

BOARD OF DIRECTORS

Chairman

A. H. Firodia

Managing Director

Dinesh Munot

Jt. Managing Director

Jinendra Munot

Executive Director

Utkarsh Munot

Non-Executive Directors

D. S. Bomrah

Manish Motwani

Dr. Dinesh Bothra

Walter Salvasohn

Ludwig Rapp

M. L. Rathi

Dr. Hans Friedrich Collenberg

Shridhar S. Kalmadi

Mr. Klaus Traeder

(Alternate Director for Mr. Walter Salvasohn)

Mr. B. S. Iyer

(Alternate Director for Dr. Hans Friedrich Collenberg)

AUDIT COMMITTEE

Manish Motwani (Chairman)

D. S. Bomrah

Dr. Dinesh Bothra

SHAREHOLDERS' GRIEVANCE COMMITTEE

Dr. Dinesh Bothra

REMUNERATION COMMITTEE

D. S. Bomrah (Chairman)

Manish Motwani

AUDITORS

M/s. MGM and Company

Chartered Accountants, Pune.

BANKERS

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

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 - 2605 1629
Fax: 020 - 2605 3503
e-mail : pune@linkintime.co.in

COMPANY SECRETARY & DGM - FINANCE
Satish Mehta

NOTICE

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

Day : Wednesday

Date : July 14, 2010

Time : 4.30 p.m.

Place : Registered Office of the Company
Gat Nos. 1242/44, Village Vadu Budruk,
Tal. Shirur, Dist. Pune- 412 216.

The Agenda for the Meeting will be as under:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 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 2009-10.
3. To appoint Mr. Ajinkya Arun Firodia as Director, to fill the vacancy to be caused by the retirement of Mr. A. H. Firodia, who retires by rotation, and has expressed his unwillingness to be re-appointed as Director of the Company.
4. To appoint a Director in place of Mr. Ludwig Rapp, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. D. S. Bomrah, 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 Dr. Hans Friedrich Collenberg, who was appointed by the Board of Directors of the Company, as a Director to fill in the casual vacancy on the Board, caused by the resignation of Dr. Wolfgang Zeitz and, who holds office up to the date of this Annual General Meeting by reason of Section 262 of the Companies Act, 1956 (the Act), but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act proposing his candidature for the office of Director,

be and is hereby appointed as a Director of the Company.”

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

“RESOLVED THAT Mr. Shridhar S. Kalmadi, who was appointed by the Board of Directors of the Company, as a Director to fill in the casual vacancy on the Board, caused by the resignation of Mr. Abhay Firodia and, who holds office up to the date of this Annual General Meeting by reason of Section 262 of the Companies Act, 1956 (the Act), but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

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

Satish Mehta
Company Secretary

Pune
May 27, 2010

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) Profiles of the Directors being appointed/ re-appointed, as required by the Corporate Governance Code (Clause 49 VI A of the Listing Agreements entered into with the Stock Exchange), are annexed to the Notice.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from July 7, 2010 to July 14, 2010 (both days inclusive).
- 4) 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.
- 5) 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.

- 6) 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.
- 7) 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 encashed 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.
- 8) 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 2001-2002 have been transferred to the Investor Education and Protection Fund of the Central Government. Unclaimed dividend for financial years 2002-03 and thereafter is still lying with the Company. Shareholders who have not yet encashed the dividend warrants for financial years 2002-03 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.

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

Satish Mehta
Company Secretary

Pune
May 27, 2010



Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.7 – Appointment of Dr. Hans Friedrich Collenberg as a Director

Dr. Hans Friedrich Collenberg was appointed as a Director on the Board of the Company with effect from May 26, 2009, to fill in the casual vacancy caused by resignation of Dr. Wolfgang Zeitz. In terms of Section 262 of the Companies Act, 1956, Dr. Hans Friedrich Collenberg holds office as a Director only upto the date of this Annual General Meeting, as Dr. Wolfgang Zeitz, in whose place he has been appointed, would have retired by rotation at this Annual General Meeting, had he not

resigned.

The Company has received a notice in writing from a member alongwith requisite deposit of Rs. 500/- proposing the candidature of Dr. Hans Friedrich Collenberg for the office of Director of the Company under Section 257 of the Companies Act, 1956.

The Board of Directors accordingly recommend the resolution as set out in item No. 7 of the Notice for your approval.

None of the Directors of the Company other than Dr. Hans Friedrich Collenberg is interested in the resolution.

Item No. 8 – Appointment of Mr. Shridhar S. Kalmadi as a Director

Mr. Shridhar S. Kalmadi was appointed as a Director on the Board of the Company with effect from May 26, 2009, to fill in the casual vacancy caused by resignation of Mr. Abhay Firoda. In terms of Section 262 of the Companies Act, 1956, Mr. Shridhar S. Kalmadi holds office as a Director only upto the date of this Annual General Meeting, as Mr. Abhay Firodia, in whose place he has been appointed, would have retired by rotation at this Annual General Meeting, had he not resigned.

The Company has received a notice in writing from a member alongwith requisite deposit of Rs. 500/- proposing the candidature of Mr. Shridhar S. Kalmadi for the office of Director of the Company under Section 257 of the Companies Act, 1956.

The Board of Directors accordingly recommend the resolution as set out in item No.8 of the Notice for your approval.

None of the Directors of the Company other than Mr. Shridhar S. Kalmadi is interested in the resolution.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE CORPORATE GOVERNANCE CODE

Appointment/ Re-appointment of Directors

Mr. A. H. Firodia, will not be seeking re-appointment at the ensuing Annual General Meeting of the Company. Notice has been received from a member pursuant to Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Ajinkya Arun Firodia to the Board of Directors.

At the ensuing Annual General Meeting, Mr. Ajinkya Arun Firodia, Mr. Ludwig Rapp, Mr. D. S. Bomrah, Dr. Hans Friedrich Collenberg and Mr. Shridhar S. Kalmadi are being appointed/ re-appointed as Directors of the Company. The information/ details to be provided for the aforesaid Directors under the Corporate Governance Code are as under:

- a) **Mr. Ajinkya Arun Firodia**, aged 31, is Bachelor of Engineering & Economics from Brown University, USA. He worked with J. P. Morgan in New York for two years and joined Kinetic Group in 2003. At present he is holding the position of Managing Director in Kinetic Engineering Limited.

Directorship held in other Companies are:

- Kinetic Marketing & Services Ltd. Director
- Kaygee Auto Products Pvt. Ltd Director

He does not hold any shares in ZF Steering Gear (India) Ltd.

None of the Directors of the Company other than Mr. A. H. Firodia is interested in the said Resolution.

- b) **Mr. Ludwig Rapp**, aged 53, nominee-director from ZFLS Germany - the foreign collaborator, holds a degree in Engineering and Economics. He joined ZFLS Germany in 2002. Mr. Rapp is Vice-President - Heavy Trucks Steering at ZFLS Germany. Mr. Rapp has rich experience in the field of engineering and logistics. He has also worked in the position of General Manager at Elring Klinger-plant Dettingen. Mr. Rapp has also worked for Standard Lorenz AG, Mannheim.

He does not hold any shares in ZF Steering Gear (India) Ltd.

- c) **Mr. D. S. Bomrah**, aged 75, is a Mechanical Engineer. He is a member of the Society of Engineers- U.K, and SAE International. He has vast knowledge and experience in Automobile Engineering. He has held Senior Positions in well-known Indian Industry like Telco (now known as Tata Motors Limited), Hindustan Motors Machine Tools India, Jayahind Sciaky, Kinetic Engineering Kinetic Motor Company.

Presently, Mr. Bomrah is Chairman in Ravjeet Engineering Specialities Pvt. Ltd.

He does not hold any shares in ZF Steering Gear (India) Ltd.

- d) **Dr. Hans Friedrich Collenberg**, aged 51, holds Diploma in Mechanical Engineering from Technical University, Munich and also Doctorate degree in Engineering from the same University.

He joined ZF Friedrichshafen AG in 1991 in the Corporate Research and Development Department. From 1996, he worked in the 'Commercial Vehicle and Special Driveline Technology Division', first as design manager and later as head of product development for manual transmissions. Dr. Collenberg was 'President-Commercial Vehicle and Special Driveline Technology' from 2002-2006 in North America. From April 2006 to December 2008, he was Vice- President and head of the world-wide product development of the 'Passenger Car Chassis Technology Division' (ZF Lemfoerder, GmbH).

Since January 2009, he is Executive Vice President of ZF Lenksysteme, GmbH.

He does not hold any shares in ZF Steering Gear (India) Ltd.

- e) **Mr. Shridhar S. Kalmadi**, D.A.E., aged 62, is the founder member and Managing Director of Sai Service Station Ltd. He is the technocrat entrepreneur behind the spectacular growth of Sai Service Station Ltd. Now, Mr. Kalmadi is focusing on Monocoque Integral Technology Bus Manufacturing. It is the state of art technology for manufacturing buses. He is also the Senior Vice President of Indian Association of Bus-Manufacturers. He has more than 31 years of experience in the industry.

- Sai Service Station Ltd. : Managing Director
- Sai Service Spares & Accessories Ltd. : Director
- Sai Service Agency (Bombay) Pvt. Ltd. : Director
- Corona Bus Manufacturer Pvt. Ltd. : Director
- Saitomo Sales & Services Pvt. Ltd. : Director
- Sai Sales & Service : Partner
- Shri Sai Service Station : Partner

He does not hold any shares in ZF Steering Gear (India) Ltd.

- f) **Mr. B. S. Iyer (Alternate Director for Dr. Hans F. Collenberg)**, aged 60, holds Post Graduate Degree in Commerce, Law and Post Graduate qualification in Banking and Managerial Accounting besides being a Fellow Member of The Institute of Company Secretaries of India. In June 1992 he joined Motor Industries Company Ltd. (Now Bosch Ltd.) and in April 2009 he retired as Vice President and Legal Counsel responsible for Corporate Legal, Company Secretarial and Insurance. Earlier he was discharging similar responsibilities with Astra Zeneca Ltd (1987-92), Hindustan Diamond Co. Ltd (1978-86) and Bank of India (1972-78). He is currently a Corporate Legal Consultant for Indian and MNC Companies.

He is also an independent director in 3M India Ltd.

He does not hold any shares in ZF Steering Gear (India) Ltd.

■ ■ ■

Directors' Report

To the Members,

The Directors are pleased to present the Thirtieth Annual Report and Audited Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

(Rs. in Million)

	2009-2010	2008-2009
Sales (net) and other Income	2219.8	1698.0
Profit before depreciation and tax	489.1	297.5
Depreciation	76.1	79.5
Provision for tax	130.7	74.9
Net Profit	282.3	143.1
Depreciation written-back for earlier years	4.3	-
Balance Brought Forward from Previous year	13.4	24.6
	--	--
Amount available for appropriation	300.1	167.7

APPROPRIATIONS

General Reserve	200.0	80.0
Proposed Dividend and Tax thereon	52.9	74.3
Interim Dividend and Tax thereon	37.2	-
Balance Carried Forward	10.0	13.4
	300.1	167.7

Dividend

In November 2009, your Company had paid an interim dividend of Rs. 3.50 per share. Your Directors are now pleased to recommend a final dividend of Rs. 5 per share for the year ended March 31, 2010. The total dividend for the year 2009-10 would accordingly be Rs. 8.50 per share as against Rs. 7 per share for the year 2008-09.

Management Discussion and Analysis Report

The financial year 2009-10 began amidst global financial slowdown. There were grave uncertainties and the sentiment was very weak. In Indian context, there was added uncertainty on account of sub-normal south-west monsoon. To counter these negatives, the Indian Government implemented fiscal stimulus packages to boost demand and increased expenditure on public projects. The RBI took a number of monetary easing and liquidity enhancing measures. As a result, India weathered these crises well and Indian economy is in a far better position than it was 12-14 months ago. The Indian economy fared better than most developed economies. The advance estimate of the growth for 2009-10 is 7.2 % or higher. This recovery was achieved despite a negative growth in the agricultural sector. Manufacturing sector was the growth-driver for this recovery.

The overall Commercial Vehicles segment registered a positive growth at 35 percent during April-March 2010 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) registered growth at 32 percent, however total sales being still lower than 2006-07. Light Commercial Vehicles grew at 37 percent.

Passenger Vehicles as well as Passenger Cars segment during April-March 2010 grew over 27 percent over same period last year. Utility Vehicles grew by 21 percent and Multi Purpose Vehicles grew by 41 percent in this period.

Review of Operations

Operating Results of the Company

Sales

Comparative quantitative figures of Sales are as under:

(numbers)

Type	2009-10	2008-09	Growth
Power Steerings	121,342	85,016	43%
Rack & Pinion	124,151	79,524	56%
Mechanical Steerings	17,225	20,350	-15%

In January 2009, the Government had announced a stimulus under the scheme called 'Jawaharlal Nehru National Urban Renewal Mission (JnNURM) wherein the State Governments were provided assistance by the Central Government for the purchase of buses for their urban transport systems. This helped significantly to the demand for Power Steerings for Passenger Buses in the first-half of the financial year. Subsequently, there was turnaround in the economy since November 2009, both contributing towards the impressive performance in Power Steering. Mechanical Steering which are used in Tractors, were buoyant through-out the year. Rack & Pinion lagged behind as the imported components required for the same could not be received in desired quantity.

Other Income

Other Income has improved substantially in view of favorable foreign-exchange fluctuations and better capital-market conditions.

Profitability

Raw Material cost was down by 2 % for the year due to lower commodity-prices, strong rupee and indigenization of some of the imported components. Other costs too, were kept under control. Consequently, Profit before Tax for the year was Rs. 413 million against Rs. 218 million in the previous year.

Earnings Per Share has jumped from Rs. 15.77 to Rs. 31.59.

Opportunities/ Outlook for the Company

The market has given clear signs of economic re-bounce. Recently, your Company has developed 8046 range of Power Steering for Heavy Commercial Vehicle application mainly for Tata Motors, Ashok Leyland, Man Force Trucks, Volvo Eicher and Mahindra Navistar. Your Company has also added some prestigious names in its list of customers. Under Mechanical Steering Gears segment, the Company has developed Rack & Pinion St. Gears for Piaggio.

With above developments, the Company is confident of achieving still better performance in the years to come.

Joint Venture (JV)

Although, the JV Company **ZF Lenksysteme India Private Limited**, is yet to engage in any major revenue earning activity, it has registered marginal sales in the year under review. The JV Company has mainly supported the OEMs in field service and discussing new business with them..

Additional capital, by way of Rights issue, has been raised by the JV Company in May 2010 and your Company has subscribed to its entitlement, making its total investment in the JV Company to Rs. 10.4 million so far. Your Company's share of interest remains same at 26 % of the paid-up capital of the JV Company.

Threats, Risks and Concerns the Management perceive

- Margins will be under pressure due to higher input costs and customers' demand for price-reductions.
- Adverse global events may again create uncertainty in the economic environment.

Expansion and Capital Expenditure

The Company has expanded its installed capacity of Mechanical Steering Gears from 140,000 to 180,000 units per annum.

During the year, your Company has successfully installed and commissioned 4 Wind Turbine Machines of 1250 KW aggregating 5000 KW at Satara, Maharashtra, at a total cost of Rs. 243 million. The power generated from these wind mills will be captively consumed by the Company. With the earlier Wind mills, the Company is now having wind mills of total capacity of 6700 KW, which can generate (approx.) 9.2 million units which cater to approximately 90 % of power-requirement of the Company's plant.

Internal Control System

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 the Company policies and procedures. The Company's audit committee also regularly reviews with the management, external and internal auditors 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, 27 training programs (14 external and 13 internal) covering over 428 Training man-days were covered. We expect to continue the customized development programmes to individual employees during the year as well.

Industrial relations continued to be cordial and peaceful. The total number of employees as on March 31, 2010 was 727.

Cautionary statement

The Management Discussion and Analysis Report is a forward looking Statement based on the Company's projections, estimates and perceptions. These statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Actual results may vary materially from those projected here.

Fixed Deposits

Your Company has not accepted any fixed deposit from public.

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. 1,97,245/- during the year ended March 31, 2010 to the Investor Education and Protection Fund (IEPF) established by the Central Government, in compliance with 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 2002-03 is due for transfer to the IEPF on September 8, 2010.

Directors

Mr. A. H. Firodia, Chairman of the Company since June 29, 1996, in view of his commitments to various NGOs, Industry-Associations and Social Projects, has decided not to seek re-appointment at the ensuing 30th Annual General Meeting (A.G.M.) of the Company, when he is due to retire by rotation. Consequently, Mr. A. H. Firodia will cease to be Director and Chairman of the Company, after the conclusion of the 30th A.G.M., scheduled to be held on July 14, 2010. The Board places on record its deep sense of appreciation of the invaluable contribution made by Mr. A. H. Firodia, the strategic direction he provided to the Board and his role in the growth of the Company.

The Board has unanimously elected Mr. Dinesh Munot as Chairman of the Board, and re-designated him as 'Chairman and Managing-Director', which will be effective after the conclusion of the 30th A.G.M.

To fill up the vacancy as Director, to be caused by the retirement of Mr. A. H. Firodia, the Company proposes to appoint Mr. Ajinkya Firodia as the Non-Executive Independent Director of the Company.

Mr. Ludwig Rapp and Mr. D. S. Bomrah, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. As you will recall, in May 2009, Mr. Shridhar S Kalmadi and Dr. Hans Friedrich Collenberg, were appointed as Directors to fill the casual vacancies. They shall hold office up to the date of forthcoming Annual General Meeting and, being eligible, offer themselves for appointment.

Notices have been received from members pursuant to Section 257 of the Companies Act, 1956, together with necessary deposit of Rs. 500 in each case, proposing the appointments of Mr. Ajinkya Firodia, Mr. Shridhar S Kalmadi and Dr. Collenberg as Directors.

The above appointments form part of the Notice of the 30th Annual General Meeting and the relevant Resolutions are recommended for your approval.

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.

Awards & Recognitions

On 24.2.2010, your Company has been awarded a Sammanpatra (Certificate of Honour) by the Chief Commissioner, Customs and Central Excise, Pune Zone, for the commendable tax-compliance during 2009-10.

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, 2010 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, 2010 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

During the year, M/s. Patankar & Associates, Chartered Accountants, resigned as Statutory Auditors of the Company, due to time-constraints at their end. The Members, at the Extraordinary General Meeting held in April 2010, appointed M/s. MGM & Company, Chartered Accountants, as Statutory Auditors.

M/s. MGM & Company, will retire at the ensuing Annual General Meeting and are eligible for re-appointment.

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 gratitude for the assistance and co-operation received from ZF Lenksysteme- the Collaborators, Banks, Government Authorities, Customers, Suppliers, Members 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

A. H. Firodia
Chairman

Pune
May 27, 2010

Annexure I to the Directors' Report 2009-2010

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, 2010

- 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. 2,400,000 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	62	Managing Director	19,496,761	B.E.(Ele.) M.I.E.	01.07.1984	36	Kinetic Engg. Ltd.	Executive Director
Mr. Jinendra Munot	58	Jt. Managing Director	15,681,894	B.E.(Mech.) M.S.(Mech.) U.S.A AMIE (India)	01.02.1986	31	Bajaj Tempo Ltd.	Senior Manager (Projects)
Mr. Utkarsh Munot	29	Executive Director	5,592,021	B.E. (Mechanical & Mfg. Engg.) U.S.A. Diploma in Business Administration, USA	14.05.2004	7	---	---

- 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. 200,000 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 Company's contribution to Provident Fund.
- 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 2009-2010

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 controllers 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.

Wind Power Project

- 4 Windmills of aggregate 5 MW capacity have been installed and commissioned in March 2010, which generated 3,450 units of electricity.
- The Company already has 3 Windmills of aggregate 1.7 MW capacity, which were installed in 2002-03, generated 2.13 million units of electricity during the year under review.

Power generated by the windmills is fed into the MSEB grid and the units thus credited are adjusted against the monthly electricity bills for the Company's plant. This covered 30% of the power requirement of the Company for

the year 2009-10, and expected to cover (approx.) 90 % of the power requirement of the plant for the year 2010-11.

A. Technology Absorption, Research And Development

1) 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).

2) 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.
- Development of cost effective, high performance engineering products.

B. Foreign Exchange Earnings and Outgo

- Earning in Foreign Exchange Rs. 6.16 million
- Foreign Exchange used Rs. 270 million

For and on behalf of the Board of Directors

Pune
May 27, 2010

A. H. Firodia
Chairman

■ ■ ■

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 Non-executive Director. The number of Independent Directors exceeds one-third of the total number of Directors. 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, 2010, the Board of Directors had 6 meetings. These were held on May 26, 2009, July 29, 2009, October 28, 2009, November 9, 2009, January 28, 2010 and March 6, 2010.

The information as specified in Annexure IA to Clause 49 of the Listing Agreements entered into with the Stock Exchange 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. A. H. Firodia (Chairman)	Non-Executive, Independent	5	Yes	11	None	None
2	Mr. Dinesh Munot (Managing Director)	Executive	6	Yes	5	1	None
3	Mr. Jinendra Munot (Jt. Managing Director)	Executive	6	Yes	3	None	None
4	Mr. Utkarsh Munot (Executive Director)	Executive	6	Yes	1	None	None
5	Mr. D. S. Bomrah	Non-Executive, Independent	5	Yes	1	None	None
6	Mr. Manish Motwani	Non-Executive, Independent	5	Yes	6	None	None
7	Dr. Dinesh Bothra	Non-Executive	6	Yes	7	None	None
8	Mr. Walter Salvasohn	Non-Executive, Independent	1	Yes	None	None	None
9	Mr. Ludwig Rapp	Non-Executive, Independent	1	No	None	None	None
10	Mr. M. L. Rathi	Non-Executive, Independent	5	Yes	11	None	None
11	Dr. Hans Friedrich Collenberg	Non-Executive, Independent	1	No	None	None	None
12	Mr. Klaus Traeder (Alternate Director for Mr. Walter Salvasohn)	Non-Executive, Independent	4	No	None	None	None
13	Mr. B. S. Iyer (Alternate Director for Dr. Hans Friedrich Collenberg)	Non-Executive, Independent	5	Yes	3	None	None
14	Mr. Shridhar S. Kalmadi	Non- Executive, Independent	4	Yes	4	None	None

Includes Directorship in Private Companies.

Relationship between Directors Inter-se

1. Mr. Dinesh Munot and Mr. Jinendra Munot are brothers.
2. Mr. Dinesh Munot is father of Mr. Utkarsh Munot.
3. Mr. Dinesh Munot is father-in-law of Dr. Dinesh Bothra.
4. Mr. A. H. Firodia is father-in-law of Mr. Manish Motwani.

3. Audit Committee :

During the year under review, the following Directors were the members of the Audit Committee: 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 April 26, 2009, July 27, 2009, October 23, 2009, January 16, 2010 and February 25, 2010. 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	4
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 29th Annual General Meeting held on July 29, 2009.

4. Remuneration Committee:

During the year under review, the following Directors were the members of the Remuneration Committee: 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 April 26, 2009 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 for the year ended March 31, 2010 are as under:

Name	Salary (Rs.)	Perquisites (Rs.)*	Commission (Rs.)**	Total (Rs.)	Tenure	
					From	To
Mr. Dinesh Munot	4,791,600	6,205,161	8,500,000	19,496,761	14-12-2006	13-12-2011
Mr. Jinendra Munot	3,432,000	5,249,894	7,000,000	15,681,894	01-04-2008	31-03-2013
Mr. Utkarsh Munot	1,118,040	1,973,981	2,500,000	5,592,021	01-11-2006	31-10-2011

* Includes Company's Contribution to Provident Fund.

** Payable after approval of annual accounts by Shareholders at the forthcoming Annual General Meeting to be held on July 14, 2010

Details of remuneration paid to Non-Executive Directors for the year ended March 31, 2010 are as under :

The Company pays sitting fees to all the Non-Executive Directors at the rate of Rs. 5,000/- for Board Meeting and Rs. 5,000/- for Committee meeting attended.

Sitting Fees

Name	Board Meeting Fees (Rs.)	Committee Meeting Fees (Rs.)	Total (Rs.)	No. of Shares held in the Company as on 31-03-2010
Mr. A. H. Firodia- Chairman	25,000	Nil	25,000	Nil
Mr. D. S. Bomrah	25,000	25,000	50,000	Nil
Mr. Manish Motwani	25,000	30,000	55,000	Nil
Dr. Dinesh Bothra	30,000	30,000	60,000	Nil
Mr. Walter Salvasohn	5,000	Nil	5,000	Nil
Mr. Ludwig Rapp	5,000	Nil	5,000	Nil
Mr. M. L. Rathi	25,000	Nil	25,000	Nil
Mr. Shridhar S Kalmadi	20,000	Nil	20,000	Nil
Dr. Hans Friedrich Collenberg	5,000	Nil	5,000	Nil
Mr. Klaus Traeder	20,000	Nil	20,000	Nil
(Alternate Director for Mr. Walter Salvasohn)				
Mr. B. S. Iyer	25,000	Nil	25,000	Nil
(Alternate Director for Dr. Hans Friedrich Collenberg)				

5. 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 and replied to the satisfaction of shareholders during the year under review, was Five.

6. General Body Meetings:

Location and time for last 3 Annual General Meetings were as:

Year	AGM	Location	Dates	Time
2006-07	27th AGM	Regd. Office: Gat 1242/ 44,	31-07-2007	4.30 p.m.
2007-08	28th AGM	Village- Vadu-Budruk,	30-07-2008	4.30 p.m.
2008-09	29th AGM	Tal. Shirur, Dist- Pune- 412 216	29-07-2009	4.30 p.m.
2009-10	EGM		10-04-2010	3.30 p.m.

Postal Ballot:

No special resolution requiring a postal ballot was placed before the AGM.

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 Exchanges or any other statutory authority during the last three years in this regard.

d. 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 Managing Director is attached and forms part of the Annual Report of the Company.

10. Secretarial Audit:

As stipulated by SEBI, the Statutory Auditors of the Company 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.

Information about the Financial Results, Shareholding Pattern, and other specified details are now electronically filed through the Corporate Filing and Dissemination System (CFDS) as required under the Listing Agreement. Investors can view this information by visiting the website 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 30th Annual General Meeting :

Day, Date and Time	Wednesday, July 14, 2010 at 4.30 p.m
Venue	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 2010-11

Adoption of Quarterly Results for	
Quarter ending	In the month of
June 30, 2010	July 2010
September 30, 2010	October 2010
December 31, 2010	January 2011
Annual Accounts	May 2011
31 st Annual General Meeting	July 2011

13.3 Book Closure: July 07 to July 14, 2010

13.4 Dividend Payment Date:

The Final dividend, if declared at the ensuing Annual General Meeting will be paid on or after July 15, 2010 to those shareholders whose names appear on the Company's Register of Members as on July 14, 2010.

13.5 Listing on Stock Exchange:

The Company's Equity Shares are listed on:

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai 400 001.

The Company has paid the listing fees up to the year 2010 - 11 to the Mumbai Stock Exchange.

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 2010-11 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 2009	111.65	77.00	11492.10	9546.29
MAY 2009	149.80	94.35	14930.54	11621.30
JUNE 2009	150.00	120.15	15600.30	14016.95
JULY 2009	148.00	118.00	15732.81	13219.99
AUG. 2009	160.80	127.00	16002.46	14684.45
SEPT. 2009	182.50	145.00	17142.52	15356.72
OCT. 2009	195.00	152.55	17493.17	15805.20
NOV. 2009	225.00	165.15	17290.48	15330.56
DEC. 2009	260.00	196.00	17530.94	16577.78
JAN. 2010	290.90	227.00	17790.33	15982.08
FEB. 2010	274.90	224.00	16669.25	15651.99
MAR. 2010	271.00	240.00	17793.01	16438.45

ZF SHARE PRICE INDEX & SENSEX MOVEMENT



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) 2605 1629
Fax No. (020) 2605 3503

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

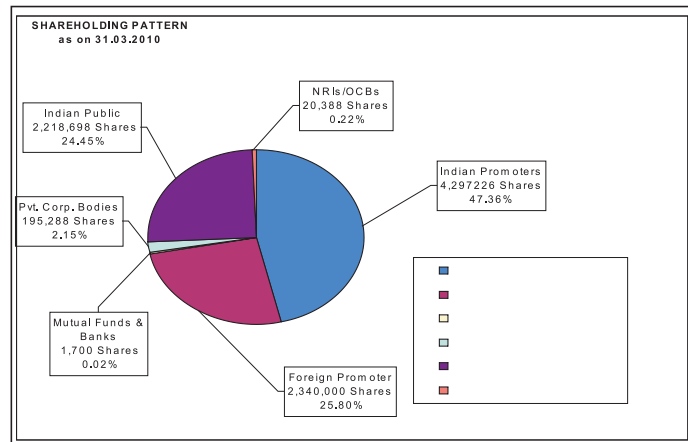
13.10 Share Transfer System:

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, 2010:

Category	No. of Shares of Rs. 10 each	Percentage of Shareholding
Indian Promoters (Munot Family)	4,297,226	47.36
Foreign Promoter (ZF Lenksysteme GmbH)	2,340,000	25.80
Banks, Financial Institutions, Insurance Companies	1,650	0.02
Mutual Funds & UTI	50	0.00
Private Corporate Bodies	195,288	2.15
Indian Public	2,218,698	24.45
NRIs/ OCBs	20,388	0.22
Total	9,073,300	100.00
No. of Shareholders as on March 31	2010	2009
	7,180	7,109

Distribution of Shareholding (as on March 31, 2010)



No. of Shares held (Face Value (Rs. 10 each))	No. of Shareholders	% to total No. of Shareholders	No. of Shares held	% to total No. of Shares
1- 500	6,298	87.72	913,389	10.06
501- 1000	489	6.81	371,587	4.10
1001-5000	333	4.63	667,666	7.36
5001-10000	23	0.32	156,086	1.72
10001 & above	37	0.52	6,964,572	76.76
Total	7,180	100.00	9,073,300	100.00

13.12 Dematerialization of Shares & Liquidity:

The details of Equity shares dematerialized and those held in physical form as on March 31, 2010 are given here under:

Particulars of Equity Shares	Equity shares of Rs. 10 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	5,720,353	63.05	3,921	54.61
CDSL	462,051	5.09	1,488	20.72
Sub-total	6,182,404	68.14	5,409	75.33
Physical Form	2,890,896	31.86	1,771	24.67
Total	9,073,300	100.00	7,180	100.00

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.

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 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.corpfiling.co.in website, the results are not sent to each household of the Shareholders.

13.15 Plant Location:

Location	Address
Maharashtra	Gat No. 1242/1244 Village- Vadu Budruk, Tal. Shirur, Dist. Pune 412 216.

13.16 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) 2605 1629/ 2605 0084
E-Mail - pune@linkintime.co.in

- For payment of dividend and other correspondence

Corporate office & Secretarial Department :

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@zfndia.com
Phone- (020) 3021 1600/ 606/ 650/ 628

For and on behalf of the Board of Directors

A. H. Firodia
Chairman

Pune
May 27, 2010

■ ■ ■

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 27, 2010

Dinesh Munot
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO,
The Members,
ZF Steering Gear (India) Limited,

We have examined the compliance of the conditions of Corporate Governance by **ZF STEERING GEAR (INDIA) LIMITED** (the Company) for the year ended March 31, 2010, 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 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.

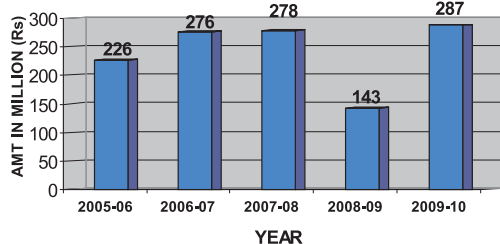
For **MGM and Company**
Chartered Accountants
Firm Registration No. : 117963W

Pune
May 27, 2010

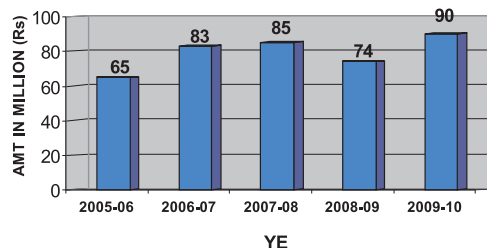
Mangesh Katariya
Partner
Membership No. 104633

5 Years Highlights

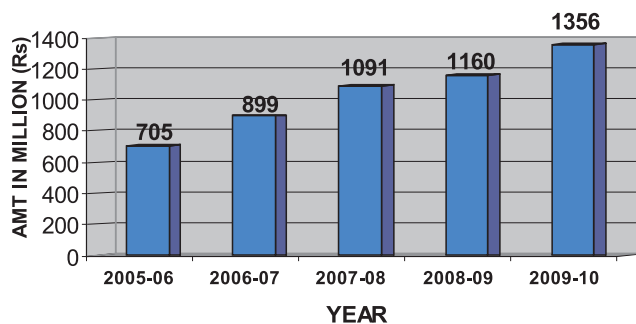
NET PROFIT



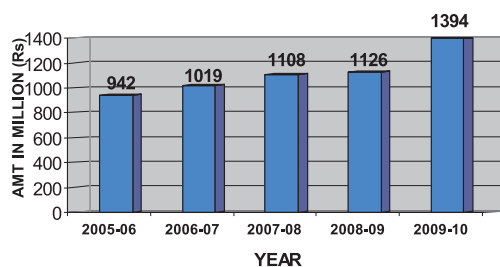
DIVIDEND PAYOUT



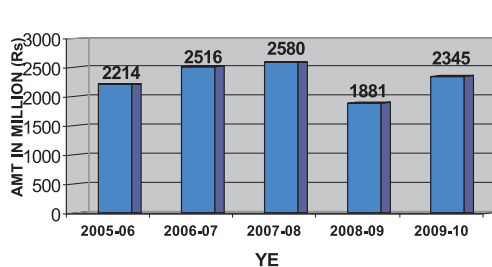
NET WORTH



FIXED ASSETS GROSS BLOCK



TURN OVER



CONTENTS

General Information	1
Notice	2-4
Directors' Report	5-8
Corporate Governance and Shareholder Information	9-15
Auditors' Report	16-17
Balance Sheet	18
Profit & Loss Account	19
Cash Flow Statement	20
Schedules A to O	21-26
Schedule P - Notes to Accounts	27-34
Proxy Form / Attendance Slip	35