacast Auto Private Limited	0.37	0.22
Deva Autotronics Pvt. Ltd.	0.46	0.07

RATIO ANALYSIS

Ratio	Numerator	Denominator	Current year	Previous year	% Change	Remark
Current ratio (in times)	Total current assets	Total current liabilities	1.82	2.44	(25%)	N.A.
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.08	0.07	16%	N.A.
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	17.28	20.32	(15%)	N.A.
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	7.11	10.81	(34%)	Company is efficiently using shareholders equity to generate profit which was reduced due to absorption of fixed expenses obligation.
Inventory turnover ratio (in times)	Sales	Average Inventory	7.57	7.50	1%	N.A.
Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	4.71	4.67	1%	N.A.
Trade payables turnover ratio (in times)	(Cost of raw material consumed + Other expenses)	Average Trade Payables	9.95	10.75	(7%)	N.A.
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	5.95	4.32	38%	An increase in net capital turnover ratio indicates that Company is more efficiently using its net working capital to generate sales.
Net profit ratio (in %)	Net profit ratio	Revenue from operations	6.9%	10.0%	(31%)	Reduction in net profit is due to increase in other fixed obligation which is leading to a squeeze on profit.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total Debt + Deferred tax liabilities - Deferred Tax Assets	10.21%	11.87%	(14%)	N.A.
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	9.69%	17.16%	(44%)	Economic downturns of general market condition reflecting negatively on investment of Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

37 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 consideration of the Hon'ble District Court, Pune.

In September 2024, the Company received a communication, from ZF Friedrichshafen AG and ZF India Private Limited, stating that they have filed a Commercial IP Suit along with Interim Application before the Hon'ble High Court of Judicature at Bombay in relation to the alleged infringement of the alleged trademarks/mark of ZF Friedrichshafen AG and/or and ZF India Private Limited and amongst other things, ZF Friedrichshafen AG and ZF India Private Limited have allegedly demanded a sum of Rs.200 crore in alleged damages, from the Company and prayed for certain interim relief(s) till the conclusion of the aforesaid Commercial Suit. The said Commercial Suit and the said Interim Application is pending consideration of the Hon'ble High Court of Judicature at Bombay. In the Company's opinion, it has not committed any act of infringement and/or passing off and the Company does not in any manner whatsoever, accepts any allegation of infringement, passing off and/or demands of ZF Friedrichshafen AG & ZF India Private Limited. 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.

38 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 facility and that has been operative and maintained/preserved throughout the financial year for the transactions recorded in the software impacting books of account at application level.

39 Figures of the previous financial year have been regrouped, wherever necessary, to confirm to the current period's classification and Presented in Rupees Crore.

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: 17 May, 2025

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

Shrenik Gandhi
 Chairman of Audit Committee
 DIN :10929891

Jinendra Jain
 Chief Financial Officer

Satish Mehta
 Company Secretary

Place: Pune
Date: 17 May, 2025



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") as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March, 2025, 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries 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 31 March, 2025, 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, we have obtained together with the audit evidence obtained by the other auditors in terms of their

reports referred to in Other Matter section below 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 judgement 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	Revenue recognition Rebates, Discounts and Price Variations The Holding Company measures revenue net of any trade discounts, volume rebates and price variations. Material estimation by the Holding Company is involved in recognition and measurement of rebates and discounts. 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 We identified the evaluation of accrual for rebates, discounts and price variations as a key audit matter.	Principal Audit Procedures <ul style="list-style-type: none"> • 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; • 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); • Substantive testing performed by selecting samples of rebate and discount transactions recorded during the year and verifying the computation with the relevant source documents; • 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; • 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, discounts and price variations.

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Litigation with regard to Trade Mark disclosed in note 37 of Consolidated Financial Statements</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>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.</p> <p>In current year, ZF Friedrichshafen AG and ZF India Private Limited have filed a Commercial IP Suit along with Interim Application before the Hon'ble High Court of Judicature at Bombay. Refer Note No. 37 of Consolidated Financial Statements.</p> <p>Whether a liability is to be recognized or disclosed as a contingent liability in the financial statements is inherently judgemental 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>Principal Audit Procedures</p> <p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> 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. 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. Assessed management's discussions held with their legal consultants and understanding precedents in similar cases; 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.

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, 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 to those charged with governance. We have nothing to report in this regard.

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

The accompanying Consolidated Financial Statements have been approved by the Holding Company's Board of Directors. 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, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Ind AS financial statements. 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 judgement 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. 168.95 Crores as at 31 March, 2025, total income of Rs. 33.51 Crores, total net loss after tax Rs. 19.39, total comprehensive loss of Rs. 19.44 crores and net cash inflow amounting to Rs. 1.64 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 31 March, 2025 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 B."

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 read with Schedule V 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 31 March, 2025 on its Consolidated financial position in its Consolidated Financial Statements. Refer Note 31 and 37 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, 2025; 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 31 March, 2025.

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.

- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on 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 have used accounting software (SAP HANA) for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. However, one subsidiary has used accounting software (Tally Prime Edit Log v 5.1) for maintaining its books of account and has maintained the feature of audit trail (edit log) facility from 8 October 2024 to 31 March, 2025 for all transactions recorded in the software. Furthermore, the audit trail has been preserved by the Holding Company and above referred subsidiaries as per the statutory requirements for record retention.
- 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 aggregate cash losses of the three subsidiaries in current and previous year are Rs. 12.34 Crore and Rs. 0.48 Crore respectively.

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

**Per Kaustubh Deshpande
Partner
Membership No.: 131090
UDIN: 25131090BMHWWM7452
Pune, May 17, 2025**

ANNEXURE

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 "B" 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, 2025.

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 31 March, 2025 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 and based on the consideration of the reports of the other auditors on internal financial controls of the subsidiary companies, the Holding 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, 2025, 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: 25131090BMHWWM7452
Pune, May 17, 2025

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	Notes	As at 31 March, 2025	As at 31 March, 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	3[a]	213.32	170.93
Right of use asset	3[b]	30.30	32.07
Capital work-in-progress	3[c]	14.85	29.44
Investment Property	4[b]	0.71	0.75
Other Intangible assets	4[a]	0.87	0.79
Intangible assets under development	3[d]	-	0.33
Financial assets			
(i) Investments	5[a]	155.58	134.02
(ii) Loans	5[e]	1.98	2.48
(iii) Other non-current financial assets	5[f]	3.17	3.18
Other non-current assets	6	3.77	5.34
Income Tax Assets (Net)	7	3.29	4.49
Deferred Tax Assets (Net)	8	13.61	16.79
Total non-current assets		441.45	400.61
Current assets			
Inventories	9	67.32	67.15
Financial assets			
(i) Trade receivables	5[b]	110.64	97.70
(ii) Cash and cash equivalents	5[c]	0.95	11.45
(iii) Bank Balances other than Cash and cash equivalents	5[d]	0.19	0.16
(iv) Loans	5[e]	0.08	0.06
(v) Others	5[f]	5.73	5.68
Other current assets	6	9.63	11.25
Total current assets		194.54	193.45
TOTAL ASSETS		635.99	594.06

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	Notes	As at 31 March, 2025	As at 31 March, 2024
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	9.07	9.07
Other equity	11	456.84	449.14
Non-Controlling Interest	11	2.35	0.01
Total Equity		468.26	458.22
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12[a]	41.47	35.63
(ii) Lease Liability	12[d]	1.91	3.17
Provisions	13	1.11	1.05
Other non-current liabilities	14	0.48	0.96
Total non-current liabilities		44.97	40.81
Current liabilities			
Financial liabilities			
(i) Borrowings	12[b]	55.74	36.90
(ii) Trade payables			
A) Total outstanding dues of Micro and Small Enterprises	12[c]	5.69	5.36
B) Total outstanding dues of creditors other than Micro and Small Enterprises	12[c]	34.63	28.30
(iii) Lease Liability	12[d]	1.21	1.07
(iv) Others	12[e]	13.95	11.62
Provisions	13	3.22	2.99
Other current liabilities	14	8.32	8.79
Total current liabilities		122.76	95.03
Total liabilities		167.73	135.84
TOTAL EQUITY AND LIABILITIES		635.99	594.06

Material Accounting Policies

2

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

As per our report of even date

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.
 CIN: L29130PN1981PLC023734

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

Dinesh Munot
 Chairman
 DIN : 00049801

Utkarsh Munot
 Managing Director
 DIN : 00049903

Shrenik Gandhi
 Chairman of Audit Committee
 DIN :10929891

Kaustubh Deshpande
 Partner
 Membership No. : 131090

Jinendra Jain
 Chief Financial Officer

Satish Mehta
 Company Secretary

Place: Pune
Date: 17 May, 2025
Place: Pune
Date: 17 May, 2025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	Note	For the year ended 31 March, 2025	For the year ended 31 March, 2024
INCOME			
Revenue from operations	15	493.87	477.87
Other income	16	20.72	34.29
Total Income		514.59	512.16
EXPENSES			
Cost of raw material consumed	17	313.85	321.12
Change in Inventory of finished goods and work-in-progress	18	(0.78)	(7.97)
Employee benefits expense	19	71.39	63.98
Other expenses	20	56.29	48.44
Total Expenses		440.75	425.57
Profit before interest, tax, depreciation, amortisation expenses and exceptional items (EBITDA)		73.84	86.59
Finance costs	21	6.56	1.01
Depreciation and amortisation expense	22	42.78	33.71
Profit before exceptional items and tax		24.50	51.87
Exceptional items		-	-
Profit before tax		24.50	51.87
Tax Expense	23		
Current tax		13.94	9.83
Minimum Alternative Tax (MAT) credit entitlement		-	(1.48)
Deferred tax		(2.03)	(0.16)
Total tax expense		11.91	8.19
Net Profit for the year after tax		12.59	43.68
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		0.07	0.58
- Income tax relating to the above items	23	(0.03)	(0.20)
Other comprehensive income for the year (net of tax)		0.04	0.38
Total comprehensive income for the year		12.63	44.06
Profit for the year attributable to:			
Owners of the Company		14.92	43.69
Non controlling interests		(2.33)	(0.01)
Total comprehensive income for the year attributable to:			
Owners of the Company		14.96	44.07
Non controlling interests		(2.33)	(0.01)
Earnings per equity share of Rs 10 each	24		
Basic and diluted earnings per share		13.88	48.14

Material Accounting Policies

2

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

As per our report of even date

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.
CIN: L29130PN1981PLC023734

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Chairman of Audit Committee
DIN :10929891

Kaustubh Deshpande
Partner
Membership No. : 131090

Jinendra Jain
Chief Financial Officer

Satish Mehta
Company Secretary

Place: Pune
Date: 17 May, 2025

Place: Pune
Date: 17 May, 2025

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31, MARCH 2025

(All amount in Rs. Crores unless otherwise stated)

	For the year ended 31 March, 2025	For the year ended 31 March, 2024
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/ (Loss) before exceptional items and tax	24.50	51.87
Adjustments for:		
Depreciation and amortisation expense	42.78	33.71
Interest paid	6.56	1.01
Fair value change in investment	(4.76)	(15.64)
(Profit)/ Loss on sale of Property, Plant and equipment	(0.07)	(3.23)
(Profit)/ Loss on sale of investment	(8.12)	(7.51)
Interest Income	(0.66)	(0.64)
Exchange variation	(0.08)	0.19
Dividend received	(0.49)	(0.36)
Operating profit before working capital changes	59.66	59.40
Adjustments for changes in working capital:		
(Increase)/ Decrease in inventory	(0.17)	(9.00)
(Increase)/ Decrease in trade receivables and financial asset	(13.03)	(0.88)
(Increase)/ Decrease in other current assets and non-current assets	6.96	(4.85)
(Increase)/ Decrease in trade payable and financial liabilities	7.87	2.13
(Increase)/ Decrease in other liabilities and provisions	(14.49)	(2.01)
Cash generated from operations	46.80	44.79
Income tax paid (net)	(7.55)	(9.89)
Net cash generated from operating activities	39.25	34.90
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(59.03)	(94.18)
Sale proceed from property, plant and equipment	0.30	4.48
Interest received	0.65	0.62
Dividend received	0.49	0.36
Purchase of Investment	(59.50)	(5.00)
Sale proceed from Investment	51.06	41.50
Loan Given to Others (net)	0.56	-
Net cash used in investing activities	(65.47)	(52.22)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

	For the year ended 31 March, 2025	For the year ended 31 March, 2024
CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of equity shares to non controlling interest	4.70	0.02
Proceeds from borrowings	57.62	111.04
Repayment of borrowings	(37.61)	(72.28)
Proceeds from bill discounting (net)	4.80	(4.47)
Dividend paid	(7.23)	(4.75)
Interest paid	(6.56)	(1.01)
Net cash used in financing activities	15.72	28.55
Net Increase/ (Decrease) in cash and cash equivalents	(10.50)	11.23
Cash and cash equivalents as at the beginning of the year	11.45	0.22
Cash and cash equivalents as at the end of the year	0.95	11.45
Cash and cash equivalents comprise of the following:		
Cash on hand	0.01	0.02
Balances with banks - Current accounts	0.94	11.43
	0.95	11.45

Material Accounting Policies

2

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

As per our report of even date

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.
CIN: L29130PN1981PLC023734

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

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Chairman of Audit Committee
DIN :10929891

Kaustubh Deshpande
Partner
Membership No. : 131090

Jinendra Jain
Chief Financial Officer

Satish Mehta
Company Secretary

Place: Pune
Date: 17 May, 2025

Place: Pune
Date: 17 May, 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at 01 April, 2024		9.07
Changes in equity share capital due to prior period errors		-
Restated balance as at 01 April, 2024		9.07
Changes in equity share capital during the current year	10	-
As at 31 March, 2025		9.07

	Notes	Amount
As at 01 April, 2023		9.07
Changes in equity share capital due to prior period errors		-
Restated balance as at 01 April, 2023		9.07
Changes in equity share capital during the previous year	10	-
As at 31 March, 2024		9.07

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			
Balance as at 01 April, 2024	0.35	2.32	235.00	211.47	449.14	0.01	449.15
Profit for the year	-	-	-	14.92	14.92	(2.33)	12.59
Other comprehensive income for the year net of tax	-	-	-	0.04	0.04	-	0.04
Total comprehensive income for the year	-	-	-	14.96	14.96	(2.33)	12.63
Impact of increase in investment						4.67	4.67
Dividend paid	-	-	-	(7.26)	(7.26)	-	(7.26)
Balance at 31 March, 2025	0.35	2.32	235.00	219.17	456.84	2.35	459.19

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			
Balance as at 01 April, 2023	0.35	2.32	235.00	171.94	409.61	0.02	409.63
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
Total comprehensive income for the year	-	-	-	44.07	44.07	(0.01)	44.06
Dividend paid	-	-	-	(4.54)	(4.54)	-	(4.54)
Balance at 31 March, 2024	0.35	2.32	235.00	211.47	449.14	0.01	449.15

Material Accounting Policies **2**

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

As per our report of even date

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.
CIN: L29130PN1981PLC023734

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Chairman of Audit Committee
DIN :10929891

Kaustubh Deshpande
Partner
Membership No. : 131090

Jinendra Jain
Chief Financial Officer

Satish Mehta
Company Secretary

Place: Pune
Date: 17 May, 2025

Place: Pune
Date: 17 May, 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

1 Corporate overview

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'). ZF 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 Company's Board of Directors on 17 May, 2025.

2 Material accounting policies

2.1 Basis of preparation

(i) Statement of compliance

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

These Consolidated financial statements were authorised for issue by the Company's Board of Directors on 17 May, 2025.

(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
- The financial statements are presented in Indian Rupee (INR), which is also the Holding Company's functional currency and all values are rounded off to nearest crores, except when otherwise indicated. Whenever, an amount is presented as INR "0"(Zero) in crores its construct value is less than Rs.1,00,000.

(iii) Basis of consolidation

The consolidated financial statements for the year ended 31 March, 2025 comprise the financial

statements of ZF 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 Company	Relationship	Country of Incorporation	% of Ownership interest as on 31 March, 2025
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 31 March.

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.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

(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, 2025 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 Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

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

2.4 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 Holding Company operates) and items included in the Consolidated financial statements of the Holding 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

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reporting monetary items of Company in the 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.

2.5 Revenue

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

Use of significant judgements in revenue recognition

- The Companies in the Group contracts with customers could include promises to transfer multiple products and services to a customer. The Companies in 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 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 Companies in 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 Companies in the Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Companies in 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 Companies in the Group uses the expected cost plus margin approach to allocate

the transaction price to each distinct performance obligation.

- The Companies in the Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Companies in 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.

2.6 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.

2.7 Income Tax

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

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

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

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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.

2.8 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.

Group company as a lessee:

At the date of commencement of the lease, the Company in 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 Company in 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 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 in 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 company as a lessor:

At the inception of the lease the Company in the Group classifies each of its leases as either an operating lease or a finance lease. The Company in 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 Company in 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 Company in 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.

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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.

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 Group 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 Group 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 Group's right to receive dividends is established.

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 Group derecognises a financial asset when the contractual rights to the cash flows from the financial

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asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Group retains substantially all the risks and rewards of a transferred financial asset, the Group 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 Consolidated 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 Consolidated Balance Sheet when, and only when, the Group 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 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 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 :

- a) Plant & machinery depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on internal technical evaluations, taking in to the nature of the asset, the

estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc. Tangible assets residual value is kept at 5% of cost of the assets.

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

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

2.12 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.

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(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 /Tally 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 Consolidated Statement of Profit and 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 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

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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 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 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 the Consolidated Statement of Profit and 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 Group 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 Consolidated Balance Sheet.

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

2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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

	Gross Block			Accumulated Depreciation			Net Block	
	Carrying amount as at 1 April, 2024	Additions	Deletions / Disposals	Balance as at 31 March, 2025	Balance as at 1 April, 2024	Depreciation for the year	Accumulated depreciation on deletions/ disposals	As at 31 March, 2025
Property, Plant and Equipment (PPE)								
Land*	1.09	-	-	1.09	-	-	-	1.09
Buildings	82.16	20.85	-	103.01	23.07	6.58	-	29.65
Plant & Equipment	236.05	56.11	(19.75)	272.41	152.42	27.66	(19.58)	160.50
Plant & Equipment (R & D)	1.17	-	-	1.17	0.98	-	-	0.98
Furniture & Fixtures	4.02	0.67	-	4.69	2.42	0.48	-	2.90
Vehicles	10.78	-	(0.14)	10.64	6.96	1.14	(0.12)	7.98
Office Equipment	7.24	1.57	(0.32)	8.49	5.51	1.05	(0.30)	6.26
Electrical Installation	12.37	3.98	-	16.35	7.17	1.66	-	8.83
ETP/STP Plant	0.36	0.10	-	0.46	0.27	0.03	-	0.30
Wind Mills	15.31	-	-	15.31	6.35	1.04	-	7.39
Solar Power Plant	26.92	-	-	26.92	21.41	1.02	-	22.43
Total property, plant and equipment	397.48	83.28	(20.21)	460.54	226.56	40.66	(20.00)	247.22
	Gross Block			Accumulated Depreciation			Net Block	
	Carrying amount as at 1 April, 2023	Additions	Deletions / Disposals	Balance as at 31 March, 2024	Balance as at 1 April, 2023	Depreciation for the year	Accumulated depreciation on deletions/ disposals	As at 31 March, 2024
Property, Plant and Equipment (PPE)								
Land*	1.09	-	-	1.09	-	-	-	1.09
Buildings	55.34	26.82	-	82.16	18.77	4.30	-	23.07
Plant & Equipment	203.69	40.30	(7.95)	236.05	138.34	21.17	(7.09)	152.42
Plant & Equipment (R & D)	1.17	-	-	1.17	0.98	-	-	0.98
Furniture & Fixtures	3.93	0.31	(0.22)	4.02	2.12	0.47	(0.17)	2.42
Vehicles	10.21	1.11	(0.54)	10.78	5.96	1.51	(0.51)	6.96
Office Equipment	6.06	1.20	(0.02)	7.24	4.65	0.88	(0.02)	5.51
Electrical Installation	9.12	3.43	(0.19)	12.37	6.27	1.07	(0.18)	7.16
ETP/STP Plant	0.36	-	-	0.36	0.24	0.03	-	0.27
Wind Mills	15.31	-	-	15.31	5.16	1.19	-	6.35
Solar Power Plant	26.92	-	-	26.92	20.15	1.26	-	21.41
Total property, plant and equipment	333.21	73.18	(8.92)	397.48	202.64	31.87	(7.97)	226.55

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

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

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:

1. No proceedings have been initiated or pending against the any company in the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rule made thereunder.
2. Refer Note 2.11 for policy on depreciation.

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3 [b] Right of Use Asset

	Category of Right of Use asset	
		Leasehold land & Office Premises
Balance as at 01 April, 2024		32.07
Additions		-
Amortisation		1.77
Balance as at 31 March 2025		30.30
Balance as at 01 April, 2023		25.56
Additions		8.12
Amortisation		1.61
Balance as At March 31, 2024		32.07

1. Refer Note 2.11 for policy on amortization.

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

Particulars	As at 31 March, 2025	As at 31 March, 2024
Projects in progress	14.85	29.44
Projects temporarily suspended	-	-
	14.85	29.44

Capital Work-in-Progress ageing schedule

Particulars	As on 31 March 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10.45	4.40	-	-	14.85
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress Ageing schedule as on 31st March 2024

Particulars	As on 31 March 2024				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	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

3 [d] Intangible assets under development

Particulars	As at 31 March 2025	As at 31 March 2024
Projects in progress	-	0.33
Projects temporarily suspended	-	-
	-	0.33

Intangible assets under development Aging schedule

Particulars	As on 31 March 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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

Particulars	As on 31 March 2024				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	-	-	-	-	-

Note:

1. The project of Nexsteer Systems Pvt. Ltd. is delay due to priority of other projects. The expected date of completion is end of June 2025, other than that there is no overdue of delay of any project.
2. There were no material projects which have exceeded their original plan cost as at 31st March, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

4 a) INTANGIBLE ASSETS

	Computer software	Technical know how	Patent	Total
Gross Carrying Amount				
Carrying amount as at 01 April, 2024	6.39	0.01	0.05	6.45
Additions	0.63	-	-	0.63
Disposals / adjustments	(1.66)	-	-	(1.66)
As at 31 March 2025	5.36	0.01	0.05	5.42
Accumulated amortization and impairment, if any				
Carrying amount as at 01 April, 2024	5.63	-	0.03	5.66
Charge for the year	0.53	-	0.00	0.53
Disposals / adjustments	(1.64)	-	-	(1.64)
As at 31 March 2025	4.52	-	0.03	4.55
Net Block as at 31 March 2025	0.84	0.01	0.02	0.87

	Computer software	Technical know how	Patent	Total
Gross Carrying Amount				
Carrying amount as at 01 April, 2023	6.06	0.01	0.05	6.12
Additions	0.33	-	-	0.33
Disposals / adjustments	-	-	-	-
As at 31 March 2024	6.39	0.01	0.05	6.45
Accumulated amortization and impairment, if any				
Carrying amount as at 01 April, 2023	5.29	-	0.02	5.31
Charge for the year	0.34	-	0.01	0.35
Disposals / adjustments	-	-	-	-
As at 31 March 2024	5.63	-	0.03	5.66
Net Block as at 31 March 2024	0.76	0.01	0.02	0.79

Note:

1. Amount of depreciation pertaining to patent as on 31 March 2025 is Rs. 29,702/- (As on 31 March 2024 Rs. 64,224/-)
2. Refer Note 2.13 for policy on depreciation.

4 b) INVESTMENT PROPERTY

	Total
Balance as at 01 April, 2024	0.75
Additions	-
Deletions	
Amortisation	0.04
Balance as at 31 March 2025	0.71
Balance as at 01 April, 2023	1.08
Additions	-
Deletions	0.29
Amortisation	0.04
Balance as at 31 March 2024	0.75

Fair Market Value of investment property at ICC Tower, Pune as on 31 March 2025 Rs. 8.28 Crores
 (31 March 2024 Rs. 8.20 Crores).

Refer Note 2.12 for policy on investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

5 FINANCIAL ASSETS

5 [a] INVESTMENTS

	Notes	31-Mar-25	31-Mar-24
Non-Current			
Investment in equity shares (quoted, fully paid-up, at FVTPL)	See note (i)	31.22	32.53
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)	119.96	97.09
		155.58	134.02

	31-Mar-25	31-Mar-24
Aggregate amount of quoted investments and market value thereof	151.18	129.62
Aggregate amount of quoted investments (at amortized cost)	4.40	4.40

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

	31-Mar-25		31-Mar-24	
	Nos	Amount	Nos	Amount
ICICI Bank Limited (Face value of Rs. 2 each)	78,424	10.58	78,424	8.57
Tata Consultancy Services Limited (Face value of Re. 1 each)*	24,432	8.81	24,432	9.47
KPIT Technologies Limited (Face value of Rs. 10 each)	60,000	7.85	60,000	8.92
Birlasoft Limited (Face value of Rs. 2 each)	38,011	1.47	38,011	2.82
Borosil Renewables Limited (Face value of Re. 1 each)	8,000	0.38	8,000	0.40
Infosys Limited (Face value of Rs. 5 each)	-	-	5,386	0.81
Mahindra & Mahindra Limited (Face value of Rs. 5 each)	8,000	2.13	8,000	1.54
		31.22		32.53

* Equity shares of TCS Ltd. (Nos.5,000) having a market value of Rs 1.80 Crores as at 31 March 2025 (31 March 2024 Rs.1.94 Crores) 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-25		31-Mar-24	
	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
		4.40		4.40

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

	31-Mar-25		31-Mar-24	
	Nos	Amount	Nos	Amount
HDFC Banking and PSU Debt Fund - Direct- Growth ³	1,19,34,999	27.94	1,19,34,999	25.76
Kotak banking and PSU debt fund - Direct - Growth ²	42,00,467	27.97	42,00,467	25.77
Kotak Nifty SDL July 2033 Index Fund - Direct - Growth ¹	49,66,723	6.03	49,66,723	5.48
HDFC Credit Risk Debt Fund - Growth ³	49,63,912	12.59	49,63,912	11.60
Tata Nifty G-Sec Dec 2029 Index Fund - Direct Plan - Growth ³	49,17,388	5.89	49,17,388	5.40
Invesco India Corporate bond Fund - Direct - Growth	24,770	8.25	24,770	7.58
Invesco India Arbitrage Fund - Direct - Growth	38,63,519	13.10	-	-
Mirae Asset Nifty 8-13 Year G-SEC ETF	21,02,677	5.95	21,02,677	5.42
360 One special opportunities fund	20,20,047	0.15	20,20,047	1.03
Bajaj Finserv Flexi Cap Fund - Direct- Growth	20,00,000	2.66	20,00,000	2.36
HDFC Manufacturing Fund - Direct - Growth	20,00,000	1.97	-	-
Tata India Innovation Fund- Direct Growth	14,97,181	1.35	-	-
Mirae Asset Nifty 200 Alpha 30 ETF	5,85,151	1.31	5,85,151	1.35
IRB Invit fund	1,00,000	0.50	1,00,000	0.67
ICICI Prudential Multi Asset Fund - Direct Growth	54,120	4.28	-	-
ICICI Prudential Commodities Fund Direct Growth	-	-	3,46,630	1.37
Reliance Capital Limited Series B/ 437 - NCD	-	-	500	-
HDFC Defence Fund - Direct- Growth	-	-	20,00,000	3.32
Nippon India Money Market Fund - Growth ²	29	0.01	29	0.01
		119.95		97.09

Note:

1. Total 1,19,34,999 units are pledged against overdraft facility utilised by the company.
2. Total 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) to Kotak Mahindra Bank Ltd. Further the mutual fund owned by Drivesys Systems Private Limited are also pledged against same loan.
3. Total 1,48,48,023 units are pledged against Term loan facility used by Drivesys Sysytems Private Limited (Wholly owned Subsidiary) to Kotak Mahindra Bank Ltd.
4. Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.

5 [b] TRADE RECEIVABLES

	31-Mar-25	31-Mar-24
Trade receivables	110.64	97.70
Less: Allowance for doubtful debts		
Total receivables	110.64	97.70
Current portion	110.64	97.70
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
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Break-up of security details

	31-Mar-25	31-Mar-24
Trade receivables		
Unsecured, considered good	110.64	97.70
Sub-total	110.64	97.70
Less: Impairment allowance	-	-
Total	110.64	97.70

Note:

- (i) The group's exposure to credit risk, currency risk related to trade receivables are disclosed in Note no. 25.
- (ii) Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.
- (iii) Refer Note 36 for amount receivable from related parties which includes debts, trade receivables.

The relevant carrying amounts are as follows:	31-Mar-25	31-Mar-24
Total transferred receivables	-	-

Ageing of Trade Receivables as on 31st March, 2025

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	96.29	13.81	0.53	0.01	-	-	110.64
(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	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025
(All amount in Rs. Crores unless otherwise stated)

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	-	-	-	-	-	-	-

5 [c] CASH AND CASH EQUIVALENTS

	31-Mar-25	31-Mar-24
Cash on hand	0.01	0.02
Balances with banks - Current accounts	0.94	11.43
	0.95	11.45

Note: The Group has not traded or invested in Crypto Currency or Virtual Currency during the year.

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

	31-Mar-25	31-Mar-24
Balances with banks in - on account of unpaid dividends	0.19	0.16
	0.19	0.16

5 [e] LOANS

	31-Mar-25	31-Mar-24
Non Current (Unsecured, considered good)		
Loan to Others*	1.87	2.37
Loan to employees	0.11	0.11
	1.98	2.48
Current (Unsecured, considered good)		
Loan to employees	0.08	0.06
	0.08	0.06

* The holding company has provided loan to Supreme Autocast a vendor for the purpose of Capital Expenditure.

- (i) The Group has complied the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money Laundering Act, 2002 (15 of 2003).
- (ii) Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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 (All amount in Rs. Crores unless otherwise stated)

[f] OTHERS FINANCIAL ASSETS

	31-Mar-25	31-Mar-24
Non-Current (Unsecured, considered good)		
Security Deposits	3.17	3.18
	3.17	3.18
Current		
Incentives under Government schemes/ Grant	4.21	4.24
Interest on Fixed Deposit/ others	0.18	0.19
Provision for gratuity (Refer note 29)	1.34	1.25
	5.73	5.68

(i) Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.

6 OTHER ASSETS

	31-Mar-25	31-Mar-24
Non-Current		
Capital Advances	3.77	5.34
	3.77	5.34
Current		
Balances with Government authorities	0.35	7.15
Prepaid expenses	2.06	2.63
Advances to suppliers	0.72	1.47
Others	6.50	-
	9.63	11.25

7 NON-CURRENT TAX ASSETS

	31-Mar-25	31-Mar-24
Non Current		
Opening balance	4.49	4.43
Add: Taxes paid during the year	7.55	9.89
Less: Tax expenses pertaining to current year	(8.75)	(9.83)
Closing balance	3.29	4.49

8 DEFERRED TAX ASSETS (Net)

	31-Mar-25	31-Mar-24
Deferred tax (liabilities)/ assets		
Minimum Alternative Tax (MAT) credit	10.13	15.32
Property, plant and equipment	6.02	5.07
Provision for expenses to be claimed on payment basis	(0.04)	0.13
Financial asset at fair value through profit and loss (FVTPL)	(7.52)	(4.46)
Business Loss	4.00	0.13
Others	1.02	0.60
Deferred tax (liabilities)/ assets net	13.61	16.79

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	01-Apr-24	Recognised in			31-Mar-25
		Profit or loss	OCI	Equity	
Property, plant and equipment	5.07	0.95	-	-	6.02
Provision for expenses to be claimed on payment basis	0.13	(0.12)	(0.05)	-	(0.04)
Financial asset at fair value through profit and loss (FVTPL)	(4.46)	(3.06)	-	-	(7.52)
Business Loss	0.13	3.87	-	-	4.00
Others	0.60	0.42	-	-	1.02
	1.47	2.06	(0.05)	-	3.48

	01-Apr-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
Financial asset at fair value through profit and loss (FVTPL)	(3.58)	(0.88)	-	-	(4.46)
Business Loss	0.40	(0.27)	-	-	0.13
Others	-	0.60	-	-	0.60
	1.52	0.15	(0.20)	-	1.47

9 INVENTORIES

		31-Mar-25	31-Mar-24
(at lower of cost or net realisable value)			
Raw materials		12.85	13.46
Work - in - Progress		30.40	30.35
Finished Goods		24.07	23.34
Total		67.32	67.15
Included in inventories goods in transit/ at godown as follows:			
Raw materials		-	0.67
Finished goods		12.52	10.87
Total		12.52	11.54

Refer note 2.9 for policy on Valuation of Inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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 (All amount in Rs. Crores unless otherwise stated)

10 SHARE CAPITAL

[a] Authorised share capital

	31-Mar-25	31-Mar-24
2,00,00,000 Equity shares of Rs.10/- each	20.00	20.00
(31 March, 2024: 2,00,00,000 Equity shares of Rs.10/- each)		
	20.00	20.00

[b] Issued, subscribed and fully paid-up share capital

	31-Mar-25	31-Mar-24
90,73,300 Equity shares of Rs.10/- each	9.07	9.07
(31 March, 2024: 90,73,300 Equity shares of Rs.10/- each)		
	9.07	9.07

(i) Terms/ rights, preferences and restrictions attached to equity shares:

The Holding Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee.

The Holding Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Holding 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.

The Holding Company at its annual general meeting held on 10 September 2024 declared dividend of Rs.8/- per equity share of Rs. 10 each for the Financial Year 2023-24.

[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-25		31-Mar-24	
	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
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[d] Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as on 31st March, 2025 is as follows

Promoter Name	Shares held by Promoters				% Change during the year	
	As on 31st March, 2025		As on 31st March, 2024			
	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	2,24,059	2.47	-	
Mrs. Amita Jinendra Munot	1,47,215	1.62	1,47,215	1.62	-	
Mrs. Pramila Amolchand Munot	1,30,616	1.44	1,45,753	1.61	(0.17)	
Mrs. Trupti Sushen Gupta	1,23,496	1.36	1,23,496	1.36	-	
Mr. Piyush Jinendra Munot	1,16,235	1.28	1,16,235	1.28	-	
Mr. Yash Munot	1,13,427	1.25	1,13,427	1.25	-	
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**	-	-	-	-	-	
	60,79,061	66.99	60,94,198	67.17	(0.17)	

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

11 OTHER EQUITY

	31-Mar-25	31-Mar-24
General Reserve	235.00	235.00
Securities Premium	2.32	2.32
Capital Reserve	0.35	0.35
Retained Earnings	219.17	211.47
	456.84	449.14

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(i) General Reserve

	31-Mar-25	31-Mar-24
Balance at the beginning of the year	235.00	235.00
Movement during the year	-	-
Balance at the end of the year	235.00	235.00

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

(ii) Securities Premium

	31-Mar-25	31-Mar-24
Balance at the beginning of the year	2.32	2.32
Movement during the year	-	-
Balance at the end of the year	2.32	2.32

Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013.

(iii) Capital Reserve

	31-Mar-25	31-Mar-24
Balance at the beginning of the year	0.35	0.35
Movement during the year	-	-
Balance at the end of the year	0.35	0.35

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-25	31-Mar-24
Balance at the beginning of the year	211.47	171.94
Net profit for the year	14.92	43.69
Dividend Paid	(7.26)	(4.54)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	0.04	0.38
Balance at the end of the year	219.17	211.47

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 interest

	31-Mar-25	31-Mar-24
Balance as on 01 April, 2024	0.01	0.02
Profit for the year attributable to non controlling interest	(2.33)	(0.01)
Impact of increase in investment	4.67	-
Balance as on 31 March, 2025	2.35	0.01

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 (All amount in Rs. Crores unless otherwise stated)

12 FINANCIAL LIABILITIES

12 [a] NON-CURRENT BORROWINGS

	Security	31-Mar-25	31-Mar-24
Secured			
(I) From banks	Pledge of Mutual Fund units belonging to the Z F Steering Gear India Ltd and Drivesys Systems Pvt. Ltd (Refer Note 5a)	17.62	20.62
From Banks - Term Loan			
From Banks - Term Loan	First and exclusive hypothecation charged on all existing and future current assets, movable and fixed assets of the Metacast Auto Pvt Ltd also first and exclusive mortgage on immovable property being a land and building belong to the company.	20.02	10.16
Unsecured			
(I) Other - Term Loan	Loan from Supreme Iron India Pvt. Ltd.	3.83	4.85
		41.47	35.63

1. The subsidiary company Metacast Auto Pvt. Ltd. has received Term Loan from Kotak Mahindra Bank Ltd at interest of Repo rate plus 2.20% for the purpose of Capital expenditure. The loan repayment will be start from April, 2025 on monthly basis.
2. The subsidiary company Metacast Auto Pvt. Ltd. has received unsecured loan from Promoter Companies viz. Supreme Iron India Private Limited for the purpose of Capital Expenditure and also to meet the working capital requirement of such business exclusively. The loan is repayable after April, 2026 and interest is accrued on monthly basis, payable annually on 31st March.
3. The wholly owned subsidiary company Drivesys Systems Pvt. Ltd. has taken Term Loan from Kotak Mahindra Bank Ltd. at interest of Repo rate plus 2.20% For the purpose of Capital expenditure. Monthly loan repayment has been started during the year as per loan agreement.

12 [b] CURRENT BORROWINGS

	Security	31-Mar-25	31-Mar-24
Secured			
From banks			
Overdraft Facilities	These facilities are secured against pledge of certain financial asset of the Company (refer note 5a).	4.30	0.94
Bill discounting with banks	Secured against trade receivables of Tata Motors	33.89	29.09
Cash Credit	First charge on Stock and book debts (except Tata Motors)	3.78	-
Current maturities of long-term debt		13.77	6.87
		55.74	36.90

1. The Group exposure to Liquidity risk, market risk and credit risk related to borrowings are stated in Note 25.

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12 [c] TRADE PAYABLES

	31-Mar-25	31-Mar-24
Current		
Total outstanding dues of Micro and Small Enterprises (Refer note -30)	5.69	5.36
Total outstanding dues of creditors other than Micro and Small Enterprises	34.63	28.30
	40.32	33.66

(i) Details of trade payables to related parties are disclosed as part of note 35 - Related party disclosures.

(ii) The Group exposure to Liquidity risk, currency risk related to trade Payables are discussed in Note 25.

Ageing of Trade Payables as on 31st March, 2025

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	-	5.13	0.56	-	-	-	5.69
(ii) Others	6.38	12.88	15.31	0.06	-	-	34.63
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	6.38	18.01	15.87	0.06	-	-	40.32

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	-	-	-	-	-	-	-
TOTAL	5.67	13.20	14.61	0.18	-	-	33.66

12[d] LEASE LIABILITY

	31-Mar-25	31-Mar-24
Non-current		
Lease liability	1.91	3.17
	1.91	3.17
Current		
Lease liability	1.21	1.07
	1.21	1.07

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The following is the movement in lease liability during the year ended March 31, 2025:-

	Amount
Balance as of April 1, 2024	4.24
Addition	-
Finance cost accrued during the period	0.30
Payment of Lease Liability	(1.42)
Balance as on March 31, 2025	3.12
Balance as of April 1, 2023	5.08
Addition	-
Finance cost accrued during the period	0.40
Payment of Lease Liability	(1.24)
Balance as on March 31, 2024	4.24

The table below provides details regarding the contractual maturities of lease liabilities as of March 2025 on an undiscounted basis:

	31-Mar-25	31-Mar-24
Less than 1 year	1.42	1.36
one to five year	1.48	2.72
More than 5 year	1.26	1.44
Total	4.16	5.52

12[e] OTHERS

	31-Mar-25	31-Mar-24
Current		
Payable for capital goods	13.73	11.39
Unpaid dividends	0.19	0.16
Others	0.03	0.07
	13.95	11.62

13 PROVISIONS

	31-Mar-25	31-Mar-24
Non-current		
Provision for leave encashment	1.11	1.05
	1.11	1.05
Current		
Provision for leave encashment	1.13	1.38
Warranty provision [See note (i) below]	2.09	1.61
	3.22	2.99

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Note (i) - Warranty provision

The Holding 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

	31-Mar-25	31-Mar-24
Carrying amount in the beginning of the year	1.61	0.99
Additional provision made	1.57	1.50
Amount used	(1.09)	(0.88)
Carrying amount at the end of the year	2.09	1.61

14 OTHER LIABILITIES

	31-Mar-25	31-Mar-24
Non Current		
Deferred Income	0.01	0.01
Security Deposit	0.47	0.47
Export Promotion Capital Goods (EPCG) (see note (i) below)	-	0.48
	0.48	0.96
Current		
Advance from customers	2.93	1.70
Deferred revenue	0.76	0.89
Statutory liabilities	1.63	3.95
Others	3.00	2.25
	8.32	8.79

Note :

(i) As per EPCG scheme, the Holding Company is committed to prescribed times of duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. This grants relating to property, plant and equipment related to duty saved on import of capital goods under EPCG scheme.

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15 REVENUE FROM OPERATIONS

	For the year ended	
	31-Mar-25	31-Mar-24
Revenue from sale of products		
-Sale of Products	485.13	465.50
	485.13	465.50
Revenue from rendering services		
- Domestic services	1.42	1.72
	1.42	1.72
Other operating income		
- Solar power income	4.50	7.94
- Windmill income	0.54	1.05
- Sale of scrap	2.28	1.66
	7.32	10.65
	493.87	477.87

16 OTHER INCOME

	For the year ended	
	31-Mar-25	31-Mar-24
Dividend income	0.49	0.36
Interest income from financial assets measured at amortized cost	0.66	0.64
Realised gains on Financial assets Investment measured at FVTPL*	8.12	7.51
Unrealised gain/ (loss) on Financial assets Investment measured at FVTPL	4.76	15.64
Profit on sale/ discard of assets	0.07	-
Profit on sale of investment property	-	3.32
Foreign exchange gain	0.08	-
Government grants**	4.64	5.01
Export incentive	0.20	0.35
Other non-operating income	0.66	0.48
Rental Income from Investment Property	1.04	0.98
	20.72	34.29

* The realised gain includes Rs.3.28 Cr received from Reliance Capital Limited of NCD under insolvency resolution plan as per NCLT guideline.

** Government Grants include subsidy due / received from Madhya Pradesh State Government Rs. 4.16 Cr (Rs. 4 Cr for FY 23-24 & Rs. 0.16 Cr for FY 22-23)

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17 COST OF RAW MATERIAL CONSUMED

	For the year ended	
	31-Mar-25	31-Mar-24
Raw material consumed	307.76	314.21
Packing material consumed	2.42	3.06
Fabrication and processing charges	3.67	3.85
	313.85	321.12

18 CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended	
	31-Mar-25	31-Mar-24
Opening stock		
Work in progress	30.35	28.61
Finish goods (Includes Goods in transit/ at godown)	23.34	17.11
	53.69	45.72
Less: Closing stock		
Work in progress	30.40	30.35
Finish goods (Includes Goods in transit/ at godown)	24.07	23.34
	54.47	53.69
	(0.78)	(7.97)

19 EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	31-Mar-25	31-Mar-24
Salaries, wages, bonus etc.	36.87	30.64
Contribution to provident and other funds (Refer Note No 29)	1.70	1.31
Staff welfare expenses	5.26	4.51
Contract Labour Expenses	27.56	27.52
	71.39	63.98

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20 OTHER EXPENSES

	For the year ended	
	31-Mar-25	31-Mar-24
Power and fuel [Net of credit of windmill and solar income for year ended 31 March, 2025 Rs. 7.93 Crore, (31 March, 2024: Rs. 6.07 Crore)]	18.18	14.89
Repairs and maintenance		
-Buildings	3.13	1.36
-Machinery	5.86	5.81
-Others	1.49	0.93
Rent	0.09	0.07
Insurance	0.73	0.84
Rates and taxes	0.83	0.56
Selling and distribution expenses	9.28	8.93
Solar energy generation expenses	0.77	1.11
Windmill energy generation expenses	1.21	1.07
Foreign exchange loss	-	0.19
Loss on sale/ discard of assets	-	0.09
Corporate social responsibility expenditure (refer note 20(B) below)	0.56	0.02
Audit fees (refer note 20(A) below)	0.19	0.12
Legal & Professional expenses	4.53	3.37
Travelling & Conveyance expenses	4.49	3.54
Other miscellaneous expenses	4.95	5.54
	56.29	48.44

A. AUDITORS' REMUNERATION

	31-Mar-25	31-Mar-24
Audit fees	0.14	0.09
Limited review	0.02	0.02
Tax audit fees	0.02	0.01
For Certification and other related work	0.01	0.01
	0.19	0.13

* 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 for skill development of apprentices.

	31-Mar-25	31-Mar-24
Gross amount required to be spent by the Holding Company during the year	0.56	0.24
Amount spent during the year on :		
Construction/Acquisition of any asset	-	-
On purpose other than above	0.56	0.02

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21 FINANCE COSTS

	For the year ended	
	31-Mar-25	31-Mar-24
Interest expenses	6.48	0.91
Other borrowing cost	0.08	0.10
	6.56	1.01

22 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended	
	31-Mar-25	31-Mar-24
Depreciation on property, plant and equipment	40.69	31.87
Amortisation of intangible assets	0.54	0.35
Amortisation of right of use assets*	1.55	1.49
	42.78	33.71

* Amortization expenses on right of use of assets of Rs.0.13 Cr (31 March, 2024 Rs.0.12 Cr) was included under capital work-in-progress and has been capitalized when commercial operation started.

23 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended	
	31-Mar-25	31-Mar-24
Statement of profit and loss		
Current tax		
Current tax on profits for the year	13.94	9.83
Total current tax expense	13.94	9.83
Minimum Alternative Tax (MAT) credit entitlement		
MAT credit entitlement	-	(1.48)
Total MAT credit entitlement	-	(1.48)
Deferred tax		
Deferred tax expense/ (income)	(2.03)	(0.16)
Total deferred tax expense/ (benefit)	(2.03)	(0.16)
Income tax expense	11.91	8.19
Other comprehensive income		
Deferred tax related to OCI items		
- On loss/ (gain) on remeasurements of defined benefit plans	(0.03)	(0.20)
	(0.03)	(0.20)

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

	For the year ended	
	31-Mar-25	31-Mar-24
Profit before exceptional items and tax	24.50	51.87
Tax at the Indian tax rate of 34.944% (2023-24: 17.472%)	8.56	9.01
Effect of non deductible expenses	-	0.03
Deductible/non-deductible/income/expenses items	(2.03)	(0.16)
Minimum Alternative Tax (MAT) credit entitlement	-	(1.48)
Tax rate differences of subsidiaries	6.80	-
Others	(1.43)	0.78
Income tax expense	11.91	8.19

24 EARNINGS PER SHARE

	For the year ended	
	31-Mar-25	31-Mar-24
Basic and diluted earnings per share (face value of Rs. 10 each)		
- Profit attributable to the equity share holders of the Company (Rs. In Crores)	12.59	43.68
- Weighted average number of shares (in Nos.)	90,73,300	90,73,300
Basic and diluted earnings per share (in Rs.)	13.88	48.14

25 FINANCIAL RISK MANAGEMENT

The Group 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 Group'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 Holding Company who then evaluates and takes the necessary corrective action. The sources of risk, which the Group is exposed to and how the Group 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

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[A] Credit risk

Credit risk is the risk of financial loss to the Group if the counterparty fails to meet its contractual obligations. The Group 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 Group 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 Group grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Group'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 Group's exposure to credit risk by age of the outstanding from various customers is as follows:

	31-Mar-25	31-Mar-24
Not past due	96.29	91.82
Past due but not impaired		
- Past due 0 to 180 days	13.81	5.87
- Past due more than 180 days	0.54	0.01
	110.64	97.70

[B] Liquidity risk

Liquidity risk is the risk the Group faces in meeting its obligations associated with its financial liabilities. The Group'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 Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-25					
Non-derivatives					
Borrowings	97.21	55.74	41.47	-	97.21
Lease Liability	4.16	1.42	1.48	1.26	4.16
Trade payables	40.32	40.32	-	-	40.32
Capital creditors	13.73	13.73	-	-	13.73
Other financial liabilities	0.19	0.19	-	-	0.19
Total	155.61	111.40	42.95	1.26	155.61

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-24					
Non-derivatives					
Borrowings	72.53	36.90	35.63	-	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
Total	123.26	83.47	38.35	1.44	123.26

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[C] Market risk

The Group'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 Group's income and expenses, or the value of its financial instruments.

(i) Foreign currency risk

The Group is subject to the risk that changes in foreign currency values impact the Group'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 Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	USD	EUR	YEN	Total
31-Mar-25				
Financial assets				
Trade receivables	1.02	-	-	1.02
Net exposure to foreign currency risk (assets)	1.02	-	-	1.02
Financial liabilities				
Trade payables	0.11	0.23	0.58	0.92
Net exposure to foreign currency risk (liabilities)	0.11	0.23	0.58	0.92

	USD	EUR	YEN	Total
31-Mar-24				
Financial assets				
Trade receivables	3.75	-	-	3.75
Net exposure to foreign currency risk (assets)	3.75	-	-	3.75
Financial liabilities				
Trade payables	0.10	0.05	0.60	0.75
Net exposure to foreign currency risk (liabilities)	0.10	0.05	0.60	0.75

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(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-25	31-Mar-24
USD		
- Increase by 10%	0.06	0.26
- Decrease by 10%	(0.06)	(0.26)
EUR		
- Increase by 10%	(0.02)	-
- Decrease by 10%	0.02	-
YEN		
- Increase by 10%	(0.04)	(0.04)
- Decrease by 10%	0.04	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 Group to change in interest rate at end of the reporting periods are as follows:

	31-Mar-25		31-Mar-24	
	Amount	% of total borrowings	Amount	% of total borrowings
Variable rate borrowings - Overdraft facility average borrowing rate 8.70% (P.Y. 8.90%)	63.32	65%	43.44	60%
Variable rate borrowings - Bill discounting average borrowing rate 7.75% (P.Y. 7.75%)	33.89	35%	29.09	40%
Fixed rate borrowing	-	0%	-	0%
Total Borrowing	97.21		72.53	

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-25	31-Mar-24
Interest rate increase by 100 basis points	(0.60)	(0.16)
Interest rate decrease by 100 basis points	0.60	0.16

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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

	31-Mar-25							31-Mar-24						
	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
[i] Financial assets														
Non Current														
Investment														
Investment in equity quoted	31.22	-	-	-	31.22	-	-	32.53	-	-	-	32.53	-	-
Investment in mutual fund	119.96	-	-	-	119.96	-	-	97.09	-	-	-	97.09	-	-
Investment in bond	-	4.40	-	-	-	-	-	-	4.40	-	-	-	-	-
Loans														
Security deposit	-	3.17	-	-	-	-	-	-	3.18	-	-	-	-	-
Other financial assets	-	1.98	-	-	-	-	-	-	2.48	-	-	-	-	-
Current														
Trade receivables	-	110.64	-	-	-	-	-	-	97.70	-	-	-	-	-
Cash and cash equivalents	-	0.95	-	-	-	-	-	-	11.45	-	-	-	-	-
Other bank balances	-	0.19	-	-	-	-	-	-	0.16	-	-	-	-	-
Other financial assets	-	5.81	-	-	-	-	-	-	5.74	-	-	-	-	-
	151.18	127.14	-	-	151.18	-	-	129.62	125.11	-	-	129.62	-	-
[ii] Financial liabilities														
Non Current														
Long term borrowings	-	41.47	-	-	-	-	-	-	35.63	-	-	-	-	-
Lease Liability	-	1.91	-	-	-	-	-	-	3.17	-	-	-	-	-
Current									-					
Short term borrowings	-	55.74	-	-	-	-	-	-	36.90	-	-	-	-	-
Trade payables	-	40.32	-	-	-	-	-	-	33.66	-	-	-	-	-
Lease Liability	-	1.21	-	-	-	-	-	-	1.07	-	-	-	-	-
Capital creditor	-	13.73	-	-	-	-	-	-	11.39	-	-	-	-	-
Other financial liabilities	-	0.22	-	-	-	-	-	-	0.23	-	-	-	-	-
	-	154.60	-	-	-	-	-	-	122.05	-	-	-	-	-

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(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 Group 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 Group has 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

(a) Risk management

The Group's objective when managing capital are to:

Safeguard its ability to continue as going concern, so that it can continue to provide returns for its shareholder and benefits for others.

Maintain an optimal capital structure to reduce the cost of equity

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders return capital to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio

Net Debt (Total borrowing net plus lease liability of cash and cash equivalents and other bank balance) and divided by Total equity (as shown in the Balance Sheet)

The Capital Gearing Ratio for 31 March, 2025 and 31 March, 2024 are as follows:

	31-Mar-25	31-Mar-24
Net Debt	100.42	66.60
Total Equity	468.26	458.22
Net Debt to equity ratio	0.21	0.15

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28 SEGMENT INFORMATION

[A] Description of segment and principal activities

The Group's Operating Segments are established on the basis of those components of the Group 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.

The Group 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 Group 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-25				31-Mar-24			
	Auto component	Renewable energy	Unallocable	Total	Auto component	Renewable energy	Unallocable	Total
Segment revenue:								
External revenue*	494.48	12.97	15.07	522.52	474.66	15.12	28.45	518.23
Less: inter segment revenue	-	(7.93)	-	(7.93)	-	(6.07)	-	(6.07)
Total segment revenue	494.48	5.04	15.07	514.59	474.66	9.05	28.45	512.16
segment profit before tax	0.90	8.55	15.05	24.50	13.37	10.06	28.44	51.87
Segment results	0.90	8.55	3.14	12.59	13.37	10.06	20.25	43.68
Segment results includes :								
Interest expenses	6.56	-	-	6.56	1.01	-	-	1.01
Interest income	-	-	0.66	0.66	-	-	0.64	0.64
Depreciation	40.36	2.42	-	42.78	30.89	2.82	-	33.71
Tax expenses	-	-	11.91	11.91	-	-	8.19	8.19
Segment assets	393.48	61.86	180.65	635.99	364.25	52.30	177.51	594.06
Segment assets includes:								
Capital expenditure incurred during the year	83.91	-	-	83.91	73.51	-	-	73.51
Segment liabilities	167.56	0.17	-	167.73	135.66	0.18	-	135.84

* External Revenue - Auto Components - Rs. 494.48 Crores includes Revenue from sale of products - Rs. 484.16 Crores; Revenue from rendering services - Rs. 1.42 Crores; Revenue from Sale Of Scrap - Rs. 2.28 Crores; Government Grants - Rs. 4.64 Crores; Export Incentive - Rs. 0.20 Crores; Other Non-Operating Income - Rs. 1.70 Crores, and Foreign Exchange gain - Rs. 0.08 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 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

[C] Information about geographical areas

Revenue from external customers

The Group 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-25	31-Mar-24
India	505.52	499.54
Overseas	9.07	12.62
	514.59	512.16

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

	31-Mar-25	31-Mar-24
India	267.11	244.15
	267.11	244.15

[D] Major customers

Revenue of approximately Rs. 317.14 Crore (PY- Rs. 319.09 Crore) are derived from three major external customers of the Group. 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 Group has no further obligations. Such benefits are classified as defined contribution schemes as the Group 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. 1.06 Crore (Previous year - Rs. 0.87 Crore).

29(b) Defined Benefit plans

Gratuity: The Group 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 Group'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 Group, is deducted from the gross obligation, and Assumptions used in valuation are discount rate, escalation, mortality rate, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

(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
As at 01-Apr-2024	10.02	11.27	(1.25)
Current service cost	0.63	-	0.63
Interest expenses/ income	0.70	0.81	(0.11)
Total amount recognised in profit and loss	1.33	0.81	0.52
Remeasurements			
Gain/ loss from change in demographic assumption	-	-	-
Gain/ loss from change in financial assumption	0.17	(0.01)	0.18
Experience Gain/ loss	(0.36)	(0.01)	(0.35)
Total amount recognised in other comprehensive income	(0.19)	(0.02)	(0.17)
Employer contributions	-	0.56	(0.56)
Benefit payments	(0.56)	(0.56)	-
Mortality charges and taxes	-	(0.02)	0.02
As at 31-Mar-2025	10.60	12.04	(1.44)

	Present value of obligation	Fair value of plan assets	Net Amount
As at 01-Apr-2023	15.35	14.90	0.45
Current service cost	0.50	-	0.50
Interest expenses/ income	0.90	0.93	(0.02)
Total amount recognised in profit and loss	1.40	0.93	0.47
Remeasurements			
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)	(0.56)
Total amount recognised in other comprehensive income	(0.73)	(0.15)	(0.57)
Employer contributions	-	1.61	(1.61)
Benefit payments	(6.00)	(6.00)	-
Mortality charges and taxes	-	(0.02)	0.02
As at 31-Mar-2024	10.02	11.27	(1.25)

(ii) Net assets/ liabilities

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

	31-Mar-25	31-Mar-24
Present value of funded obligations	10.60	10.02
Fair value of plan assets	12.04	11.27
Net (Deficit) for funded schemes	1.44	1.25

(iii) Analysis of plan assets is as follows:

	31-Mar-25	31-Mar-24
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
Total	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025
(All amount in Rs. Crores unless otherwise stated)

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-25	31-Mar-24
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.60%	7.20%
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	7.20%	7.30%
Expected average remaining working lives of employees (in years)	6.09	5.95
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.
- 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-25	31-Mar-24
Discount rate - Increase by 1%	(0.39)	(0.28)
Discount rate - Decrease by 1%	0.43	0.30
Salary increment rate - Increase by 1%	0.35	0.24
Salary increment rate - Decrease by 1%	(0.33)	(0.23)
Withdrawal rate - Increase by 1%	(0.12)	(0.03)
Withdrawal rate - Decrease by 1%	0.12	0.04

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 Group 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, 2025 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
As at 31-Mar-2025				
Defined benefit obligation - Gratuity	5.30	0.95	2.90	4.64
As at 31-Mar-2024				
Defined benefit obligation - Gratuity	5.32	0.90	2.70	3.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

30 MICRO, SMALL AND MEDIUM ENTERPRISES

i)

	31-Mar-25	31-Mar-24
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period - - Principal amount outstanding - Interest thereon	5.69	5.36
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 MSME.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025
 (All amount in Rs. Crores unless otherwise stated)

31 a) CONTINGENT LIABILITIES

		31-Mar-25	31-Mar-24
A	Taxation Matters		
A-1	Income tax		
	Dispute in respect of penalty matters pending before CIT (Appeal), Delhi	3.26	3.26
	Dispute in respect of Assessment dues (A.Y.2015-16) before CIT (Appeal), Delhi	1.80	1.80
	Dispute in respect of Assessment dues (A.Y.2016-17) before CIT (Appeal), Delhi	4.40	4.40
	Dispute in respect of Assessment dues (A.Y.2017-18) before CIT (Appeal), Delhi	0.92	0.92
	Dispute in respect of Assessment dues (A.Y.2018-19) before CIT (Appeal), Delhi	0.80	0.80
	Dispute in respect of Assessment dues (A.Y.2019-20) before CIT (Appeal), Delhi	2.88	2.88
	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
	TDS Matter pertaining to F.Y. 2012-13 pending with CIT(A) Pune	0.03	0.03
A-2	Sales Tax/Excise		
	Dispute before Joint Commissioner of Sales Tax for F.Y. 2016-17	0.34	0.34
	Dispute before Joint Commissioner of Sales Tax for F.Y. 2017-18	-	0.12
	Central Excise Liability under dispute before CESTAT Mumbai	0.11	0.11
A-3	Goods and Service tax		
	Dispute in respect of Assessment dues (F.Y. 2017-18 to F.Y. 2021-2022) before AC,CGST,Ujjain	0.06	0.42
	Dispute in respect of Assessment dues (F.Y. 2019-20) before Superintendent, CGST, Pithampur-I	0.01	0.01
	Dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Authority, Rudrapur	0.11	0.11
	Dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Vijaypura, Karnataka.	0.05	-
B	Other		
	Bank Guarantees issued by the Company	2.56	3.05
	Comfort letter in lieu of Corporate Guarantee (issued on behalf of Drivesys to their banker towards credit facilities)	26.43	27.49
	Comfort letter in lieu of Corporate Guarantee (issued on behalf of Metacast to their banker towards credit facilities)	14.67	5.22

Note:

The Group does not expect any cash outflow in respect of the above contingent tax liabilities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

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.

As per legal obligation, the company had filed 236 approval applications by way of abandoned cautions. Before the Industrial Tribunal, Pune out of which 228 approvals are granted by the Tribunal, and 8 cases are pending in court in approval application. Further, out of 236 dismissal cases, 135 employees have settled their all cases and remaining 101 cases are pending in Pune courts.

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 Sangathan, 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, in respect of 74 cases. Out of 74 cases, in case of 44 workmen, the Hon'ble Labour Court, Pune passed the order dated 12.03.2024 on the preliminary issues that the enquiry conducted against these workmen is legal, fair and proper. On challenge the said order dated 12.03.2024 by these 44 workmen in petition, the Hon'ble Bombay High Court vide its order dated 05.12.2024 has rejected the said writ petition and upheld the findings of the Enquiry Officer as legal, fair and proper. Now these 44 workmen are in the process of filing evidences before the Hon'ble Labour Court, Pune. For the balance 30 workmen, the matter is pending consideration of the Hon'ble Labour Court, Pune. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025
 (All amount in Rs. Crores unless otherwise stated)

32 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-2025

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 Profit/(Loss)	Amount	As a % of Consolidated Net OCI	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
ZF Steering Gear (India) Ltd.	100.58	489.86	233.72	33.89	64.29	0.09	232.10	33.98
Subsidiary Company								
Drivesys Systems Private Limited	(1.50)	(7.29)	(100.34)	(14.55)	28.57	0.04	(99.10)	(14.51)
Nexsteer Systems Private Limited	(0.07)	(0.35)	(0.55)	(0.08)	-	-	(0.55)	(0.08)
Metacast Auto Private Limited	0.99	4.80	(32.83)	(4.76)	7.14	0.01	(32.45)	(4.75)
SUBTOTAL	100.00	487.02	100.00	14.50	100.00	0.14	100.00	14.64
Consolidation Adjustment		(18.76)		(1.87)		-		0.28
TOTAL		468.26		12.63		0.14		14.92

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 Profit/(Loss)	Amount	As a % of Consolidated Net OCI	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
ZF Steering Gear (India) Ltd.	98.49	460.48	101.45	47.72	100.00	0.38	101.52	45.44
Subsidiary Company								
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)	
SUBTOTAL	100.00	467.54	100.00	47.04	100.00	0.38	100.00	44.76
Consolidation Adjustment		9.32		3.36		-		0.70
TOTAL		458.22		43.68		0.38		44.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

33 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed at group level on capital account and not provided for Rs. 36.26 Crore (31 March, 2024 - Rs. 59.52 Crore).
- b) Total export obligation under the EPCG Scheme was Rs. 33.91 crores and obligation payable as on 31 March, 2025 is Rs. 5.65 Crores (31 March, 2024 - 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 Group 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.

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. Shridhar S. Kalmadi (Independent) (up to 31 March, 2025) Mrs. Smita Lahoti (Independent) Mr. Rohit Rathi (Independent) (w.e.f. 06 August 2024) Mr. Shrenik Gandhi (Independent) (w.e.f. 01 April, 2025) - Chairman of the Audit Committee Mr. Bharat Agarwal (Independent) (w.e.f. 01 April, 2025) Dr. Dinesh Bothra (Non-independent) Mr. S.A. Gundecha (Independent) (up to 15 September 2024)
3	Directors of subsidiary companies	Mr. Ajit Nemichand Gugale Mr. Sachin Kanakmal Gugale Mr. Aniket Laxman Kadam Mr. Gautam Prafulla Haldikar Mr. Prafulla Keshavrao Haldikar
4	Entities over which key managerial personnel able to exercise significant influence	Varsha Forging Pvt. Ltd. Emtech Solutions Pvt Ltd. KCTR Varsha Automotive Pvt. Ltd. Deva Autotonics Pvt. Ltd.

B Key managerial personnel compensation

	31-Mar-25	31-Mar-24
a. Short term employee benefits (Salary paid during the year)	13.46	11.18
b. Post-employment benefits (cumulative)	3.19	3.13
	16.65	14.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025
(All amount in Rs. Crores unless otherwise stated)

C Transaction with related parties

	For the year ended	
	31-Mar-25	31-Mar-24
Purchase of goods & Services		
Varsha Forging Pvt Ltd	17.90	15.66
Sale of goods & services		
Deva Autotonics Pvt. Ltd.	0.88	0.12
Lease Rental Payment		
Emtech Solutions Pvt Ltd.	1.14	1.08
Sitting fees to Non Executive & Independent directors	0.17	0.17

D Outstanding balances

	31-Mar-25	31-Mar-24
Trade payables		
Varsha Forging Pvt Ltd	4.32	3.22
Lease Rental Payment	0.10	0.09
Key managerial personnel	1.74	1.52
Trade Receivables		
Deva Autotonics Pvt. Ltd.	0.46	0.07

37 As reported earlier, the Holding 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 Holding Company. The Holding 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 Holding 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 Holding Company. The Holding 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 Holding 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 consideration of the Hon'ble District Court, Pune.

In September 2024, the Holding Company received a communication, from ZF Friedrichshafen AG and ZF India Private Limited, stating that they have filed a Commercial IP Suit along with Interim Application before the Hon'ble High Court of Judicature at Bombay in relation to the alleged infringement of the alleged trademarks/mark of ZF Friedrichshafen AG and/or and ZF India Private Limited and amongst other things, ZF Friedrichshafen AG and ZF India Private Limited have allegedly demanded a sum of Rs.200 crore in alleged damages, from the Holding Company and prayed for certain interim relief(s) till the conclusion of the aforesaid Commercial Suit. The said Commercial Suit and the said Interim Application is pending consideration of the Hon'ble High Court of Judicature at Bombay. In the Holding Company's opinion, it has not committed any act of infringement and/or passing off and the Holding Company does not in any manner whatsoever, accepts any allegation of infringement, passing off and/or demands of ZF Friedrichshafen AG & ZF India Private Limited. This disclosure is made, without prejudice to the rights of the Holding Company and only in order to comply with the applicable disclosure requirements to the Holding Company, as a listed entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2025

(All amount in Rs. Crores unless otherwise stated)

38 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 Group uses SAP HANA as a primary accounting software for maintaining the books of account except for Metacast Auto Private Limited which uses Tally Prime Edit Log v 5.1. Both softwares has features of recording audit trail facility and that has been operative and maintained/preserved throughout the financial year for the transactions recorded in the software impacting books of account at application level.

39 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 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: 17 May, 2025

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

Shrenik Gandhi
 Chairman of Audit Committee
 DIN :10929891

Jinendra Jain
 Chief Financial Officer

Satish Mehta
 Company Secretary

Place: Pune
Date: 17 May, 2025

AOC 1 - Statement containing salient features of the Financial Statements of subsidiaries of the Company

Sr No	Particular	Subsidiary		
		Drivesys Systems Private Limited	Nexsteer Systems Private Limited	Metacast Auto Private Limited
1	Reporting period for the subsidiary concerned if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable
2	Reporting currency and exchange rate as on the last date of the relevance financial year in the case of foreign subsidiaries	INR	INR	INR
3	% of shareholding	100%	100%	51%
4	Share Capital	8.00	0.08	8.00
5	Reserves and Surplus	(15.29)	(0.43)	(3.20)
6	Total Assets	79.69	22.17	67.09
7	Total Liabilities	86.98	22.52	62.29
8	Investments	0.01	-	-
9	Turnover	24.79	-	8.71
10	Profit before Taxation	(17.62)	(0.08)	(6.33)
11	Provision for Taxation	(3.07)	-	(1.57)
12	Profit After Taxation	(14.55)	(0.08)	(4.76)
13	Proposed Dividend	-	-	-

As per our report of even date

For and on behalf of the Board of Directors of ZF Steering Gear (India) Ltd.
 CIN: L29130PN1981PLC023734

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

Dinesh Munot
 Chairman
 DIN : 00049801

Utkarsh Munot
 Managing Director
 DIN : 00049903

Shrenik Gandhi
 Chairman of Audit Committee
 DIN : 10929891

Kaustubh Deshpande
 Partner
 Membership No. : 131090

Jinendra Jain
 Chief Financial Officer

Satish Mehta
 Company Secretary

Place: Pune
Date: 17 May, 2025

Place: Pune
Date: 17 May, 2025

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.

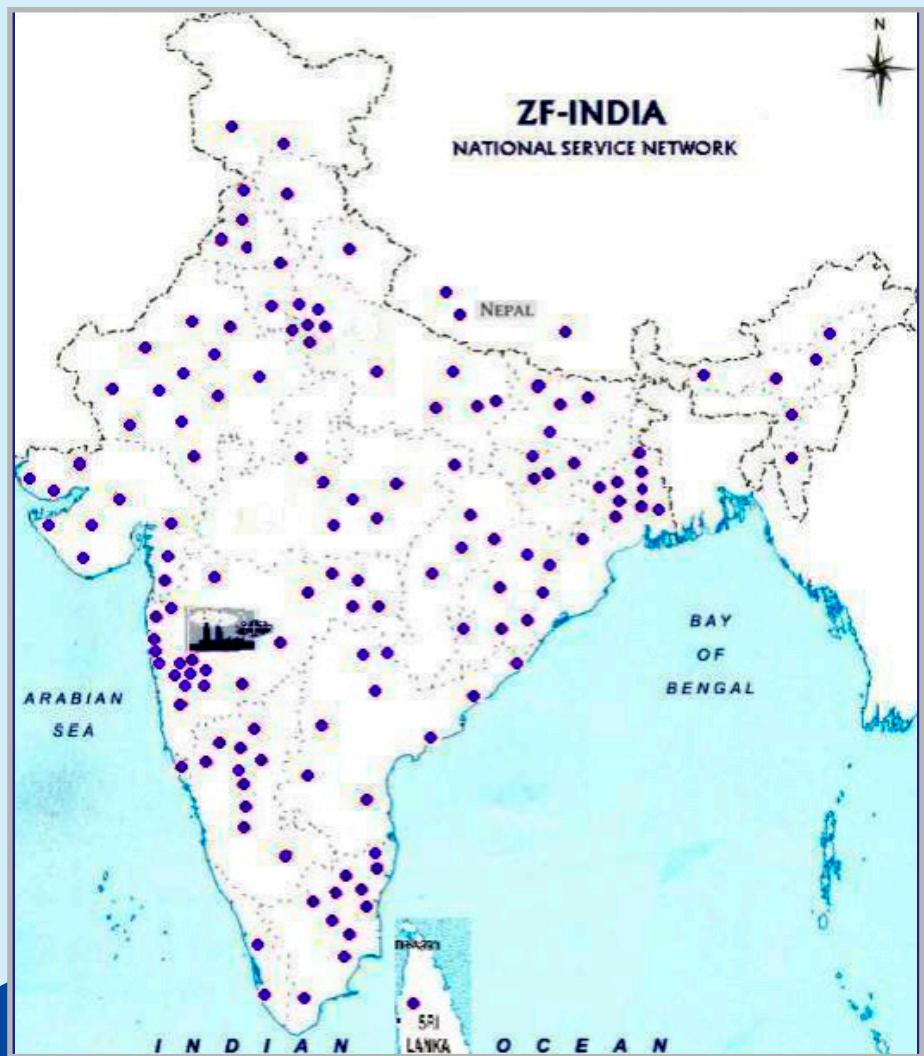
We shall give top priority to ensure customer satisfaction through best quality products and services.

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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