



# ZF STEERING GEAR (INDIA) LIMITED



Creating a Green World...



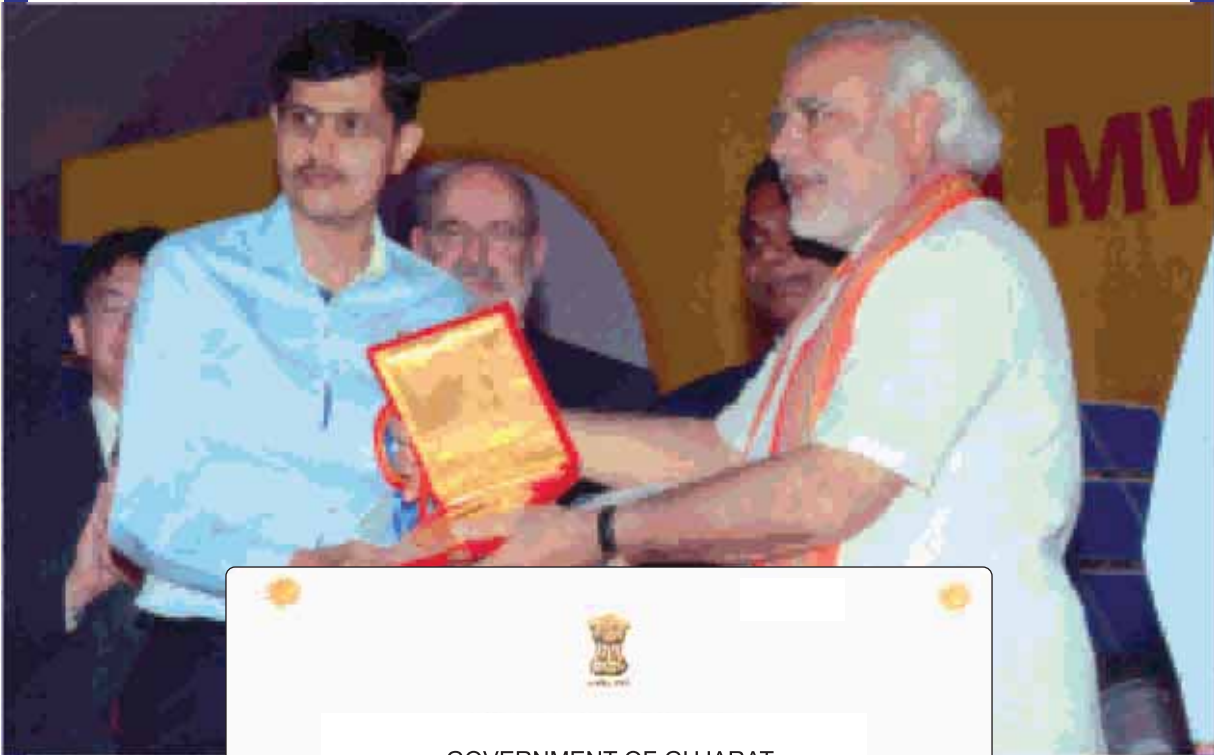
32nd Annual Report  
2011-2012

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





# EMPOWERING THE NATION with the Green Energy Initiatives!



**Pioneers in Power Steering Gears in India**

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

## BOARD OF DIRECTORS

### Chairman & Managing Director

Mr. Dinesh Munot

### Jt. Managing Director

Mr. Jinendra Munot

### Executive Director

Mr. Utkarsh Munot

### Non-Executive Directors

Mr. D. S. Bomrah

Mr. Manish Motwani

Dr. Dinesh Bothra

Mr. Ludwig Rapp

Mr. M. L. Rathi

Dr. Hans Friedrich Collenberg

Mr. Shridhar S. Kalmadi

Mr. Ajinkya Arun Firodia

Mr. Carl Magnus Backlund

(w.e.f. July 27, 2011)

Mr. Klaus Traeder

(Alternate Director for Mr. Carl Magnus Backlund)

Mr. B. S. Iyer

(Alternate Director for Dr. Hans Friedrich Collenberg)

Mr. Walter Salvasohn

(up to July 27, 2011)

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Jinendra Jain

### COMPANY SECRETARY

Mr. Satish Mehta

### AUDIT COMMITTEE

Mr. Manish Motwani (Chairman)

Mr. D. S. Bomrah

Dr. Dinesh Bothra

### SHAREHOLDERS' GRIEVANCE COMMITTEE

Dr. Dinesh Bothra

### REMUNERATION COMMITTEE

Mr. D. S. Bomrah (Chairman)

Mr. Manish Motwani

### AUDITORS

M/s. MGM & Co.

Chartered Accountants

### COST AUDITORS

M/s. Joshi Apte & Associates

Cost Accountants

### INTERNAL AUDITORS

M/s. Pawan Jain & Associates

Chartered Accountants

### BANKERS

YES Bank Ltd.

Bank of Maharashtra

Canara Bank

HDFC Bank Ltd.

### REGISTERED OFFICE & WORKS

Gat Nos. 1242 & 1244, Village Vadu Budruk,

Taluka Shirur, Dist. Pune-412 216

Maharashtra.

### CORPORATE OFFICE

601-602, MCCIA Trade Tower,

International Convention Centre 'A' Wing

403-A Senapati Bapat Road, Pune-411 016

Tele: 020-3021 1600 Fax No: 020-3021 1699

E-mail : satish.mehta@zfindia.com

### REGISTRAR & SHARE TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd,

(Formerly Intime Spectrum Registry Ltd.)

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

Akshay Complex, off Dhole Patil Road, Pune-411 001.

Tele: 020-26161629 Fax: 020-26163503

E-mail : pune@linkintime.co.in

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## NOTICE

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

Day : Saturday  
Date : July 28, 2012  
Time : 4.00 p.m.  
Place : Registered Office of the Company,  
Gat Nos. 1242/44, Village Vadu Budruk,  
Tal. Shirur, Dist. Pune - 412 216.

to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the audited Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To note the payment of Interim Dividend and declare Final Dividend for the Financial Year 2011-12.
3. To appoint a Director in place of Dr. Dinesh Bothra, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ajinkya Arun Firodia, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ludwig Rapp, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), and Schedule XIII of the said Act, (including any amendment or statutory modification thereto for the time being in force) and subject to such sanctions as may be necessary, the Company hereby accords its approval to the re-appointment and payment of remuneration and perquisites and giving of benefits and

amenities to Mr. Dinesh Munot as Chairman and Managing Director of the Company, for a further period of five years w.e.f from December 14, 2011 on the terms and conditions, including those relating to remuneration, as set out under Item No. 7 of the Explanatory Statement annexed to this Notice.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), and Schedule XIII of the said Act, (including any amendment or statutory modification thereto for the time being in force) and subject to such sanctions as may be necessary, the Company hereby accords its approval to the re-appointment and payment of remuneration and perquisites and giving of benefits and amenities to Mr. Utkarsh Munot as Executive Director of the Company, for a further period of five years w.e.f from November 1, 2011 on the terms and conditions, including those relating to remuneration, as set out under Item No. 8 of the Explanatory Statement annexed to this Notice.”

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

**Satish Mehta**  
Company Secretary

May 16, 2012

### Registered Office:

Gat No. 1242/44, Village Vadu Budruk,  
Tal. Shirur, Dist. Pune - 412 216.



## Notes:

**1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the Annual General Meeting.

- 2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business in the Notice is annexed hereto.
- 3) Profiles of the Directors being appointed/ re-appointed, as required by the Corporate Governance Code (Clause 49 VI A of the Listing Agreement entered into with the Stock Exchange), are annexed to the Notice.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from July 21, 2012 to July 28, 2012 (both days inclusive) for the purpose of payment of dividend to those Members, whose names stand on the Register of Members as on July 28, 2012. The dividend in respect of Equity Shares held in electronic form will be payable to the beneficial owners of the Equity Shares as at the end of business hours on July 20, 2012 as per the details furnished by the depositories for this purpose.
- 5) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company, so as to reach it at least ten days before the date of the Meeting, so that information can be made available at the Meeting.
- 6) Members holding shares in physical form are requested to intimate the changes, if any, in their registered addresses, to the Company's Registrar & Share Transfer Agents M/s. Link Intime India Pvt. Ltd., Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune- 411 001.
- 7) Members are advised that respective bank details and address as furnished by them or by NSDL/ CDSL to the Company, for shares held in physical form and in the dematerialized form respectively, will be printed on their dividend warrant so as to protect against fraudulent encashment
- 8) Pursuant to provisions of Section 205 of the Companies Act, 1956, all unclaimed/ unpaid dividends up to and including the financial year 1994-95, have been transferred to the General Revenue Account of the Central Government. Members who have not yet en-cashed their dividend warrants for the said period, are requested to forward their claims in the prescribed Form II of the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978 to Registrar of Companies, Maharashtra, PMT Building, Deccan Gymkhana, Pune- 411 004.
- 9) Pursuant to provisions of Section 205A and 205 C of the Companies Act, 1956, 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 of the Central Government. Accordingly, unclaimed dividends for the financial years 1995-96 to 2003-04 have been transferred to the Investor Education and Protection Fund of the Central Government. Unclaimed dividend for financial years 2004-05 and thereafter is still lying with the Company. Shareholders who have not yet en-cashed the dividend warrants for financial years 2004-05 and thereafter are requested to contact the Company at the earliest since no claim shall lie against the Company or the Investor Education and Protection Fund after transfer as mentioned above.

- 10) The Annual Report 2011-12 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.zfindia.com](http://www.zfindia.com) and also on the website of the Bombay Stock Exchange at [www.bseindia.com](http://www.bseindia.com).
- 11) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd.

### Important Communication to Members

The following are the Company's recommendations to shareholders investors:

#### Open Demat Account and Dematerialise your shares

Investors should convert their physical holdings of securities into demat holdings. Holding securities in demat form helps investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

#### Consolidate Multiple Folios

Investors should consolidate their shareholding held in multiple folios. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

Register NECS Mandate and furnish correct bank account particulars with Company/ Depository Participant (DP)

Investors holding the shares in physical form should provide the national Electronic Clearing Services (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from Companies and avoid postal delays and loss in transit. Investors must update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.

#### Submit Nomination Form

Investors should register their nominations in case of physical shares with the Company and in case of dematerialized shares with their DP. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Investors must ensure that nomination made is in the prescribed Form and must be witnessed by two witnesses in order to be effective. The Form may be downloaded from the Company's website [www.zfindia.com](http://www.zfindia.com) under the section 'Investor'.

#### Green Initiative

Register e-mail address:

To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with M/s. Link Intime India Pvt. Ltd., if shares are held in physical mode or with their DP, if the holding is in electronic mode.

## Annexure to the Notice

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

As required by Section 173 of the Companies Act, 1956, in respect of the Items of Special Business in this Notice.

#### **Item No. 7:**

The Board of Directors of the Company at their meeting held on November 3, 2011, re-appointed Mr. Dinesh Munot as Chairman and Managing Director of the Company for a further period of 5 years with effect from December 14, 2011.

A brief-profile of Mr. Dinesh Munot has been given separately as part of the Notice.

The terms and conditions of his appointment, including those relating to remuneration, are as given hereunder:

**Tenure:** For a period of five years with effect from December 14, 2011.

#### **Remuneration:**

- (a) **Salary:** Rs. 6,50,000/- (Rupees Six Lakh Fifty Thousand) per month, with annual increment of 15%, effective April 1, each year.
- (b) **Commission:** Mr. Dinesh Munot shall be entitled to an annual performance linked incentive, as may be determined by the Board/ Remuneration Committee of Directors.
- (c) **Perquisites:** In addition to salary and commission, the following perquisites shall be paid to Mr. Dinesh Munot.
  - i) **Housing:** 60% of the Salary will be paid to Mr. Dinesh Munot as Housing Allowance per month.
  - ii) **Stock Option:** Participation to employee stock option scheme, as may be evolved by the Company from time to time.
  - iii) **Medical Reimbursement:** Reimbursement of medical expenses including hospitalization and surgical charges incurred in India and abroad for Mr. Dinesh Munot and his family, as may be approved by the Board of Directors or as per the rules of the Company.
  - iv) **Leave Travel Concession:** Leave travel concession for Mr. Dinesh Munot and family, once in a year, incurred in accordance with the rules specified by the Company.
  - v) **Club Fees:** Reimbursement of membership fee up to 2(two) clubs, including admission and life membership fee.
  - vi) **Personal Accident Insurance:** Personal Accident Insurance Policy as per the rules of the Company.
  - vii) **Hospitalization/ Medical Insurance:** Hospitalization / Medical Insurance for self and family, in accordance with the rules of the Company.
  - viii) **Provident Fund:** Company's Contribution to Provident Fund/ Special Salary in lieu thereof, in accordance with the rules of the Company.
  - ix) **Gratuity:** Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
  - x) **Leave:** Leave with full pay or encashment, as per the rules of the Company.

- xi) **Other Perquisites:** Subject to overall ceiling on remuneration mentioned herein below, the Chairman and Managing Director may be given other allowances, benefits and perquisites, as the Board of Directors may from time to time decide.

#### **(d) Amenities:**

**Provision of Car:** The Company shall provide car/s with chauffeur, for official as well as personal purpose.

**Communication facilities:** Telephone/ Telefax and other suitable communication facilities at the residence.

**Free Gas, Electricity and Water** facilities at residence/ reimbursement of expenditure incurred thereon.

#### **(e) Overall Remuneration:**

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act, as may for the time being in force.

#### **(f) Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of Mr. Dinesh Munot as the Chairman and the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, commission and perquisites, as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII to the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors/ the Remuneration Committee, subject to approval of Central Government, if required.

#### **Other Terms & Conditions:**

- 1) As long as Mr. Dinesh Munot functions as Chairman and Managing Director of the Company, no sitting fee will be paid to him for attending the Meetings of the Board of Directors or Committee thereof.
- 2) Notwithstanding anything to the contrary herein contained, either party shall be entitled to terminate the Agreement at anytime by giving to the other party 180 days notice in writing in that behalf or salary in lieu thereof.

Approval of the Shareholders under Section 269 read with Schedule XIII of the Companies Act, 1956, is required for appointment/ re-appointment of Chairman and Managing Director and for payment of remuneration to him. Hence, the Board of Directors commends Resolution No. 7 for your approval.

#### **Memorandum of Concern or Interest of Directors:**

Mr. Utkarsh Munot, Mr. Jinendra Munot and Dr. Dinesh Bothra, being relatives of Mr. Dinesh Munot and Mr. Dinesh Munot, himself are concerned or interested in the aforesaid appointment.

#### **Item No. 8:**

The Board of Directors of the Company at their meeting held on November 3, 2011, re-appointed Mr. Utkarsh Munot as Executive Director of the Company for a further period of 5 years with effect from November 1, 2011.

A brief-profile of Mr. Utkarsh Munot has been given separately as part of the Notice.

The terms and conditions of his appointment, including those relating to remuneration, are as given here under:

**Tenure:** For a period of five years with effect from November 1, 2011.

**Remuneration:**

- (a) **Salary:** Rs. 2,00,000/- (Rupees Two Lakh ) per month, with annual increment of 15%, effective April 1, each year.
- (b) **Commission:** Mr.Utkarsh Munot shall be entitled to an annual performance linked incentive, as may be determined by the Board/Remuneration Committee of Directors.
- (c) **Perquisites:** In addition to salary and commission, the following perquisites shall be paid to Mr. Utkarsh Munot .
  - i) **Housing:** 60% of the Salary will be paid to Mr. Utkarsh Munot as Housing Allowance per month.
  - ii) **Stock Option:** Participation to employee stock option scheme, as may be evolved by the Company, from time to time.
  - iii) **Medical Reimbursement:** Reimbursement of medical expenses including hospitalization and surgical charges incurred in India and abroad for Mr. Utkarsh Munot and his family, as may be approved by the Board of Directors or as per the rules of the Company.
  - iv) **Leave Travel Concession:** Leave travel concession for Mr. Utkarsh Munot and family, once in a year, incurred in accordance with the rules specified by the Company.
  - v) **Club Fees:** Reimbursement of membership fee up to 2(two) clubs, including admission and life membership fee.
  - vi) **Personal Accident Insurance:** Personal Accident Insurance Policy as per the rules of the Company.
  - vii) **Hospitalisation / Medical Insurance:** Hospitalisation / Medical Insurance for self and family, in accordance with the rules of the Company.
  - viii) **Provident Fund:** Company's Contribution to Provident Fund/ Special Salary in lieu thereof, in accordance with the rules of the Company.
  - ix) **Gratuity:** Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
  - x) **Leave:** Leave with full pay or encashment, as per the rules of the Company.
  - xi) **Other Perquisites:** Subject to overall ceiling on remuneration mentioned herein below, the Executive Director may be given other allowances, benefits and perquisites, as the Board of Directors may from time to time decide.

(d) **Amenities:**

**Provision of Car:** The Company shall provide car/s with chauffeur, for official as well as personal purpose.

**Communication facilities:** Telephone/ Telefax and other suitable communication facilities at the residence.

**Free Gas, Electricity and Water** facilities at residence/ reimbursement of expenditure incurred thereon.

(e) **Overall Remuneration:**

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act, as may for the time being in force.

(f) **Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of Mr. Utkarsh Munot as the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, commission and perquisites, as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII to the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors/ the Remuneration Committee, subject to approval of Central Government, if required.

**Other Terms & Conditions:**

- 1) As long as Mr. Utkarsh Munot functions as Executive Director of the Company, no sitting fee will be paid to him for attending the Meetings of the Board of Directors or Committee thereof.
- 2) Notwithstanding anything to the contrary herein contained, either party shall be entitled to terminate the Agreement at anytime by giving to the other party 180 days notice in writing in that behalf or salary in lieu thereof.

Approval of the Shareholders under Section 269 read with Schedule XIII of the Companies Act, 1956, is required for appointment/ re-appointment of Executive Director and for payment of remuneration to him. Hence, the Board of Directors commends Resolution No. 8 for your approval.

**Memorandum of Concern or Interest of Directors:**

Mr. Dinesh Munot, being father of Mr. Utkarsh Munot and Mr. Utkarsh Munot, himself are concerned or interested in the aforesaid appointment.

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

**Satish Mehta**

Company Secretary

May 16, 2012

**Registered Office:**

Gat No. 1242/44, Village Vadu Budruk,  
Tal. Shirur, Dist. Pune - 412 216.

Profile of the Directors being appointed/ re-appointed as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange.

Particulars	Dr. Dinesh Bothra	Mr. Ajinkya Arun Firodia	Mr. Ludwig Rapp	Mr. Dinesh Munot	Mr. Utkarsh Munot
<b>Date of Birth</b>	June 1, 1967	October 24, 1979	April 7, 1957	December 8, 1947	December 30, 1980
<b>Date of Appointment</b>	July 28, 2000	July 14, 2010	July 17, 2003	November 8, 1986	October 31, 2006
<b>Qualification</b>	B.Tech- IIT, Delhi M.S. & Ph.D, U.S.A.	Bachelor of Engineering and Economics from Ivy League University Brown University, U.S.A.	Degree in Engineering and Economics.	B.E.(Ele.) M.I.E	B.E. (Mech. & Mfg. Engg.), U.S.A., Diploma in Business Admin., U.S.A.
<b>Expertise in Specific Functional areas</b>	Dr. Bothra runs companies with specific focus on pharmaceutical, biotechnology and speciality materials.	Mr. Firodia has worked as a financial analyst in Mergers & Acquisitions department in J. P. Morgan in New York. Post that he was heading the sales, marketing and service functions for Kinetic Motor Company Limited for their 2 wheelers, including scooters and motorcycles. These functions included produce, development, positioning & advertising, sales & distribution and service across a nationwide network. Since 2009, he is working with Kinetic Engineering Limited as the Managing Director, which is a leading company in the area of manufacture of transmission, engine and body parts components and assemblies.	Mr. Rapp has Rich experience in field of Engineering and Logistics. He is Vice-President- Heavy Trucks Steering at ZF Lenksysteme, GmbH. He has also worked in the position of General Manager at Eiring Klingering Plant Dettingen. Mr. Rapp has also worked for Standard Lorenz AG, Mannheim.	Mr. Dinesh Munot is a Professional Engineer over 38 years of experience in the automotive industries. In the year 2010, he took charge as Chairman & Managing Director of ZF Steering Gear (India) Ltd. He was Elected as President of Automotive Components Manufacturers Association of India (ACMA). He was bestowed with 'Lifetime Achievement Award' from Nagar Road Industry Chamber of Commerce, Pune in October 2008.	Mr. Utkarsh Munot is currently fully responsible for entire works management, including materials management, spare parts, after sales service and logistics.
<b>Other Directorships held in India</b>	Indo Bio Active Labs Pvt. Ltd., Neozoi Pharmaceuticals Pvt. Ltd., Accela Pharmaceuticals Pvt. Ltd., Redox Bio Systems Pvt. Ltd., ABR Organics Ltd. Serval India Pvt. Ltd. Bio Katalysis (India) Pvt. Ltd.	Kinetic Engineering Ltd. Kinetic Marketing & Services Ltd. Kinetic Auto Ltd. Jaya Hind Sciaky Ltd.	ZF Lenksysteme India Pvt. Ltd.	Kinetic Motor Company Ltd. ZF Lenksysteme India Private Ltd. Sanghvi Movers Ltd. Emtech Solutions Pvt. Ltd. Indo-Bio Active Labs Pvt. Ltd. DM South India Hospitality Pvt. Ltd. Neo Zoi Pharmaceuticals Pvt. Ltd. Accela Pharmaceuticals Pvt. Ltd.	Emtech Solutions Pvt. Ltd. Devashree Pvt. Ltd. DM South India Hospitality Pvt. Ltd.
<b>Membership of Committees</b>	Nil	Nil	Nil	Kinetic Motor Company- Remuneration Committee.	Nil
<b>No. of Equity Shares held in the Company</b>	Nil	Nil	Nil	949,290	1,191,494



## Directors' Report

To the Members,

The Directors are pleased to present the 32nd Annual Report and Audited Accounts for the year ended March 31, 2012.

### Financial Results

(Rs. in Million)

	2011-2012	2010-2011
<b>Sales (net) and other Income</b>	<b>3597.3</b>	3080.9
Profit before depreciation and tax	<b>745.6</b>	731.0
Depreciation	<b>168.8</b>	148.7
Exceptional Item	<b>104.3</b>	-
Provision for tax	<b>216.5</b>	173.2
Net Profit	<b>464.6</b>	409.1
Balance Brought Forward from Previous year	<b>13.5</b>	10.0
Amount available for appropriation	<b>478.1</b>	419.1
<b>Appropriations:</b>		
General Reserve	<b>360.0</b>	300.0
Proposed Dividend and Tax thereon	<b>52.7</b>	52.7
Interim Dividend and Tax thereon	<b>52.7</b>	52.9
Balance Carried Forward	<b>12.7</b>	13.5
	<b>478.1</b>	419.1

### Dividend

In November 2011, an interim dividend of Rs. 5/- per share was declared and paid. The Board is pleased to recommend a final dividend of Rs. 5/- per share for the year ended March 31, 2012. Thus, the total dividend for the year 2011-12 would be Rs.10/- per share, same as paid for the year 2010-11.

### Management Discussion and Analysis

Although, India still remains among the fastest growing economies, there was a significant slowdown, if compared with the growth in preceding two years. This reduction in the rate of growth is primarily due to deceleration in industrial growth, rising interest-rates and weak domestic business sentiment. India's Gross Domestic Product (GDP) is estimated to grow by 6.9 % in 2011-12, after having grown at the rate of 8.4 % in each of the preceding two years. The headline inflation remained high for most part of the year.

After registering a strong 30% or more growth over the fiscals 2009-10 and 2010-11, the growth in Commercial Vehicles (CV) slowed down and registered a growth of 20% or so in 2011-12. Passenger Cars registered a growth of 6 % only against 24 % in 2010-11. Several players postponed their expansion plans in

view of rising interest rates, credit-tightening, expectations of slowing industrial growth and stagnant freight-rates.

### Review of Operations

#### Operating Results of the Company

#### Sales

Comparative quantitative figures of Sales are as under:

(numbers)

Type	2011-12	2010-11	Growth
Power Steering	208,420	180,639	15 %
Mechanical Steering	176,614	155,937	13 %
Rack & Pinion	22,439	20,430	10 %

Sales in value terms were up by 18 %, which was in line with the industry trend.

#### Other Income & Exceptional Item

Other Income includes receipt from Solar Power generated, amounting to Rs. 6.4 million. Income received on financial-investments made by the Company was Rs. 51.4 million, lower compared to Rs. 74.9 million for the financial year 2010-11.

During the year, the Company assigned leasehold rights of MIDC Industrial Plot at Talegaon, Pune. Exceptional item represents gains made from the transaction amounting to Rs. 104.33 million.

#### Profitability

Raw Material cost as a percentage of sales was up for the year due to higher commodity-prices and weaker rupee. Employees' costs have gone up by 31 % over the previous year due to need to align the remuneration with industry standards. Consequently, Profit before Tax for the year was Rs. 681 million against Rs. 582 million for the previous year.

Earnings Per Share has improved from Rs. 45.09 to Rs. 51.21.

#### Renewable Energy – Wind Power Energy

Seven Wind Turbine Machines, owned and operated by the Company and located in the Satara and Ahmednagar districts of Maharashtra, having aggregate capacity of 6.7 MW, are used for captive power consumption. Total 10,083,945 units were generated in the financial year 2011-12 which accounted for 96 % of the factory's consumption of power.

#### Outlook/ Opportunities

Given the current environment where the growth in industrial activity remains low and the operating environment for fleet operators remains weak, Automobile Industry is expected to defer capacity additions. In view thereof, the outlook in the near term appears subdued for Medium and Heavy Commercial Vehicles, whereas Light Commercial Vehicles may steadily grow. Society of Indian Automobile Manufacturers (SIAM) has forecasted a growth of 5-7 % for Medium and Heavy Commercial Vehicles in 2012-13, while it expects Light Commercial Vehicles to grow at 14-16 %.

The Reserve Bank of India (RBI) in its annual monetary policy for 2012-13 has cut some key rates by 50 basis points in an effort to push industrial growth and stimulate economy. The Indian Automobile Industry, which struggled with sluggish market due to high interests, welcomed RBI decision to cut lending rates, as this measure would boost buyers' sentiment.

Outlook for 2012-13 is subject to a number of risks, such as uncertain outlook for global commodity prices, especially crude oil, mounting fiscal deficit, large government borrowings and inflation. Auto Components industry faces added challenges in form of threat of low-cost imports, currency volatility and ability to invest on product development to move up the value chain.

However, from a long term perspective, outlook for the commercial vehicles remains strong in view of government focus on infrastructure development, new products and entry of more foreign players.

### **Joint Venture**

#### **ZF Lenksysteme India Private Limited (the JV)**

As reported earlier, the Company made substantial investment in the JV Company. Moreover, the Company, as per the contractual arrangement existing with ZF Lenksysteme, GmbH, has rights relating to the management of the JV Company.

In February, 2012, additional capital, by way of Rights issue, has been raised by the JV Company. Consequently, the paid-up capital of the JV Company now stands at Rs. 819 million and your Company holds 26% of the total paid up capital of the JV Company.

Total investment of the Company in the JV Company stands at Rs. 212.94 million so far.

The JV Company has now set up its manufacturing plant, situated at Village Phulgaon, Alandi-Markal Road, Dist. Pune, in order to establish its manufacturing operations in steering systems. The said plant was inaugurated on April 26, 2012.

### **Expansion and Capital Expenditure**

#### **Steering Gear Systems**

The Company is in a process to gradually enhance its installed capacity of Power Steering Gears and Mechanical Steering Gears and modernize its plant at Vadu Budruk.

#### **Renewable Energy - Solar Power Project**

Your Board is pleased to report the successful commissioning of the Company's 5 MW Solar Power Project at Gujarat Solar Park in Patan District of Gujarat. This project is in furtherance to the Company's commitment towards 'Green- Initiative'. The Project-Site is located in State run Solar Park in Charnka village, Santalpur Taluka, District Patan, Gujarat.

Company's 5 MW Solar Project was recognized and felicitated by the Government of Gujarat under the Gujarat Solar Policy, 2009. This plant adopts thin film technology using Market Leader First Solar Inc.'s Modules. The initial generation of Electricity, recorded so far from this Project, indicates that the project is one of the best performing solar projects in Gujarat.

The Government of Gujarat, through Gujarat Urja Vikas Nigam Limited (GUVNL) has agreed to purchase the units generated from this Project. The Company has entered into a Power Purchase Agreement with GUVNL.

### **Internal Control Systems**

The Internal Control Systems of the Company is responsible for the financial reporting, assets, adherence to management policies and to conduct ethical conduct within the organization. The Company has independent Internal Auditors for conducting internal audits of the financial reporting and operations of the Company. The Company's existing system of internal controls is commensurate with its size and nature of business. Company's Internal control ensures reliable financial reporting, better utilization of Company's resources, effectiveness of operations, compliance with the legal obligations and proper implementation of policies and procedures.

The Company's Audit Committee also regularly reviews the financial management reports and data, and interacts with the External and Internal Auditors for ascertaining the adequacy of internal control systems.

### **Human Resource Development**

The Company has been continuously training its employees in the newer technical/ management skills. Various steps have been taken for improving the performance of employees. During the year, 25 training programs (1 external and 24 internal) covering over 252 training man-days were covered. It is expected that the customized development programmes, suitable to individual employees, to continue for the next few years. The total number of employees as on March 31, 2012 was 984.

Industrial relations continued to be cordial and peaceful.

### **Cautionary statement**

The above Management Discussion and Analysis 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.

### **Fixed Deposits**

Your Company has not accepted any fixed deposit.

### **Conservation of Energy, Research And Development, Technology Absorption And Innovation, Foreign Exchange Earnings And Outgo:**

The details as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure II to this Report.

### **Transfer to Investor Education and Protection Fund**

The Company has transferred a sum of Rs. 261,691/- during the year ended March 31, 2012 to the Investor Education and Protection Fund (IEPF) established by the Central Government, in compliance with the provisions of Section 205C of the Companies Act, 1956. The said amount represents unclaimed

dividend lying with the Company for a period of 7 years from its date of payment.

Unclaimed Dividend for the Financial Year 2004-05 is due for transfer to the IEPF on August 4, 2012.

### **Directors**

At the 32nd Annual General Meeting, Dr. Dinesh Bothra, Mr. Ajinkya Firodia and Mr. Ludwig Rapp, retire by rotation and being eligible, offer themselves for re-appointment.

During the year, Mr. Dinesh Munot was re-appointed as Chairman & Managing Director of the Company for a period of 5 years with effect from December 14, 2011, Mr. Utkarsh Munot was re-appointed as Executive Director of the Company with effect from November 1, 2011, for a period of 5 years.

Profiles of these Directors, as required by Clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Notice convening the Annual General Meeting of the Company.

The above re-appointments form part of the Notice of the 32nd Annual General Meeting and the relevant Resolutions are recommended for your approval.

### **Corporate Social Responsibility**

As a responsible citizen, your Company supports by way of regular Donations to 'Janwani', a Non-Government Organisation (NGO) promoted by Mahratta Chamber of Commerce, Industries and Agriculture, Pune. 'Janwani' takes up projects like Citizen Empowerment, Environment Focus, Waste Management, Road-Traffic and Public Transport to mention a few. Your Company donated Rs. 3 lac to 'Janwani' in the year under review. The total donation to this Institution amounts to Rs. 9 lac from the year 2009-10.

The Company also regularly organizes Blood-Donation camps.

### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended March 31, 2012 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date.

iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) That the Directors have prepared the accounts on a 'going concern' basis.

### **Corporate Governance Report**

Pursuant to Clause 49 of the listing agreement, a detailed report on Corporate Governance is given in Annexure - III along with the Auditors' Certificate on its compliance, which forms part of this report.

### **Auditors**

M/s. MGM and Company, Chartered Accountants, retire as Statutory Auditors of the Company at the ensuing Annual General Meeting and offer themselves for re-appointment. A Certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

### **Cost Auditors**

As per the Order passed by the Central Government and in pursuance of Section 233B of the Companies Act, 1956, the Company appointed M/s. Joshi Apte & Associates, Cost Accountants, Pune, to audit the cost accounts relating to its business activity of generating 'Electricity' for the financial year 2011-12. From April 1, 2012, cost-records of Auto-Components too, come under purview of Cost-Audit. M/s. Joshi Apte & Associates have been appointed as Cost-Auditor to carry out audit of cost-accounts of the Company for financial year 2012-13, subject to approval of the Central Government.

### **Particulars of Employees**

Information as required under Section 217(2A) of the Companies Act, 1956 and the Rules framed there under is attached as Annexure I.

### **Acknowledgement**

The Board of Directors takes this opportunity to express their appreciation for the assistance and co-operation received from Banks, Government Authorities, Customers, Suppliers, Members, Collaborators and other Business Associates.

The Board also acknowledges the understanding and support shown by all its employees.

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

Pune

May 16, 2012

**Dinesh Munot**

Chairman & Managing Director

## Annexure I to the Directors' Report 2011-12

### Particulars of Employees u/s 217 (2A)

Information as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the year ended on March 31, 2012.

- A. Name of the employees employed throughout the financial year and who were in receipt of remuneration for the year which, in the aggregate, was not less than Rs. 6,000,000 in terms of Section 217 (2A) (a) (i):

Name	Age (Years)	Designation	Total Remuneration Received (Rs.)	Qualification	Date of Commencement of Employment	Experience (years)	Last Employment held	
							Name of the Company	Designation
Mr. Dinesh Munot	64	Chairman & Managing Director	25,954,808	B.E.(Ele.) M.I.E.	01.07.1984	38	Kinetic Engg. Ltd.	Executive Director
Mr. Jinendra Munot	60	Jt. Managing Director	18,193,794	B.E.(Mech.) M.S.(Mech.) U.S.A. AMIE (India)	01.02.1986	33	Bajaj Tempo Ltd.	Senior Manager (Projects)
Mr. Utkarsh Munot	31	Executive Director	8,791,536	B.E. (Mechanical & Mfg. Engg.) U.S.A. Diploma in Business Administration, U.S.A.	14.05.2004	9	---	---

- B. Name of the employees employed for the part of the financial year and who were in receipt of remuneration for the year which, in the aggregate, was not less than Rs. 500,000 p.m. in terms of Section 217 (2A) (a) (i): **NIL.**

#### Notes:

- All appointments are contractual. Other terms and conditions are as per the Rules of the Company.
- Remuneration above includes salary, commission, medical expenses, allowances, perquisites (valued as per Income Tax Rules) and the Company's contribution to Provident Fund, wherever applicable.
- The employees are also entitled to gratuity, in addition to the above remuneration.
- Experience includes number of years of services both, within the Company and elsewhere, wherever applicable.
- Mr. Dinesh Munot, Mr. Jinendra Munot and Mr. Utkarsh Munot are related to each other.

## Annexure II to the Directors' Report 2011-12

Conservation of Energy, Technology Absorption, Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

### A. Conservation of Energy

- Automatic power factor controller installed for entire factory to maintain power factor at unity.
- Factory shop floor 250 W & 150 W overhead lamps replaced by 48W LED lamps, which provide better illumination and save energy.
- Waste water treated and recycled for gardening.

### Wind Power Project

7 Windmills of aggregate 6.7 MW capacity generated 10,083,945 units of electricity in 2011-12, which was captively consumed in Company's plant. This covered 96.43 % of the power requirement of the Company's plant for the year 2011-12.

### Solar Power Project

5 MW Solar Power Project was commissioned during the year. These units are sold to GUVNL (Gujarat Urja Vikas Nigam Limited) as per the PPA (Power Purchase Agreement) signed with Government of Gujarat.

### B. Technology Absorption, Research And Development

- Specific areas in which R & D has been carried out by the Company
  - New product development.
  - Import substitution.
  - Process/ equipment developments.
  - Value engineering and value analysis (VEVA).
  - Up-gradation of existing products to the need of customers.
  - Filed patent for Auto Setting Limiters.
- Benefits derived as a result of above R & D  
The benefits to the company resulting from the above R & D are manifold.  
These benefits have been reflected in terms of:
  - Product quality and cost reduction
  - Improvement in market share
  - Indigenization of various components
  - Reduction in foreign exchange outgo
  - In view of Customers' preference for light-weight, more efficient, yet economical products, the Company is in a process to develop new aggregates for various steering systems being supplied.**

### 3) Future Plan of Action

Effort is being made to make R & D more result oriented, in improving the design and quality of products and towards cost effective indigenization of components.

Specific areas include development of new products (steering systems).

### 4) Benefits derived as a result of above efforts

- Improvements in Manufacturing methods and quality standards.
- Aiming towards self sufficiency in engineering skills for manufacturing range of steering gears and connected products.**
- Development of cost effective, high performance engineering products.

### C. Foreign Exchange Earnings and Outgo

- Earning in Foreign Exchange Rs 18.25 million
- Foreign Exchange used Rs. 4.23 million

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

Pune  
May 16, 2012

**Dinesh Munot**  
Chairman & Managing Director



## Annexure III to the Directors' Report

### Corporate Governance

#### 1. Company's Philosophy on Corporate Governance:

ZF INDIA is fully committed to attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its shareholders, employees, the government and its customers.

ZF INDIA believes that all its operations and actions must serve the underlying goals of achieving business excellence and increasing long-term shareholder value.

#### 2. Board of Directors:

The Board of Directors consists of 12 Directors (excluding Alternate Directors) of whom 3 are Executive and 9 are Non-executive. The Chairman of the Board is a Executive Director. The Non-executive

Directors are eminent professionals with experiences in various fields. The Company has no nominee Director from any bank or financial institution.

The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all companies in which they are Directors.

#### Number of Board Meetings held and the dates on which held

The Board Meetings dates are normally pre-determined. During the year ended on March 31, 2012, the Board of Directors had 4 meetings. These were held on May 26, 2011, July 27, 2011, November 3, 2011 and February 8, 2012.

The information as specified in Annexure IA to Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Limited is regularly made available to the Board whenever applicable and materially significant, for discussion and consideration.

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	Last AGM	Other Directorship #	Committee Membership	Committee Chairmanship
1	Mr. Dinesh Munot (Chairman and Managing Director)	Executive	4	Yes	8	1	-
2	Mr. Jinendra Munot (Jt. Managing Director)	Executive	4	Yes	4	-	-
3	Mr. Utkarsh Munot (Executive Director)	Executive	4	Yes	3	-	-
4	Mr. D. S. Bomrah	Non-Executive, Independent	2	No	1	-	-
5	Mr. Manish Motwani	Non-Executive, Independent	4	Yes	13	-	-
6	Dr. Dinesh Bothra	Non-Executive	4	Yes	7	-	-
7	Mr. Ludwig Rapp	Independent Non-Executive,	4	Yes	1	-	-
8	Mr. M. L. Rathi	Non-Executive, Independent	4	Yes	8	-	-
9	Dr. Hans Friedrich Collenberg	Non-Executive, Independent	1	Yes	3	-	-
10	Mr. Shridhar S. Kalmadi	Non-Executive, Independent	3	No	5	-	-
11	Mr. Ajinkya Arun Firodia	Non- Executive, Independent	1	No	5	-	-
12	Mr. Carl Magnus Backlund (appointed w.e.f. 27.07.2011)	Non-Executive, Independent	3	Yes	2	-	-
13	Mr. Klaus Traeder (Alternate Director for Mr. Carl Magnus Backlund)	Non- Executive, Independent	1	Yes	1	-	-
14	Mr. B. S. Iyer (Alternate Director for Dr. Hans Friedrich Collenberg)	Non-Executive, Independent	3	Yes	3	2	-
15	Mr. Walter Salvasohn – (upto 27.07.2011)	Non Executive, Independent	None	No	-	-	-

# Includes Directorship in Private Companies

### Relationship between Directors Inter-se

- Mr. Dinesh Munot and Mr. Jinendra Munot are brothers.
- Mr. Dinesh Munot is father of Mr. Utkarsh Munot.
- Mr. Dinesh Munot is father-in-law of Dr. Dinesh Bothra
- Dr. Dinesh Bothra is Mr. Utkarsh Munot's sister's husband.
- Mr. Manish Motwani is Mr. Ajinkya Firodia's sister's husband.

### 3. Audit Committee:

During the year under review, the following Directors were the members of the Audit Committee: Members: Mr. Manish Motwani – Chairman, Mr. D. S. Bomrah and Dr. Dinesh Bothra.

All the members of the Committee are Non-Executive Directors. The role, powers and functions of the Audit Committee are as stated in Clause 49 of the Listing Agreement.

The Committee reviews the financial statements before they are placed before the Board.

During the period under review, the Committee met 5 times on May 26, 2011, June 1, 2011, July 25, 2011, November 3, 2011 and February 7, 2012. The attendance record of the members of the Audit Committee is given below:

Sr. No.	Members	Meetings attended
1.	Mr. Manish Motwani	5
2.	Mr. D. S. Bomrah	5
3.	Dr. Dinesh Bothra	5

The Committee is authorized by the Board in the manner as envisaged under Clause 49 (II)(C) of the Listing Agreement. The Committee has been assigned tasks as listed under Clause 49(II)(D) of the Listing Agreement. The Committee reviews the information as listed under Clause 49(II)(E) of the Listing Agreement.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. The Chairman of the Audit Committee was present at the 31st Annual General Meeting held on July 27, 2011.

### 4. Remuneration Committee:

During the year under review, the following Directors were the members of the Remuneration Committee: Members: Mr. D. S. Bomrah - Chairman and Mr. Manish Motwani

The Remuneration Committee has been constituted to recommend to the Board the amount of commission payable to each whole-time Director and periodically review and suggest revision of the remuneration package of the Managing/ Whole time Directors, based on performance of the Company, Statutory guidelines etc.

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

During the financial year, the Committee met on May 18, 2011 and November 3, 2011 where both the members of the Committee were present at the meeting.

### Remuneration Policy

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

### Details of remuneration paid to Whole-time Directors during the year ended March 31, 2012 are as under:

(Amount in Rs.)

	Mr. Dinesh Munot	Mr. Jinendra Munot	Mr. Utkarsh Munot
Salary	7,241,056	4,651,044	2,003,845
Perquisites*	7,713,752	5,042,750	2,287,691
Commission**	11,000,000	8,500,000	4,500,000
<b>Total</b>	<b>25,954,808</b>	<b>18,193,794</b>	<b>8,791,536</b>
<b>Tenure</b>			
From	14.12.2011	01.04.2008	01.11.2011
To	13.12.2016	31.03.2013	31.10.2016

\*Includes Company's Contribution to Provident Fund, wherever applicable.

\*\*Commission for the Financial Year 2010-11 paid in 2011-12.

### Details of remuneration paid to Non-Executive Directors for the year ended March 31, 2012 are as under:

The Company pays sitting fees to all the Non-Executive Directors at the rate of Rs. 10,000/- for each Board Meeting and Committee Meeting attended (Rs. 5,000/- per Meeting up to July 26, 2011).

None of the Non-Executive Directors holds any share in the Share-capital of the Company.

Name	Sitting Fees		
	Board Meeting Fees (Rs.)	Committee Meeting Fees (Rs.)	Total Fees (Rs.)
Mr. D. S. Bomrah	15,000	50,000	65,000
Mr. Manish Motwani	35,000	50,000	85,000
Dr. Dinesh Bothra	35,000	50,000	85,000
Mr. Ludwig Rapp	25,000	Nil	25,000
Mr. M. L. Rathi	35,000	Nil	35,000
Dr. Hans Friedrich Collenberg	10,000	Nil	10,000
Mr. Shridhar S Kalmadi	25,000	Nil	25,000
Mr. Ajinkya Arun Firodia	5,000	Nil	5,000
Mr. Carl Magnus Backlund	20,000	Nil	20,000
Mr. Klaus Traeder (Alternate Director for Mr. Carl Magnus Backlund)	5,000	Nil	5,000
Mr. B. S. Iyer (Alternate Director for Dr. Hans Friedrich Collenberg)	25,000	Nil	25,000
Mr. Walter Salvasohn- (upto 27.07.2011)	Nil	Nil	Nil

### Shareholders' Grievance Committee:

The Board of the Company has constituted a Shareholders' Grievance Committee, comprising Dr. Dinesh Bothra. The Committee looks into redressing of shareholders' complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc. and recommends measures for overall improvement in the quality of investor services. The total number of complaints received, during the year under review, was 20. All the complaints were replied to the satisfaction of shareholders.

## 6. General Body Meetings:

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

Year	AGM	Location	Dates	Time
2008-09	29th AGM	Regd. Office:	29.07.2009	4.30 p.m.
2009-10	EGM	Gat No. 1242/ 44,	10.04.2010	3.30 p.m.
2009-10	30th AGM	Village- Vadu-	14.07.2010	4.30 p.m.
2010-11	31st AGM	Budruk, Tal. Shirur, Dist- Pune-412216	27.07.2011	4.00 p.m.

### Postal Ballot:

No Special Resolution requiring a postal ballot was placed before the AGM/EGM.

### 7. Disclosures:

- Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report.
- The Company has not entered into any other transaction of a material nature with the Promoters, Directors or the Management or relatives etc. that may have a potential conflict with the interests of the Company at large.
- With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Agreements entered into with the Bombay Stock Exchange as well as the regulations and guidelines of SEBI. No penalties were imposed or strictures passed against the Company by SEBI, Stock Exchange or any other statutory authority during the last three years in this regard.
- Disclosures have also been received from the senior managerial personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.

### 8. Risk Management Framework:

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

### 9. Code of Conduct for Prevention of Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations 1992, as amended, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Code of Conduct is posted on the website of the Company. This Code of Conduct is applicable to all the Directors and the senior management of the Company.

All the Board members and senior management of the Company have confirmed compliance with the Code. A declaration signed by the Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

### 10. Reconciliation of Share Capital Audit:

As stipulated by SEBI, the Practicing Company Secretary- Mr. Shridhar G. Mudaliar (FCS 6156, CP 2664) carries out the Secretarial Audit to reconcile the total Admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and Listed Capital. This audit is carried out every quarter and the report is submitted to the Stock Exchange as well as placed before the Board of Directors. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of Shares in dematerialized form (held with NSDL and CDSL) and total number of Shares in physical form.

### 11. Means of Communication:

The Quarterly Results of the Company are published in the following leading national and local language newspapers:

'Economic Times' (English newspaper) and 'Maharashtra Times' (Marathi newspaper)

The results are also displayed on the corporate website, [www.zfindia.com](http://www.zfindia.com).

Information about the Financial Results, Shareholding Pattern are electronically filed on 'Corp Filing'. Shareholders/ Investors can view the information by visiting the website of [www.corpfiling.co.in](http://www.corpfiling.co.in).

### 12. Management Discussion & Analysis:

The Management Discussion & Analysis is included under the Directors' Report, forming part of the Annual Report.

### 13. General Shareholder Information:

#### 13.1 32nd Annual General Meeting:

<b>Day, date and time</b>	Saturday, July 28, 2012 at 4:00 p.m.
<b>Venue</b>	Regd. Office: Gat No. 1242/ 1244, Village – Vadu Budruk, Tal. Shirur, Dist. Pune- 412 216.

#### 13.2 Financial Calendar:

The Company follows the period of April 1 to March 31, as the Financial Year for the Financial Year 2012-13.

Adoption of Quarterly Results for	
Quarter ending	In the Month of
June 30, 2012	July 2012
September 30, 2012	October 2012
December 31, 2012	January / February 2013
Annual Accounts	May 2013
33rd Annual General Meeting	July 2013

#### 13.3 Book Closure: July 21, 2012 to July 28, 2012.

#### 13.4 Dividend Payment Date:

The Final dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid on or after July 31, 2012 to those shareholders whose names appear on the Company's Register of Members as on July 28, 2012.

#### 13.5 Listing on Stock Exchange: The Company's Equity Shares are listed on:

Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers, 25th Floor,  
Dalal Street, Mumbai 400 001.

**The Company has paid the listing fees up to the year 2012-13 to the Bombay Stock Exchange Limited.**

#### 13.6 Stock Code/ Symbol:

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

#### 13.7 Custodial Fees to Depositories:

The annual custodial fees for the financial year 2012-13 has been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

### 13.8 Stock Market Data:

Market Price of Company's Share at BSE			BSE SENSEX	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
APRIL 2011	347.40	301.25	19,811.14	18,976.19
MAY 2011	329.70	309.00	19,253.87	17,786.13
JUNE 2011	331.70	290.00	18,873.39	17,314.38
JULY 2011	339.55	302.00	19,131.70	18,131.86
AUG. 2011	350.00	294.10	18,440.07	15,765.53
SEPT. 2011	314.00	270.00	17,211.80	15,801.01
OCT. 2011	308.75	265.10	17,908.13	15,745.43
NOV. 2011	318.00	255.80	17,702.26	15,478.69
DEC. 2011	281.00	245.00	17,003.71	15,135.86
JAN. 2012	299.00	255.50	17,258.97	15,358.02
FEB. 2012	329.40	287.50	18,523.78	17,061.55
MAR. 2012	328.05	293.10	18,040.69	16,920.61

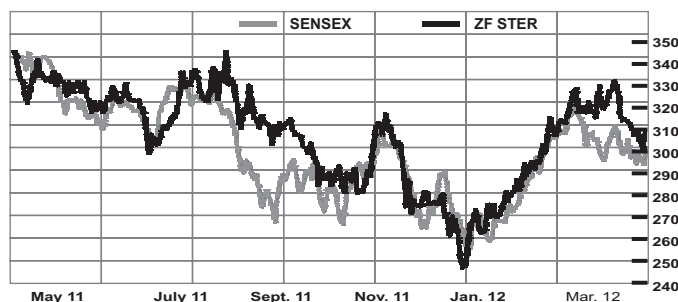
### 13.9 Registrar and Transfer Agents:

The Company has appointed a SEBI registered Registrar & Transfer Agent- Link Intime India Pvt. Ltd., Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Pune-411001 and their Mumbai Office- C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai- 400078 as Common Agency for share registry in terms of both physical and electronic w.e.f April 1, 2003.

**Pune** Phone No. (020) 26161629  
Fax No. (020) 2605 3503

**Mumbai** Phone No. (022) 2596 3838  
Fax No. (022) 2594 6969

### ZF Share Price Index & Sensex Movement



### 13.10 Share Transfer System:

Transfer of shares in physical form are processed by Link Intime India Pvt. Ltd. and Share Certificates are dispatched within an average period of 15-20 days from the date of receipt of request, provided the relevant documents are complete in all respects.

### 13.11 Shareholding Pattern as on March 31, 2012:

Category	No. of Shares of Rs. 10 each	Percentage of shareholding
Indian Promoters (Munot Family)	4,308,283	47.48
Foreign Promoter (ZF Lenksysteme GmbH)	2,340,000	25.79
Banks, Financial Institutions, Insurance Companies	1,650	0.02
Mutual Funds & UTI	2,903	0.03
Private Corporate Bodies	182,816	2.01
Indian Public	2,208,144	24.34
NRIs/ OCBs	29,504	0.33
<b>Total</b>	<b>9,073,300</b>	<b>100.00</b>
No. of Shareholders as on March 31	<b>2012</b> 8,439	<b>2011</b> 8,565

### Distribution of Shareholding (as on March 31, 2012)

No. of Shares held (Face Value of Rs, 10 each)	No. of Shareholders	% to total No. of shareholders	No. of Shares held	% to total No. of Shares
1- 500	7,555	89.52	948,242	10.45
501- 1000	500	5.92	379,002	4.18
1001-5000	328	3.89	654,792	7.22
5001-10000	19	0.23	124,117	1.36
10001 & above	37	0.44	6,967,147	76.79
<b>Total</b>	<b>8,439</b>	<b>100.00</b>	<b>9,073,300</b>	<b>100.00</b>

### 13.12 Dematerialization of Shares & Liquidity:

The details of Equity shares dematerialized and those held in physical form as on March 31, 2012 are given hereunder:

Particulars of Equity Shares	Equity shares of Rs. 10 each		Shareholders	
	Number	% of total	Number	% of total
<b>Dematerialized form</b>				
NSDL	8,092,878	89.20	4,832	57.26
CDSL	512,919	5.65	2,051	24.30
<b>Sub-total</b>	<b>8,605,797</b>	<b>94.85</b>	<b>6,883</b>	<b>81.56</b>
Physical Form	467,503	5.15	1,556	18.44
<b>Total</b>	<b>9,073,300</b>	<b>100.00</b>	<b>8,439</b>	<b>100.00</b>

Considering the advantage of dealing in securities in electronic/dematerialized form, shareholders still holding shares in physical form are requested to dematerialize their Shares at the earliest. For further information/ clarification/ assistance in this regard, please contact Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent.

As per the directions of SEBI, Equity Shares of the Company can be traded by all the investors only in dematerialized form. The Company's Shares are actively traded on BSE.

### 13.13 Outstanding GDR, ADR or Warrants:

There are no GDR, ADR or any Convertible instruments pending conversion or any other Instrument likely to impact the equity share capital of the Company.

### 13.14 Disclosure with respect to shares lying in suspense account:

Particulars	Shareholders	Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	252	20891
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	34	2987
Number of shareholders to whom shares were transferred from suspense account during the year	34	2987
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	218	17904



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

**13.15 Status of compliance with non-mandatory requirements:**

1. The Company has constituted a Remuneration Committee of Directors comprising of Independent Directors. The details of the Committee have been mentioned earlier in this Report.
2. Since the Financial Results are published in leading newspapers as well as promptly displayed on the Company's website and [www.corpfilings.co.in](http://www.corpfilings.co.in) website, the results are not sent to each household of the shareholders.

**13.16 Plant Location:**

Location	Address
Maharashtra	Gat No. 1242/ 44, Village Vadu-Budruk, Tal. Shirur, Dist- Pune- 412 216.

**13.17 Address for Investor Correspondence:**

- For transfer/ dematerialization of shares

Link Intime India Pvt. Ltd.,  
(Formerly Intime Spectrum Registry Ltd.)  
202 A- Wing, Second Floor,  
Akshay Complex, Off Dhole Patil Road,  
Pune- 411 001.  
Phone- (020) 26161629/ 2605 0084,  
E-Mail- [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

- For payment of dividend and other correspondence

**Corporate office & Secretarial Department :**

601& 602, A Wing, 6th Floor,  
MCCIA Trade Tower, International  
Convention Centre , 403-A,  
Senapati Bapat Road, Pune - 411 016  
E-Mail: [satish.mehta@zfindia.com](mailto:satish.mehta@zfindia.com)  
Phone- (020) 3021 1600/ 606/ 650/ 628

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

Pune  
May 16, 2012

**Dinesh Munot**  
Chairman & Managing Director

**DECLARATION REGARDING CODE OF CONDUCT**

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Pune  
May 16, 2012

**Dinesh Munot**  
Chairman & Managing Director

**CEO/ CFO Certification**

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchange, we have certified to the Board that for the financial year ended March 31, 2012, the Company has complied with the requirements of the said sub clause..

**Jinendra Jain**  
Chief Financial Officer  
May 16, 2012

**Dinesh Munot**  
Chairman & Managing Director  
May 16, 2012

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
ZF Steering Gear (India) Limited, Pune

We have examined the compliance of the conditions of Corporate Governance by **ZF STEERING GEAR (INDIA) LIMITED** for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. MGM & Co.**  
Chartered Accountants  
Firm Registration No. 117963W

**Mangesh Katariya**  
Partner  
Membership No. 104633

Pune  
May 16, 2012

## AUDITORS' REPORT

To,  
The Members  
ZF Steering Gears (India) Limited

1. We have audited the attached Balance Sheet of **ZF STEERING GEAR (INDIA) LIMITED** (the 'Company') as at March 31, 2012, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (the 'Act') we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable;
  - (e) On the basis of written representations received from the Directors as on March 31, 2012, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and
  - (f) In our opinion, and to the best of our information and explanations given to us, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

**Mangesh Katariya**  
Partner

Pune  
May 16, 2012

Membership No. 104633

## ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 3 of our report of even date to the Members of **ZF Steering Gear (India) Limited** on the accounts for the year ended March 31, 2012, we report that:

On the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) As informed to us, the management has physically verified most of the fixed assets during the year. No material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of the assets.
  - (c) In our opinion and on the basis of information and explanation provided to us, the company has not disposed off substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the current year. In our opinion, the frequency of such verification is reasonable.
  - (b) In our opinion, the procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stock and book stock were not material having regard to the size of operations of the Company and have been properly dealt with in the books of account.
- (iii) (a) The Company has neither granted nor has taken any loans, secured or unsecured, to or from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act. Consequently, paragraphs iii (b), iii (c) and iii (d) of the said Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. Further, on the basis of our examination of books and records of the company, and according to the information and

explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rupees Five Lacs or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of Section 58A and Section 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Order of the Central Government under Section 209(1)(d) of the Act in respect of automotive spare parts and accessories, windmill and solar energy, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities. At March 31, 2012, there are no undisputed statutory dues payable for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the company examined by us the particulars of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty, Wealth Tax that have not been deposited with the appropriate authorities on account of any dispute, are as follows:

Sr. No.	Nature of dues	Amount (Rs. in Million)	Financial Year	Forum where the dispute is pending
1	Income Tax	32.63	2000-01 2001-02 2002-03	CIT(Appeals), Pune
2.	Service Tax	3.63	2000-01 2002-03 2003-04 2004-05	CESTAT Mumbai and CCE, Pune

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company did not have any outstanding debentures. The Company has not defaulted in repayment of dues to financial institutions/banks.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to the chit fund and nidhi / mutual benefit fund / societies.
- (xiv) The Company is not dealing or trading in shares and other investments except normal course of its investment activities. In our opinion and according to the information and explanations given to us, proper records have been maintained. All the investments are held by the Company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has raised term loan during the year. The term loan raised during the year have been applied for the purpose for they have been raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the cash flow statement and balance sheet of the Company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long term investment.
- (xviii) During the year or in the recent past, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year or in the recent past. Accordingly, no securities have been created.
- (xx) The Company has not raised any money by way of public issues during the year or in the recent past.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of any fraud committed on or by the Company, or has been noticed or reported during the year, nor have we been informed of any such case by the management.

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

**Mangesh Katariya**  
Partner  
Membership No. 104633

Pune

May 16, 2012

## Balance Sheet as at 31st March, 2012

Rupees in Million

	Particulars	Note No.		As at 31st March, 2012	As at 31st March, 2011
<b>(I)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>(1)</b>	<b>Shareholders' Funds</b>				
	(a) Share Capital	1	90.73		90.73
	(b) Reserves and Surplus	2	1,927.52		1,568.39
				<b>2,018.25</b>	1,659.12
<b>(2)</b>	<b>Non-Current Liabilities</b>				
	(a) Long-term borrowings	3	476.37		176.33
	(b) Deferred tax liabilities (Net)	4	90.42		16.06
	(c) Long term provisions	5	53.00		35.11
				<b>619.79</b>	227.50
<b>(3)</b>	<b>Current Liabilities</b>				
	(a) Short-term borrowings	6	169.71		117.28
	(b) Trade payables	7	250.81		208.92
	(c) Other current liabilities	8	172.16		33.84
	(d) Short-term provisions	9	70.73		68.49
				<b>663.41</b>	428.53
	<b>Total</b>			<b>3,301.45</b>	2,315.15
<b>(II)</b>	<b>ASSETS</b>				
<b>(1)</b>	<b>Non-current assets</b>				
	(a) Fixed assets				
	(i) Tangible assets	10	1,209.50		536.64
	(ii) Capital work-in-progress		2.59		34.44
			<b>1,212.09</b>	<b>1,212.09</b>	571.08
	(b) Non-current investments	11	1,083.81		735.77
	(c) Long term loans and advances	12	82.37		210.90
	(c) Other non-current assets	13	0.20		0.60
				<b>1166.38</b>	947.27
<b>(2)</b>	<b>Current assets</b>				
	(a) Inventories	14	268.99		309.88
	(b) Trade receivables	15	361.08		312.13
	(c) Cash and Cash Equivalents	16	213.99		112.22
	(d) Short-term loans and advances	17	73.73		57.98
	(e) Other current assets	18	5.19		4.59
				<b>922.98</b>	796.80
	<b>Total</b>			<b>3,301.45</b>	2,315.15

SEE ACCOMPANYING NOTES TO THE FINANCIALS STATEMENTS

As per our Report of even date attached.

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

**Mangesh Katariya**  
Partner  
Membership No.104633

Pune, May 16, 2012

For and on behalf of the Board of Directors

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

**Ludwig Rapp**  
**M. L. Rathi**  
**Shridhar Kalmadi**  
**Ajinkya Arun Firodia**  
**Carl Magnus Backlund**  
**B.S. Iyer** (Alternate Director  
for Dr. Hans Friedrich Collenberg)

**Jinendra Jain**  
**Satish Mehta**

Pune, May 16, 2012

Chairman & Managing Director  
Jt. Managing Director  
Executive Director

Directors

Chief Financial Officer  
Company Secretary



## Statement of Profit and Loss for the year ended 31st March, 2012

Rupees in Million

	Particulars	Note No.		For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>I.</b>	<b>Revenue from operations- Gross</b>		<b>3,874.58</b>		3,288.91
	<b>Less: Excise Duty</b>		<b>358.86</b>		306.63
	Revenue from operations- Net	19		<b>3,515.72</b>	2,982.28
<b>II.</b>	<b>Other Income</b>	20		<b>81.56</b>	98.63
<b>III.</b>	<b>Total Revenue (I +II)</b>			<b>3,597.28</b>	3,080.91
<b>IV.</b>	<b>Expenses:</b>				
	Cost of raw materials and components consumed (including purchase of traded goods)	21		<b>2321.66</b>	1,934.45
	Changes in inventories of finished goods and work-in-progress	22		<b>(9.39)</b>	(14.75)
	Employee benefits expense	23		<b>305.45</b>	228.22
	Other expenses	25		<b>222.22</b>	199.48
	<b>Total (IV)</b>			<b>2,839.94</b>	2,347.40
<b>V.</b>	<b>Profit before Interest, tax, depreciation and amortization and exceptional item (EBITDA) (III - IV)</b>			<b>757.34</b>	733.51
<b>VI.</b>	<b>Finance costs</b>	24		<b>11.84</b>	2.53
<b>VII.</b>	<b>Depreciation and amortization expense</b>	10		<b>168.77</b>	148.66
<b>VIII.</b>	<b>Profit before exceptional items and tax (V - VI-VII)</b>			<b>576.73</b>	582.32
<b>IX.</b>	<b>Exceptional Items ( Refer note no. 47 )</b>			<b>104.33</b>	-
<b>X.</b>	<b>Profit before tax ( VIII+IX )</b>			<b>681.06</b>	582.32
<b>XI.</b>	<b>Tax expense:</b>				
	(1) Current tax			<b>142.10</b>	155.00
	(2) Deferred tax			<b>74.37</b>	18.32
	(3) Short/ (Excess) provision for current tax in respect of earlier year(s)			<b>0.00</b>	(0.10)
				<b>216.47</b>	173.22
<b>XII.</b>	<b>Profit (Loss) for the year (X-XI)</b>			<b>464.59</b>	409.10
<b>XIII.</b>	<b>Earning per equity share (Face Value per share Rs. 10):</b>				
	(1) Basic			<b>51.21</b>	45.09
	(2) Diluted			<b>51.21</b>	45.09

SEE ACCOMPANYING NOTE TO THE FINANCIALS STATEMENTS

As per our Report of even date attached.	<b>For and on behalf of the Board of Directors</b>	
For <b>MGM and Company</b> Chartered Accountants Firm Registration No. : 117963W	<b>Dinesh Munot</b> <b>Jinendra Munot</b> <b>Utkarsh Munot</b>	Chairman & Managing Director Jt. Managing Director Executive Director
<b>Mangesh Katariya</b> Partner Membership No.104633	<b>Ludwig Rapp</b> <b>M.L. Rathi</b> <b>Shridhar Kalmadi</b> <b>Ajinkya Arun Firodia</b> <b>Carl Magnus Backlund</b> <b>B.S. Iyer</b> (Alternate Director for Dr. Hans Friedrich Collenberg)	Directors
	<b>Jinendra Jain</b> <b>Satish Mehta</b>	Chief Financial Officer Company Secretary
Pune, May 16, 2012	Pune, May 16, 2012	

## Cash Flow Statement for the year ended 31st March, 2012

Rupees in Million

		Year ended 31st March, 2012		Year ended 31st March, 2011	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Profit/(Loss) before tax:		681.06		582.32
	Adjustment for:				
	Depreciation/Amortisation	168.77		148.66	
	Finance Costs	11.84		2.53	
	(Profit)/ Loss on sale of fixed assets	(105.22)		0.29	
	(Profit)/ Loss on sale of investments	(45.39)		(55.98)	
	Interest income	(0.20)		(0.14)	
	Dividend Income	(5.87)		(18.80)	
			23.93		76.56
	<b>Operating profit before Working Capital changes</b>		704.99		658.88
	Adjustments for changes in Working capital				
	Long term Loans and advances	(4.11)		-	
	Other non-current assets	0.40		(0.60)	
	Inventories	40.89		(99.40)	
Trade Receivables	(48.95)		(98.65)		
Short term Loans and advances	(15.75)		(45.55)		
Other current assets	(0.57)		(2.09)		
Long term Provisions	17.89		(3.26)		
Trade Payables	41.89		44.64		
Other current liabilities	4.20		8.52		
Short term Provisions	2.67		4.49		
		38.56		(191.90)	
Cash generated from operations		743.55		466.98	
Income taxes paid (including wealth tax)		(159.61)		(155.41)	
<b>Net Cash from Operating activities</b>		583.94		311.57	
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Fixed Assets:				
	Purchase	(895.00)		(395.05)	
	Sale	475.30		2.04	
	Investments:				
	Purchase	(690.53)		(192.87)	
	Sale	387.88		416.82	
	Interest received	0.17		0.22	
	Dividend received	5.87		18.80	
	Net Cash from/used in investing activities		(716.31)		(150.04)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from Long term borrowings	312.25		-	
	Sales Tax deferral	(13.75)		(11.36)	
	Proceeds from Short term borrowings	52.43		34.63	
	Interest paid	(11.84)		(2.53)	
	Dividend paid	(104.95)		(104.87)	
Net Cash from/used in financing activities		234.14		(84.13)	
<b>D</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		101.77		77.40
	Cash and Cash Equivalents (Opening balance)		112.22		34.82
	Cash and Cash Equivalents (Closing balance)		213.99		112.22
	<b>Notes :</b>				
	1 Figures in brackets represent outflows of cash and cash equivalents.				
	2 Cash and cash equivalents comprise of :				
			As at 31st Mar, 2012 Rs.	As at 31st Mar, 2011 Rs.	As at 31st Mar, 2010 Rs.
	Cash on hand		0.06	0.20	0.18
	Balances with Banks:				
	- In Current Account		8.93	17.02	34.64
- Others		205.00	95.00	-	
		213.99	112.22	34.82	

As per our Report of even date attached.

For and on behalf of the Board of Directors

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

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

Chairman & Managing Director  
Jt. Managing Director  
Executive Director

**Mangesh Katariya**  
Partner  
Membership No.104633

**Ludwig Rapp**  
**M.L. Rathi**  
**Shridhar Kalmadi**  
**Ajinkya Arun Firodia**  
**Carl Magnus Backlund**  
**B.S. Iyer** (Alternate Director  
for Dr. Hans Friedrich Collenberg)

Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, May 16, 2012

Pune, May 16, 2012

## Notes forming part of the Financial Statements

Rupees in Million

		As at 31st March, 2012	As at 31st March, 2011
<b>NOTE 1 - SHARE CAPITAL</b>			
<b>Authorised:</b>			
10,000,000 (Previous period 10,000,000 ) equity shares of Rs. 10 each.		100.00	100.00
		100.00	100.00
<b>Issued, Subscribed and Paid up:</b>			
9,073,300 (Previous period 9,073,300) equity shares of Rs. 10 each.		90.73	90.73
		90.73	90.73
<b>Reconciliation of the no. of shares outstanding at the 31st March, 2012 beginning and at the end of the year:</b>			
	As at 31st March, 2012 No of shares	As at 31st March, 2012 Rs. In Million	As at 31st March, 2011 No of shares
No of shares outstanding at the beginning of the year			
- Equity shares	9,073,300	90.73	9,073,300
Add: Additional shares issued during the year			
- Equity shares	-	-	-
Less: Shares forfeited / Bought back during the year			
- Equity shares	-	-	-
No of shares outstanding at the end of the year	9,073,300	90.73	9,073,300
- Equity shares			
<b>Notes:</b>			
i) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:			
<b>Particulars</b>		<b>Number of shares as at 31st March, 2012</b>	<b>Number of shares as at 31st March, 2011</b>
Equity Shares:			
ZF Lenksysteme GmbH		2,340,000	2,340,000
Mr. Utkarsh Munot		1,191,494	1,191,494
Mr. Dinesh Munot		949,290	949,290
<b>NOTE 2 - RESERVES AND SURPLUS</b>			
<b>Capital Reserve:</b>			
As per last Balance Sheet		3.50	3.50
Additions during the year		-	-
		3.50	3.50
<b>Securities Premium Account:</b>			
As per last Balance Sheet		23.23	23.23
Additions on shares issued during the year		-	-
		23.23	23.23
<b>General Reserve:</b>			
As per last Balance Sheet		1,528.18	1,228.18
Add: Transfer from Profit & Loss Account		360.00	300.00
		1,888.18	1,528.18
<b>Surplus i.e. Balance in Profit and Loss statement</b>			
As per last Balance Sheet		13.48	10.02
Add: Profit for the period		464.59	409.09
Less: Appropriations			
Proposed Dividend		45.37	45.37
Interim Dividend		45.37	45.37
Tax on Proposed Dividend		7.36	7.36
Tax on Interim Dividend		7.36	7.53
Transfer to General Reserve		360.00	300.00
		12.61	13.48
<b>Total</b>		<b>1,927.52</b>	<b>1,568.39</b>

## Notes forming part of the Financial Statements (Contd....)

Rupees in Million

		As at 31st March, 2012	As at 31st March, 2011
<b>NOTE 3 - LONG TERM BORROWINGS</b>			
<b>Loans and Advances from other than related parties:</b>			
Term Loans			
- from Banks			
Secured (Note 3a)	312.25		-
		312.25	-
Deferred payment liabilities Unsecured (Note 3b) (Sales Tax Deferral under Package Schemes of Incentives)	164.12		176.33
		164.12	176.33
<b>Total</b>		<b>476.37</b>	<b>176.33</b>
<b>NOTE3a:</b>			
<b>Terms of repayment of Term Loans</b>			
Term Loan from Yes Bank Ltd's is secured against first exclusive charge on present and future all movable, current and immovable assets of solar project at Gujarat. Loan is repayable equally in 28 quarterly installments. First Installment becomes due on 30th April 2013.			
<b>NOTE 3b:</b>			
<b>Details of Sales Tax Deferral under Package Scheme of Incentives:-</b>			
<b>Scheme</b>	<b>Period covered by the Scheme</b>		
Sales tax Deferral under various Package Schemes of Incentive (In the State of Maharashtra)	From 1994 to 2015.		
<b>NOTE 4 - (i) Break up of deferred tax liability as at year end :</b>			
<b>Nature of timing difference</b>			
Provision for Depreciation		111.76	28.91
<b>Total</b>		<b>111.76</b>	<b>28.91</b>
<b>(ii) Break up of deferred tax asset as at year end:</b>			
Provision for Employee Benefits		21.34	12.85
<b>Total</b>		<b>21.34</b>	<b>12.85</b>
<b>(iii) Deferred tax (asset)/liability net:</b>			
		<b>90.42</b>	<b>16.06</b>
<b>NOTE 5 - LONG- TERM PROVISIONS</b>			
<b>Provision for Employee Benefits</b>			
		53.00	35.11
<b>Total</b>		<b>53.00</b>	<b>35.11</b>
<b>NOTE 6 - SHORT TERM BORROWINGS</b>			
<b>Loans and Advances from other than related parties:</b>			
Loans repayable on demand (Secured)			
- from Banks		169.71	117.28
(Above loans from banks are Secured by Hypothecation of Stocks and Book Debts and Second Charge on Plant and Machinery at Factory)			
<b>Total</b>		<b>169.71</b>	<b>117.28</b>
<b>NOTE 7 - TRADE PAYABLES</b>			
Trade payables ( Refer note no. 39 )			
		250.81	208.92
<b>Total</b>		<b>250.81</b>	<b>208.92</b>
<b>NOTE 8 - OTHER CURRENT LIABILITIES</b>			
Current maturities of long-term debt			
Unpaid / Unclaimed dividends		12.21	13.75
Other payables		4.85	4.34
(Including payable for Capital Goods, Advances from Customers, Employee related Statutory Obligations, VAT/ Sales Tax payable, Withholding Tax payable, etc)		155.10	15.75
<b>Total</b>		<b>172.16</b>	<b>33.84</b>
<b>NOTE 9 - SHORT-TERM PROVISIONS</b>			
<b>Provision for Employee Benefits</b>			
		5.90	4.73
<b>Provision-Others:</b>			
Provision for Warranty		4.00	2.50
Proposed Dividend		45.37	45.37
Tax on proposed dividend		7.36	7.36
Other Provisions		8.10	8.53
(Including provision for Taxation net of Advance Tax Payments)			
<b>Total</b>		<b>70.73</b>	<b>68.49</b>

Notes forming part of the Financial Statements (Contd.....)



**NOTE 10 - FIXED ASSETS- Tangible**

Rupees in million

	Cost				Depreciation / Amortization/ Impairment				Net Block	
	As at 31st March, 2011	Additions during the year	Disposals during the year	As at 31st March, 2012	Upto 31st March, 2011	For the year	On Disposals	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
<b>TANGIBLE ASSETS</b>										
Land	3.30	-	-	3.30	-	-	-	-	3.30	3.30
Leasehold Land	6.00	408.64	357.87	56.77	0.20	4.12	2.49	1.83	54.94	5.80
Buildings	98.02	6.44	-	104.46	57.66	2.92	-	60.58	43.88	40.36
Plant & Equipment	1,021.84	193.58	34.99	1,180.43	765.18	84.72	32.98	816.92	363.51	256.66
Furniture & Fixtures	18.53	1.77	-	20.30	5.84	1.37	-	7.21	13.09	12.69
Vehicles	67.38	17.40	12.09	72.69	29.28	11.55	9.70	31.13	41.56	38.10
Office Equipment	19.49	3.80	-	23.29	16.86	2.06	-	18.92	4.37	2.63
Electrical Installation	6.82	1.55	-	8.37	4.64	0.60	-	5.24	3.13	2.18
Wind Mills	321.76	-	-	321.76	146.84	48.66	-	195.50	126.26	174.92
Solar	-	568.23	-	568.23	-	12.77	-	12.77	555.46	-
<b>Total</b>	<b>1,563.14</b>	<b>1,201.41</b>	<b>404.95</b>	<b>2,359.60</b>	<b>1,026.50</b>	<b>168.77</b>	<b>45.17</b>	<b>1,150.10</b>	<b>1,209.50</b>	<b>536.64</b>
<b>Previous year</b>	<b>1,394.05</b>	<b>184.07</b>	<b>14.98</b>	<b>1,563.14</b>	<b>890.49</b>	<b>148.66</b>	<b>12.65</b>	<b>1,026.50</b>	<b>536.64</b>	



**Notes forming part of the Financial Statements (Contd....)**

Rupees in Million

			As at 31st March, 2012	As at 31st March, 2011
<b>Note 11- INVESTMENTS ( Non-Trade, Long Term at Cost )</b>				
<b>In Mutual Fund Units (Units of Rs. 10 each) - Unquoted</b>				
7,535,152	(7,535,152)	ICICI Prudential Long Term Plan - Growth	75.33	75.33
10,693,786	(10,693,786)	Templeton India Income Opportunities Fund - Growth	110.00	110.00
-	(5,000,000)	IDFC Hybrid Portfolio Fund - Series I - Growth	-	50.00
-	(8,887,697)	Reliance Regular Savings Fund-Debt -Inst. Growth	-	110.00
-	(3,391,049)	HDFC Floating Rate Fund - Long Term - Inst. - Growth	-	50.00
1,000,000	(1,000,000)	Sundaram SMILE Fund - Dividend	10.00	10.00
1,191,838	(1,191,838)	Sundaram Select Midcap Fund - Dividend	20.00	20.00
2,000,000	(2,000,000)	Sundaram PSU Opportunities Fund - Dividend	20.00	20.00
466,843	(466,843)	HDFC Top 200 Fund - Dividend	20.00	20.00
896,032	(896,032)	Reliance Regular Savings Fund-Equity - Dividend	20.00	20.00
1,975,309	(1,975,309)	Reliance Infrastructure Fund - Dividend	20.00	20.00
2,000,000	(2,000,000)	DSP Blackrock Focus 25 Fund - Dividend	20.00	20.00
-	(1,038,292)	HDFC Gilt Fund Long Term - Growth	-	20.00
-	(5,000,000)	DWS Fixed Term Fund - Series 77 - Growth	-	50.00
-	(5,000,000)	Fidelity Fixed Maturity Plan - Series 4 - Plan E-Growth	-	50.00
5,500,000	(-)	Sundaram Fixed Term Plan CG 18 - Growth	55.00	-
8,193,833	(-)	IDFC Dynamic Bond Fund - Plan B - Growth	100.00	-
5,000,000	(-)	Kotak Fixed Maturity Plan - Series 77 - Growth	50.00	-
10,000,010	(-)	Reliance Fixed Horizon Fund - XXI Series 3 - Growth	100.00	-
500,000	(-)	Reliance Fixed Horizon Fund - XXI Series 6 - Growth	50.00	-
4,417,820	(-)	HDFC Medium Term Opportunities Fund - Growth	50.00	-
4,396,609	(-)	ICICI Prudential Quarterly Interval Fund Plan 1- Growth	50.00	-
<b>Total (A)</b>			<b>770.33</b>	<b>645.33</b>
<b>In Tax-Free Secured Redeemable Non-Convertible Bonds of Face Value Rs. 1,000 each -Quoted, fully paid-up :</b>				
24,724	(-)	National Highway Authority of India (NHAI)	24.38	-
19,935	(-)	Power Finance Corporation Ltd. (PFC)	19.59	-
<b>Total (B)</b>			<b>43.97</b>	<b>-</b>
<b>In Equity Shares - Quoted, fully paid-up :</b>				
14,259	(14,259)	ICICI Bank Ltd. of Rs.10/- each	13.40	13.40
-	(19,576)	Power Grid Corporation of India Ltd. of Rs.10/- each	-	1.57
-	(4,905)	Reliance Power Ltd. of Rs.10/- each	-	1.38
135,159	(135,159)	National Thermal Power Corporation of Rs. 10/- each	8.38	8.38
12,216	(12,216)	Tata Consultancy Services Ltd. of Re. 1/- each	2.60	2.60
3,948	(3,948)	Reliance Industries Ltd. of Rs. 10/- each	3.17	3.16
76,105	(76,105)	NHPC Ltd. of Rs. 10/- each	2.74	2.74
18,000	(30,443)	Idea Cellular Ltd. of Rs. 10/- each	1.35	2.28
-	(4,500)	Bajaj Auto Ltd. of Rs. 10/- each	-	5.64
-	(12,130)	Coal India Ltd. of Rs. 10/- each	-	2.97
40,000	(40,000)	ONGC Ltd. of Rs. 5/- each	12.52	12.52
7,999	(-)	Cummins India Ltd. of Rs. 2/- each	3.39	-
60,000	(-)	KPIT- Cummins India Ltd. of Rs. 2/- each	4.56	-
9,000	(-)	Oil India Ltd. of Rs. 10/- each	4.46	-
<b>Total (C)</b>			<b>56.57</b>	<b>56.64</b>
<b>In Equity Shares - Unquoted, fully paid up (In JV):</b>				
21,294,000	(3,380,000)	ZF Lenksysteme India Pvt. Ltd. (26% holding) of Rs.10/-each	212.94	33.80
<b>Total (D)</b>			<b>212.94</b>	<b>33.80</b>
<b>Total (A+B+C+D)</b>			<b>1,083.81</b>	<b>735.77</b>
<b>INVESTMENTS : AGGREGATE VALUE OF :</b>			<b>As at 31st March, 2012</b>	
			<b>Book Value</b>	<b>Market Value</b>
			<b>43.97</b>	46.12
			<b>56.57</b>	79.54
Quoted Govt. Securities			<b>983.27</b>	-
Quoted shares				
Unquoted Investments				

**Notes forming part of the Financial Statements (Contd....)**

Rupees in Million

	As at 31st March, 2012	As at 31st March, 2011
<b>NOTE 12 - LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to other than related parties:		
Capital Advances	13.29	163.49
Security deposits	7.83	4.28
Other Loans and Advances	61.25	43.13
(including loans to employees, Income taxes / FBT payments net of provisions)		
<b>Total</b>	<b>82.37</b>	<b>210.90</b>
<b>NOTE 13 - OTHER NON CURRENT ASSETS</b>		
(Unsecured, considered good unless otherwise stated)		
Others		
- Voluntary Retirement Scheme	0.20	0.60
<b>Total</b>	<b>0.20</b>	<b>0.60</b>
<b>NOTE 14 - INVENTORIES</b>		
(at cost or net realisable value whichever is lower)		
Raw materials (including Goods in Transit Rs. 12.54 Million (Previous year Rs. 22.56 million))	225.67	275.67
Work - in - Progress	41.82	33.04
Finished Goods	0.61	-
Stores and spares	0.89	1.17
<b>Total</b>	<b>268.99</b>	<b>309.88</b>
<b>NOTE 15 - TRADE RECEIVABLES</b>		
(Unsecured, considered good unless otherwise stated)		
1) Trade Receivables Outstanding for a period exceeding six months	0.26	0.67
2) Other Trade Receivables	360.82	311.46
<b>Total</b>	<b>361.08</b>	<b>312.13</b>
<b>NOTE 16 - CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
- On Current Account	7.73	15.82
- In Fixed Deposits	1.20	1.20
Cash on hand	0.06	0.20
Others:		
- Investments in Debt Mutual funds	205.00	95.00
<b>Total</b>	<b>213.99</b>	<b>112.22</b>
<b>NOTE 17 - SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Balance with Central Excise	27.29	18.61
Others	46.44	39.37
(including advance to suppliers, prepaid expenses etc)		
<b>Total</b>	<b>73.73</b>	<b>57.98</b>
<b>NOTE 18 - OTHER CURRENT ASSETS</b>		
Other Bank Balances:		
- Balances with banks		
- On Unpaid Dividend Accounts	4.85	4.34
Other current assets	0.07	-
Interest on Fixed Deposit	0.07	0.05
Voluntary Retirement Scheme	0.20	0.20
<b>Total</b>	<b>5.19</b>	<b>4.59</b>

**Notes forming part of the Financial Statements (Contd....)**

Rupees in Million

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>NOTE 19 - REVENUE FROM OPERATIONS- NET</b>		
Sale of products	3,857.65	3,274.85
Income from Jobwork	0.13	0.12
Royalty	0.22	-
Scrap Sales	16.58	13.94
Gross Revenue from Operations	3,874.58	3,288.91
Less: Excise Duty	358.86	306.63
<b>Total</b>	<b>3,515.72</b>	<b>2,982.28</b>
<b>NOTE 20 - OTHER INCOME</b>		
Interest Income	0.20	0.14
Dividend Income from long term investments	5.87	18.80
Net gain on sale of investments-long term	45.39	55.98
Net gain on foreign currency transaction and translation	4.57	8.64
Sundry provisions and credit balances no longer required, written back	6.88	-
Other non-operating income (net of expenses directly attributable to such income)	18.65	15.07
<b>Total</b>	<b>81.56</b>	<b>98.63</b>
<b>NOTE 21 - COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed (including purchase of traded goods)	2,238.22	1,875.12
Fabrication and Processing charges	54.41	36.12
Packing Material Consumed	29.03	23.21
<b>Total</b>	<b>2,321.66</b>	<b>1,934.45</b>
<b>NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK - IN - PROGRESS</b>		
Opening stock(A)		
Work - in - progress	33.04	17.95
Finished goods	-	0.34
	33.04	18.29
Closing stock(B)		
Work - in - progress	41.82	33.04
Finished goods	0.61	-
	42.43	33.04
<b>A-B</b>	<b>(9.39)</b>	<b>(14.75)</b>
<b>NOTE 23 - EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	273.08	205.34
Contribution to provident and other funds	8.66	6.75
Staff welfare expenses	23.71	16.13
<b>Total</b>	<b>305.45</b>	<b>228.22</b>
<b>NOTE 24 - FINANCE COSTS</b>		
Interest Expense	6.15	0.23
Other Borrowing Costs	5.69	2.30
<b>Total</b>	<b>11.84</b>	<b>2.53</b>

## Notes forming part of the Financial Statements

Rupees in Million

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>NOTE 25 - OTHER EXPENSES</b>		
Power and Fuel (Net of Credit for Windmill Income of Rs. 66.94 Million (P.Y. Rs. 38.08 Million) captively consumed)	18.32	36.40
Repairs and Maintenance -		
Buildings	10.24	4.92
Machinery	30.96	29.48
Others	8.74	6.58
	49.94	40.98
Insurance	3.06	2.39
Rates & Taxes (excluding taxes on income)	5.24	3.73
Excise Duty -		
Relating to changes in inventories of finished goods	0.07	-
Loss on sale/write off of fixed assets (net)	-	0.29
Selling and Distribution Expenses	60.88	46.11
Windmill Expenses	7.73	8.59
Payment to Auditors (Net of Service Tax) -		
Audit Fees	0.20	0.15
Tax Audit Fees	0.06	0.05
VAT Audit Fees	0.04	0.03
For Certification and other related work	0.04	0.02
Limited Review	0.05	0.02
	0.39	0.27
Miscellaneous expenses	76.59	60.72
<b>Total</b>	<b>222.22</b>	<b>199.48</b>

## "NOTES FORMING PART OF FINANCIAL STATEMENTS" (Contd...)

### 26. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Preparation of Financial Statements :-

- (i) The financial statements are prepared under the Historical Cost Convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 1956.
- (ii) Estimates and Assumptions used in preparation of the Financial Statements are based upon Management's evaluations of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

#### B) Fixed Assets and Depreciation :

##### (i) Fixed Assets :

Fixed Assets are stated at cost (net of Cenvat and sales tax credit) of acquisition or construction or at manufacturing cost in case of Company manufactured assets, less accumulated depreciation (except on free hold land). The cost includes freight, duties, taxes, and incidental expenses related to acquisition, installation, erection and commissioning.

##### (ii) Depreciation :

- a) Depreciation is provided as per the Written Down Value (W.D.V.) method at the rates specified in Schedule XIV to the Companies Act, 1956.
- b) Leasehold land's value is written off on the basis of the tenure.
- c) Depreciation is provided on pro-rata basis on additions/deductions during the year.

#### C) Investments :

Long term Investments are stated at cost. Provision is made to recognise any diminution in the value, other than temporary, in the carrying amount of any long term investments.

#### D) 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. Excise duty is included in the value of finished goods inventory

#### E) Revenue Recognition

Sale of goods is recognised when the significant risks and rewards of ownership of goods have passed to the customers which is generally on despatch of goods. Gross Sales include excise duty but excludes sales tax and are net of discounts.

#### F) Employees Retirement Benefits :

**Defined Contribution plans:** The company makes specified monthly contributions towards employee provident fund.

**Defined benefit plans:** The company's gratuity and leave wages are defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the profit and loss account.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account in the year in which the related service is rendered.



## Notes forming part of the Financial Statements (Contd....)

### G) Foreign Currency Transactions :

Transactions in foreign currency are accounted at exchange rates prevailing at the time of the transaction. All exchange gains/losses arising out of such transactions are taken to profit and loss account. Foreign currency monetary assets and liabilities are translated at the exchange rates prevailing on the last working day of the accounting year .

### H) Taxation :

Provision is made for income tax liability which may arise on the results for the year at the current rate of tax in accordance with the Income-tax Act, 1961.

The deferred tax for timing differences between the book profit and tax profits for the year is accounted for using the tax rates prevailing as of the balance sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

### I) Segment Reporting

#### a) Identification of Segments

The Company's operating business are organised and managed separately according to the nature of activity , with each segment representing a strategic business unit that offers different activity.

#### b) Allocation of common costs

Common allocable costs are allocated to each segment according to the sales of each segment to the total sales of the Company.

#### c) Unallocated items

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.

### J) Impairment of Assets :

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account to the extent the carrying amount exceeds recoverable amount. During the year there was no impairment of assets.

### K) Provisions and Contingent Liabilities

a) Provisions in respect of present obligation arising out of past events are made in the accounts when reliable estimates can be made about the amount of obligation.

b) Contingent Liabilities are disclosed when there is a possible obligation that may, but probably will not, require an outflow of resources.

### L) Earnings per Share

Basic and diluted earning per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

### M) Warranty

The estimate liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

## Notes forming part of the Financial Statements (Contd....)

### NOTE 27 - THE NET EXCHANGE DIFFERENCES ARISING DURING THE YEAR:

recognised appropriately in the profit and loss account - net gain - Rs. In Million 4.57 (31st March, 2011 - net gain - Rs. In Million 8.64)

### NOTE 28 - DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY THE ACCOUNTING STANDARD 15 (REVISED) EMPLOYEES BENEFITS ARE AS UNDER

#### (A) Defined Contribution Plan

Amount recognized as an expense in the Profit and Loss Account in respect of Defined Contribution Plans is Rs. Million 8.61 .

#### (B) Defined Benefit Plan

- i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit & Loss Account.
- ii) The Defined Benefit Plans comprise of Gratuity and Leave Encashment. Gratuity is funded.  
Gratuity is a benefit to an employee based on 15 days (depending on the grade/ category of employee the completed years of services) last drawn salary of each year.

Rupees in Million

Particulars	Gratuity		Leave Encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>(C) Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :</b>				
1 Present Value of Defined Benefit Obligation at the beginning of the year	46.09	40.56	7.93	8.43
2 Current Service cost	4.63	3.59	2.15	1.18
3 Interest Cost	3.77	3.32	0.48	0.40
4 Losses (gains) on Curtailment	-	-	-	-
5 Liabilities extinguished on settlements	-	-	-	-
6 Plan amendments	-	-	-	-
7 Actuarial (gains) / losses	6.77	(0.16)	8.43	4.91
8 Benefits paid	(1.14)	(1.22)	(4.46)	(7.01)
9 Present value of Defined Benefit Obligation as on 31.03.12	60.12	46.09	14.53	7.93
<b>(D) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :</b>				
1 Fair value of Plan assets at the beginning of the year	14.17	10.61	-	-
2 Expected return on plan assets	1.35	1.00	-	-
3 Actuarial gains and losses	(1.51)	1.50	-	-
4 Actual contributions by employer	2.88	2.28	-	-
5 Benefits paid	(1.14)	(1.22)	-	-
6 Plan assets as on 31st March,2012	15.75	14.17	-	-
<b>(E) Analysis of Defined Benefit Obligation :</b>				
1 Defined Benefit Obligation as at 31st March,2012	60.12	46.09	14.53	7.93
2 Fair Value of Plan assets at the end of the year	15.75	14.17	-	-
3 Net (Asset)/Liability recognized in the Balance Sheet .	44.37	31.92	14.53	7.93
<b>(F) Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :</b>				
1 Present value of Defined Benefit Obligation	60.12	46.09	14.53	7.93
2 Fair value of plan assets	15.75	14.17	-	-
3 Funded status [Surplus/(Deficit)]	(44.37)	(31.92)	(14.53)	(7.93)
4 Unrecognized Past Service Costs	-	-	-	-
5 Net asset/(Liability) recognized in Balance Sheet	(44.37)	(31.92)	(14.53)	(7.93)



## Notes forming part of the Financial Statements (Contd....)

### NOTE 30 - Related Party Disclosures:

#### A) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
ZF Lenksysteme, GmbH	<b>Foreign Collaborator :</b> <b>Associated Companies of ZF Lenksysteme GmbH</b>  <b>Director's interested company</b>  <b>Joint venture company</b>
ZF Shanghai Steering Co.Ltd., China ZF Sistemas De Direcao Ltd, Brazil. ZF Steering Jincheng (Nanjing),China	
Varsha Forgings Ltd	
ZF Lenksysteme India Pvt Ltd. <b>(Company has 26% stake in the company)</b>	
Key Manegerial Personnel :	Mr. Dinesh Munot - Chaiman & Managing Director Mr. Jinendra Munot - Jt. Managing Director Mr. Utkarsh Munot - Executive Director

#### B) Related Party Transactions:

Rs. in million

Name of Related Party	Description of Relationship	Nature of Transactions	Amount of Transactions	Amount Outstanding at the end of year 31-03-2012		Amount of Transactions (Rs.)	Amount Outstanding at the end of year 31-03-2011	
				Credit	Debit		Credit	Debit
ZF Lenksysteme, GmbH	Foreign Collaborator	Purchase of Raw materials & components	227.19	26.38		(186.43)	(19.48)	
		Dividend paid during the year	23.40		-	(23.40)		-
Other related parties:	Associated Companies of ZF Lenksysteme GmbH	Sale of Goods	0.60	0.01		(0.32)		
ZF Shanghai Steering Co. Ltd., China ZF Sistemas De Direcao Ltd., Brazil ZF Steering Jincheng (Nanjing), China		Purchase of Raw materials & components	230.74	40.18	(0)	(306.26)	(21.51)	-
Varsha Forgings Ltd.	Director's interested company							
Zf Lenksysteme India Pvt. Ltd. (Company has 26% stake in the company)	Joint Venture Company	Rent and other services	1.10	-	(0.24)	(1.08)	-	-
Mr. Dinesh Munot	Key Managerial Personnel	Remuneration	25.45	10.50		(22.87)	(11.00)	
Mr. Jinendra Munot	Key Managerial Personnel	Remuneration	17.69	8.00		(16.73)	(8.50)	
Mr. Utkarsh Munot	Key Managerial Personnel	Remuneration	9.79	5.50		(7.54)	(4.50)	

## Notes forming part of the Financial Statements (Contd....)

### NOTE 31 - Earning per Share

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the net profit after tax for the year disclosed in the Profit and Loss Statement.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 9,073,300

**NOTE 32-** Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (Accounting Standard-29)

Rs. In Million

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Warranty	Warranty
Carrying Amount at the beginning of the year	2.50	2.75
Additional Provision made during the year	13.19	9.51
Amounts Used during the year	11.69	9.76
Unused amounts reversed during the year	-	-
Carrying Amounts at the end of the year	4.00	2.50

**Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :**

#### Warranty Provision:

Warranty cost are accrued at the time of products are sold, based on past experience. The provision is discharged over the warranty period of 18 months from the date of sale.

### Notes forming part of the Financial Statements

#### 33. Value of imported and indigenous raw materials, components and packing material consumed:

Particulars	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	Value (Rs. In Million)	Percentage ( % )	Value (Rs. In Million)	Percentage ( % )
Imported	449.94	19.46	419.12	21.83
Indigenously obtained	1,862.33	80.54	1,500.58	78.17
<b>Total</b>	<b>2,312.27</b>	<b>100.00</b>	<b>1,919.70</b>	<b>100.00</b>

#### 34. CIF Value of Imports

Particulars	For the year ended 31st March, 2012 Rs. In Million	For the year ended 31st March, 2011 Rs. In Million
Raw materials, Components and consumables	423.57	492.87
Capital Goods	149.63	100.52
<b>Total</b>	<b>573.20</b>	<b>593.39</b>

#### NOTE 35 - Contingent Liability:

Particulars	As at 31st March, 2012 Rs. In Million	As at 31st March, 2011 Rs. In Million
Income Tax matters in dispute in respect of penalty matters pending before CIT (Appeals), Pune	32.63	32.63
Service Tax matters under Appeal	3.63	3.63
Co-acceptance of Import bills by the bankers	41.63	32.61
Bill discounted	274.22	374.10
Bank Guarantees by the Company	33.67	33.67
Claims against the company not acknowledged as debts	0.16	0.16
<b>Total</b>	<b>385.94</b>	<b>476.80</b>



## Notes forming part of the Financial Statements (Contd....)

### NOTE 36 - Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. In Million - 19.18. (31st March 2011 - Rs. In Million - 260.70).
- b) The Company has deferred payment of certain Sales tax Liability under various Package Scheme of Incentives of Government of Maharashtra. The Company is required to comply with conditions of above package Schemes of Incentives, the various Eligibility Certificates granted under such Schemes, stipulations or undertaking as per the Agreements entered into in connection with the grant of incentive under the said Schemes or on the Eligibility Certificates.

### NOTE 37 - Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :

Particulars	Amount in foreign currency		Equivalent amount Rs.in Million	
	Current Year	Previous Year	Current Year	Previous Year
Sundry creditors USD	0.73	0.20	37.67	9.83
Sundry creditors EURO	0.44	0.37	30.32	23.70

### NOTE 38 - Dividend amount proposed to be distributed to Shareholders Rs.5 (Rs. 10 per share).

**NOTE 39 -** Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosure are required to be made for enterprises which are covered under the Act. Since the company is in a process of compiling relevant information from its suppliers about their coverage under the said Act, no disclosures have been made. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

### NOTE 40 - EARNINGS IN FOREIGN EXCHANGE

Particulars	For the year ended 31st March, 2012 Rs. in Million	For the year ended 31st March, 2011 Rs. in Million
FOB Value of exports	18.25	9.95
<b>Total</b>	<b>18.25</b>	<b>9.95</b>

### NOTE 41 - REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	Paid in Current year		Paid in Previous Year	
	Final	Interim	Final	Interim
(a) Year to which dividend relates	<b>2011</b>	<b>2,012</b>	<b>2,010</b>	<b>2,011</b>
(b) Number of non-resident shareholders to whom remittance was made	1	1	1	1
(c) Number of shares on which remittance was made	2,340,000	2,340,000	2,340,000	2,340,000
(d) Amount remitted (Rs. In Million)	11.70	11.70	11.70	11.70

### NOTE 42 - EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended 31st March, 2012 Rs. In Million	For the year ended 31st March, 2011 Rs. In Million
Travelling and other expenses	4.23	6.04
<b>Total</b>	<b>4.23</b>	<b>6.04</b>

## Notes forming part of the Financial Statements (Contd....)

**NOTE43 -** In current year provision for current taxes includes provision for wealth tax of Rs. In Million - 0.5 (31st March, 2011 - Rs. In Million - 0.43)

**NOTE 44 -** The Company has 26% joint venture interest in ZF Lenksysteme India Private Limited, a company incorporated in India. As on March31, 2012 the Company has further invested Rs.179.14 Million (previous year Rs. 33.8 Million) in the share capital of this Joint Venture.

The Company's share of each of the assets, liabilities, income and expenses (each without elimination of the effect of transaction between the Company and the Joint Venture), related to its interest in the joint venture as per AS 27 on 'Financial Reporting of interest in Joint Ventures' (based on the audited accounts of the Joint Venture for the year ended march .31, 2012) are as under

Particulars	As at March31st, 2012 Rs. In Million	As at March31st, 2011 Rs. In Million
Assets	230.05	37.69
Liabilities	230.05	37.69
Particulars	For the year 2011-2012	For the year 2010-2011
Income	9.34	6.04
Expenditure	23.75	8.78

**NOTE 45-** Actual production, opening stock, closing stock and sales:

Class of Goods	Opening Stock		Closing Stock		Sales	
	Qty .No.	Value Rs. in Million	Qty.No.	Value in Million	Qty.No.	Value in Million
Hydraulic Power Steering Gears including components / spares	- (31)	- (0.23)	20 -	0.20 -	230,859 (201,069)	3166.16 (2,732.94)
Mechanical Steering Gears including components / spares	- (67)	- (0.11)	140 -	0.41 -	176,614 (155,937)	651.18 (488.83)
	-	-	160	0.61	407,473	3817.34
	(98)	(0.34)	-	-	(357,006)	(3,221.77)

None of the company's Raw Material and Components are greater than 10 percent of total sales and consumption of raw material and hence the disclosure under Broad Heads of Materials has not given.

The aboe figures are inclusive of Excise duty and Education Cess.

### NOTE 46 - Segment reporting

		Rs. in million	
	Particulars	31.03.2012	31.03.2011
1	<b>Segment Revenue</b>		
	a Auto Component	3,590.84	3,080.91
	b Renewable Energy	73.38	38.08
	Less: inter segment sale	66.94	38.08
	<b>Total Income</b>	<b>3,597.28</b>	<b>3,080.91</b>
2	<b>Segment results</b>		
	Profit( + ) / Loss ( - ) before tax and interest from each segment		
	a Auto Component	686.35	623.25
	b Renewable Energy	0.58	(38.40)
	Total	686.93	584.85
	Less :		
	Interest	5.87	2.53
	Total profit before Tax	681.06	582.32
	Less : Tax Expenses	216.47	173.22
	<b>Net Profit</b>	<b>464.59</b>	<b>409.10</b>

## Notes forming part of the Financial Statements (Contd....)

### NOTE 46 - Segment reporting (Contd.)

	Particulars	31.03.2012	31.03.2011.
3	<b>Total carrying amount of segment assets</b>		
	a Auto Component	2486.62	2,074.67
	b Renewable Energy	754.24	197.55
	Unallocable segment	60.58	42.94
	<b>Total segment assets</b>	<b>3,301.44</b>	<b>2,315.16</b>
4	<b>Total amount of segment liabilities</b>		
	a Auto Component	838.20	647.95
	b Renewable Energy	436.46	-
	c. unallocable segment	8.53	8.10
	<b>Total segment liabilities</b>	<b>1,283.19</b>	<b>656.05</b>
5	<b>Capital Employed</b> (Segment assets - Segment liabilities)		
	a Auto Component	1648.42	1,426.72
	b Renewable Energy	317.78	197.55
	c. unallocable segment	52.05	34.84
	<b>Total capital employed in the company</b>	<b>2,018.25</b>	<b>1,659.11</b>
6	<b>Capital Expenditure incurred during the year</b>		
	a. Auto component	218.10	184.07
	b. Renewable Energy	625.44	-
7	<b>Depreciation</b>		
	a. Auto component	99.48	80.76
	b. Renewable Energy	69.29	67.90

47. The Company has made profit of Rs.104.33 Million on sale of Leasehold Land in MIDC Talegaon Industrial Area and same is shown in exceptional item.
48. On 13th October,2011, the Company was subjected to search operation under section 132 of the Income Tax Act,1961. Company has extended full co-operation during the course of this search operation and has provided all necessary details/information as and when asked for by Tax Authorities. The Company has not yet received Notice as per the provisions of Section 153A of the Income Tax Act,1961 for fresh assessment.
49. Till the year ended 31st March,2011, the Company was using pre revised Schedule VI to the Companies Act,1956 for preparation and presentation of its Financial Statement.During the year ended 31st March,2012, the Revised Schedule VI notified under the Companies Act,1956 has become applicable to the Company.The Company reclassified the Previous Year 's figures to confirm to this year's classification.The adoption of Revised Schedule VI does not impact the Recognition and Measurement Principals followed for preparation of Financial Statements.However, it significantly impact Presentation and Disclosure made in Financial Statement, particularly presentation of Balance Sheet.

As per our Report of even date attached.

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

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

**Dinesh Munot**  
**Jinendra Munot**  
**Utkarsh Munot**

Chairman & Managing Director  
Jt. Managing Director  
Executive Director

**Mangesh Katariya**  
Partner  
Membership No.104633

**Ludwig Rapp**  
**M.L. Rathi**  
**Shridhar Kalmadi**  
**Ajinkya Arun Firodia**  
**Carl Magnus Backlund**  
**B.S. Iyer** (Alternate Director  
for Dr. Hans Friedrich Collenberg)

Directors

**Jinendra Jain**  
**Satish Mehta**

Chief Financial Officer  
Company Secretary

Pune, May 16, 2012

Pune, May 16, 2012



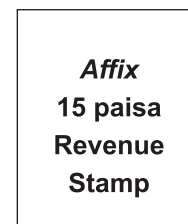
Proxy Form

# ZF STEERING GEAR (INDIA) LTD.

REGD. OFFICE: 1242/44, VILLAGE VADU BUDRUK, TAL. SHIRUR, DIST. PUNE- 412 216.

I/ We \_\_\_\_\_ being a Member/ Members of ZF STEERING GEAR (INDIA) LTD., hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/ her \_\_\_\_\_ as my/ our proxy to vote for me/ us and on my/ our behalf at the **32ND ANNUAL GENERAL MEETING** of the Company to be held on Saturday, July 28, 2012 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.



Folio No./ DP ID/ Client ID

*(Signature of the Member)*

No. of Shares held:

Note: The Proxy Form duly completed and stamped must be lodged with the Company not less than 48 hours before the time for holding the aforesaid meeting.



# ZF STEERING GEAR (INDIA) LTD.

REGD. OFFICE: 1242/44, VILLAGE VADU BUDRUK, TAL. SHIRUR, DIST. PUNE- 412 216.

Attendance Slip

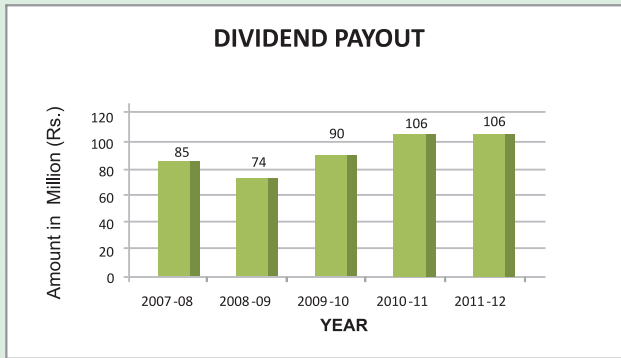
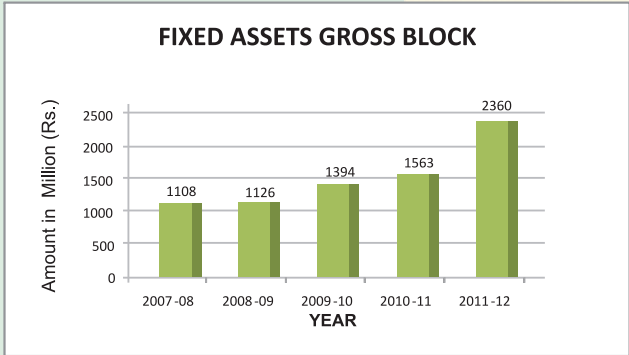
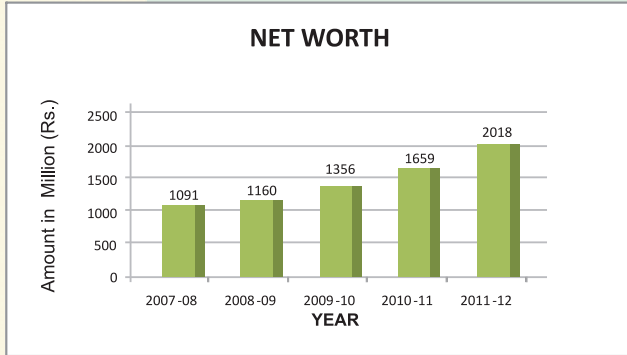
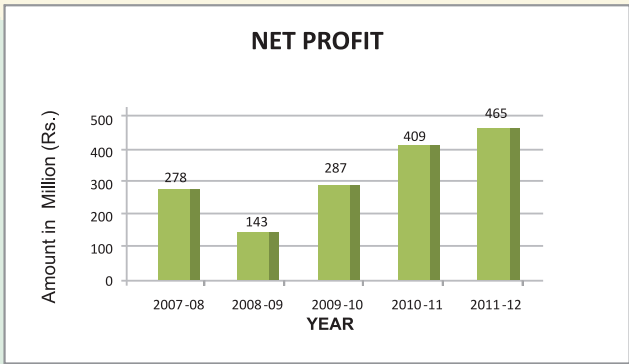
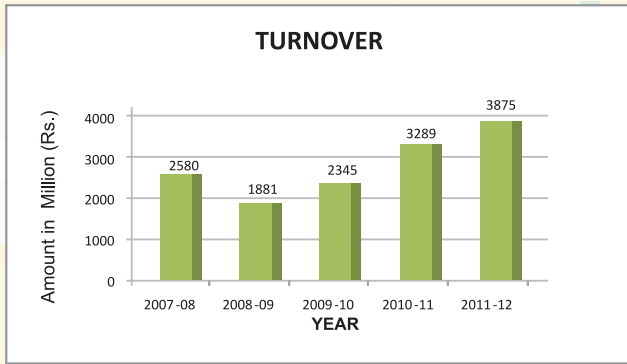
To be handed over at the entrance of the Meeting Hall

Name of the attending Member (in Block Letters)	Membership Folio No. / DP ID / Client ID
Name of the Proxy (in Block Letters) To be filled in if the Proxy attends instead of the Member)	Number of Equity shares held

I/ We hereby record my/ our presence at the **32nd ANNUAL GENERAL MEETING** of the Company to be held on Saturday, July 28, 2012 at the Registered Office of the Company at Gat No. 1242/ 44, Village Vadu Budruk, Tal. Shirur, Dist. Pune- 412 216.

Member's / Proxy's Signature  
(To be signed at the time of  
handing over this slip)

# 5 Years Highlights







## ZF STEERING GEAR (INDIA) LIMITED

### 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 & Managing Director

### NATIONAL SERVICE NETWORK



#### CORPORATE OFFICE

601-602, MCCIA, International Convention Center,  
'A' wing, 403-A, Senapati Bapat Road, Pune 411 016. (M.S.) India.  
Tel. : 020 - 30211600 Fax : 020 - 30211699  
email - satish.mehta@zfindia.com

#### REGD. OFFICE & PLANT

Gat No. 1242 / 44, Vadu Budruk, Tal. Shirur, Dist. Pune 412 216, India.  
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email - sales@zfindia.com

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