



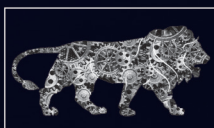
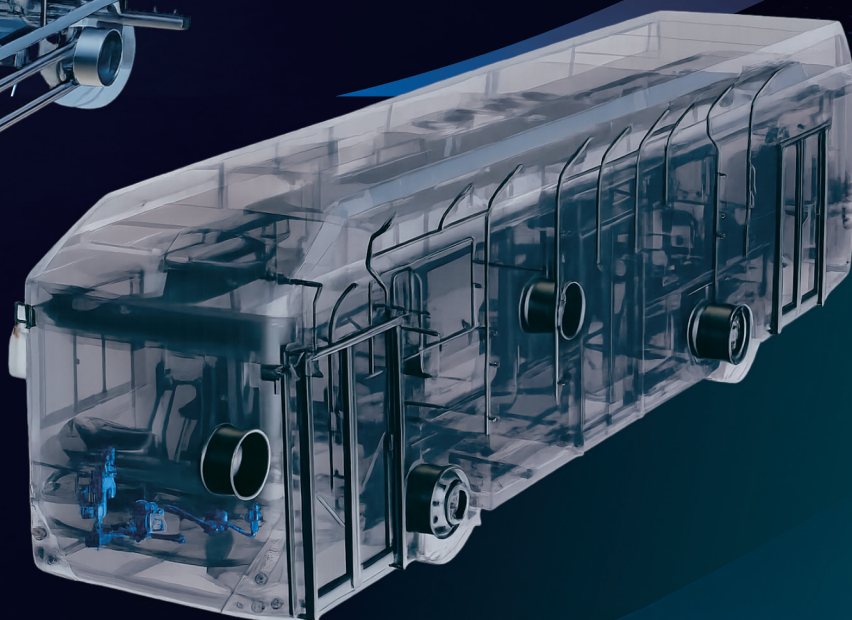
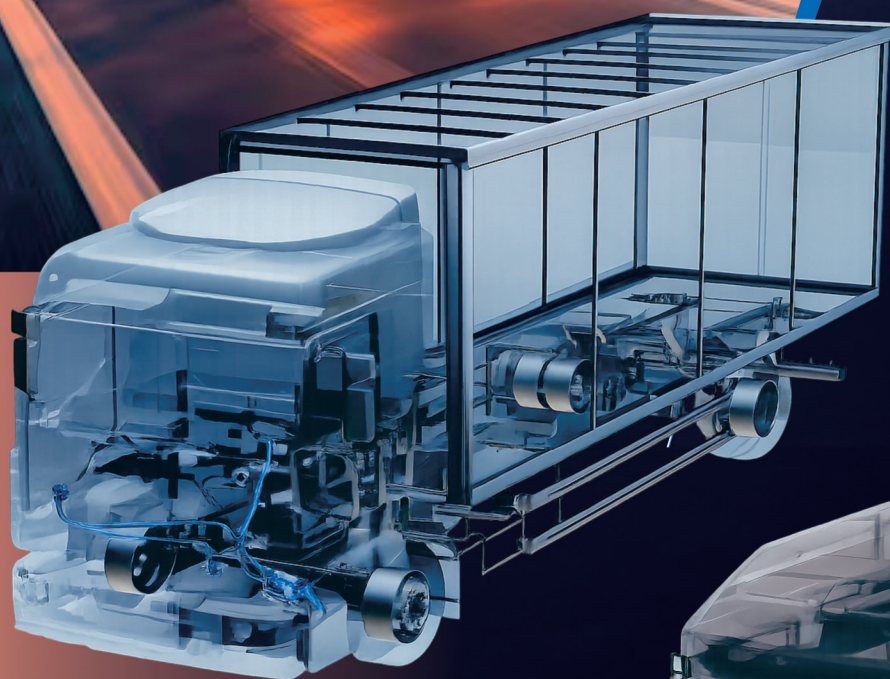
ZF STEERING GEAR (INDIA) LIMITED

Steering Towards Future

46th

ANNUAL REPORT

2025 - 2026



www.zfindia.com

PLANTS OF SUBSIDIARIES OF THE COMPANY



DriveSys Systems Private Limited
situated at SUPA MIDC, Ahilyanagar, Maharashtra



**DriveSys, Supa
Machining Plant**

BOARD OF DIRECTORS	BOARD COMMITTEES	GENERAL DETAILS
Chairman Mr. Dinesh Munot Managing Director Mr. Utkarsh Munot Non-Executive Directors Independent Directors Mrs. Smita A. Lahoti Mr. Rohit Rathi Mr. Shrenik Gandhi (from April 1, 2025) Mr. Bharat Agarwal (from April 1, 2025) Non-Independent Director Dr. Dinesh Bothra	Audit Committee Mr. Shrenik Gandhi – Chairman Mrs. Smita A. Lahoti Mr. Utkarsh Munot Mr. Rohit Rathi Mr. Bharat Agarwal Stakeholders' Relationship Committee Mr. Shrenik Gandhi – Chairman Mr. Utkarsh Munot Dr. Dinesh Bothra Nomination and Remuneration Committee Mr. Bharat Agarwal – Chairman Mrs. Smita A. Lahoti Dr. Dinesh Bothra Mr. Rohit Rathi Corporate Social Responsibility Committee Mr. Dinesh Munot – Chairman Mr. Utkarsh Munot Mr. Bharat Agarwal	REGISTERED OFFICE & WORKS Gat Nos. 1242 / 1244, Village VaduBudruk, Tal. Shirur, Dist. Pune – 412 216 Maharashtra CIN: L29130PN1981PLC023734 Tel: 02137-305100 Fax: 02137- 305302 E-mail Id: investor@zfindia.com Web: www.zfindia.com BANKERS HDFC Bank Kotak Mahindra Bank State Bank of India REGISTRARS & SHARE TRANSFER AGENTS MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) Block No. 202, A Wing, 2nd Floor, Akshay Complex, Off. Dhole Patil Road, Pune – 411 001 Tel: 020-26160084 Fax: 020- 26163503 E- mail: pune@in.mpms.mufg.com , rnt.helpdesk@in.mpms.mufg.com STATUTORY AUDITORS M/s. Joshi Apte & Co. Chartered Accountants INTERNAL AUDITORS M/s. Kirtane & Pandit LLP Chartered Accountants SECRETERIAL AUDITORS M/s. SIUT & Company, LLP Company Secretaries
SENIOR MANAGEMENT		
Mr. Anant Kalvit President (Business Development and Design) Mr. Ajit Gugale President (Works) Mr. Jinendra Jain Chief Financial Officer Mr. Sachin Gugale Chief Information Officer Mr. Aniket Kadam Deputy Chief Financial officer and Head of Accounts & Legal		
COMPANY SECRETARY Mr. Satish Mehta		

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NOTICE OF AGM

NOTICE

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

Day: Monday

Date: July 27, 2026

Time: 10.00 AM (IST)

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company, for the Financial Year ended on March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company, for the Financial Year ended on March 31, 2026, and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Utkarsh Munot (DIN: 00049903), who retires by rotation under the provisions of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Dinesh Munot (DIN: 00049801) as the Chairman and Whole-Time Director of the Company.**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (**the Act**), if any, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), as amended from time to time and such other approvals, permissions and sanctions, as may be required, along with the Articles of Association of the Company, and upon recommendation and approval of Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company (hereinafter referred to as the '**Board**') consent of the Members be and is hereby accorded for re-appointment of Mr. Dinesh Munot (DIN:00049801) as the 'Chairman &

Whole-Time Director' of the Company, who has attained the age of 78 years, for a term of 5 (five) consecutive years with effect from July 28, 2026 to July 27, 2031.

RESOLVED FURTHER THAT Mr. Dinesh Munot shall not be liable to retire by rotation in accordance with the provisions of Section 152(6) of the Act and shall hold office on the terms and conditions, including remuneration, as mentioned below, with authority to the Board of Directors to alter and vary such terms and conditions, including remuneration, in such manner as may be agreed between the Board and Mr. Dinesh Munot, subject to the provisions of the Act and applicable laws.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year during the tenure of appointment of Mr. Dinesh Munot, he shall be paid the below mentioned remuneration, excluding Performance Bonus, as minimum remuneration in accordance with Section II of Part II of Schedule V to the Companies Act, 2013 and the rules made thereunder, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 of the Act and/or Schedule V to the Act, for a period not exceeding 3 (three) years or such other period as may be statutorily permitted, subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the payment of such minimum remuneration, including remuneration in excess of the limits prescribed under Regulation 17(6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e., Rupees Five Crore or 2.5% of the net profits of the Company, whichever is higher or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

- a. Mr. Dinesh Munot shall, subject to the superintendence, control and direction of the Board of Directors of the Company, shall exercise such powers and perform such duties, as may be entrusted to him by the Board from time to time.
- b. Mr. Dinesh Munot shall be entitled to the following remuneration.
 - i. Salary: Rs. 40,00,000 per month, with annual increment of 10% starting from April 1, 2027.
 - ii. Performance Bonus/ Commission: Mr. Dinesh Munot shall be entitled to an annual performance linked incentive, as may be determined by the Board of Directors/ Nomination and Remuneration Committee (**NRC**) of Directors.

- iii. Perquisites: In addition to the aforesaid Salary and Performance Bonus, Mr. Dinesh Munot shall be entitled to perquisites like house-rent allowance of 50 percent of the basic salary, gas, electricity, water, furnishings, leave travel concession for self and family, club fees, personal accident insurance, medical reimbursement for self and family, Hospitalization insurance, Company's contribution to Provident fund/ special pay in lieu thereof, Company car/s with driver, telecommunication facilities, encashment of unavailed leave in accordance with the rules of the Company, retirement benefits as per the laws applicable and such other perquisites and allowances as may be approved by the Board of Directors or NRC, from time to time.
- iv. The perquisites and allowances shall be valued as per the Income Tax Rules, 2026, wherever applicable, otherwise at actual cost.

c. General:

- Either party may terminate the appointment by giving six months' written notice or salary in lieu thereof.
- Mr. Dinesh Munot shall abide by the Company's Code of Conduct, provisions contained in Section 166 of the Act and in the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings, as may be required, to give effect to this resolution."

4. **Re-appointment of Mr. Utkarsh Munot (DIN:00049903), as the Managing Director of the Company.**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (**the Act**), if any, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), as amended from time to time and such other approvals, permissions and sanctions, as may be required, along with the Articles

of Association of the Company, and upon recommendation and approval of Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company (hereinafter referred to as the '**Board**') consent of the Members be and is hereby accorded for re-appointment of Mr. Utkarsh Munot (DIN:00049903) as the 'Managing Director' of the Company, for a term of 5 (five) consecutive years with effect from May 19, 2026 to May 18, 2031.

RESOLVED FURTHER THAT Mr. Utkarsh Munot shall be liable to retire by rotation, in accordance with the provisions of Section 152(6) of the Act and shall hold office on the terms and conditions, including remuneration, as mentioned below, with authority to the Board of Directors to alter and vary such terms and conditions, including remuneration, in such manner as may be agreed between the Board and Mr. Utkarsh Munot, subject to the provisions of the Act and applicable laws.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, during the tenure of appointment of Mr. Utkarsh Munot, he shall be paid the below mentioned remuneration, excluding Performance Bonus, as minimum remuneration in accordance with Section II of Part II of Schedule V to the Companies Act, 2013 and the rules made thereunder, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 of the Act and/or Schedule V to the Act, for a period not exceeding 3 (three) years or such other period as may be statutorily permitted, subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the payment of such minimum remuneration, including remuneration in excess of the limits prescribed under Regulation 17(6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e., Rupees Five Crore or 2.5% of the net profits of the Company, whichever is higher or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company, shall be subject to the approval of the Members of the Company by way of Special Resolution.

- a. Mr. Utkarsh Munot shall, subject to the superintendence, control and direction of the Board of Directors, have substantial powers of management to oversee and manage the day-to-day affairs, business and operations of the Company and exercise such powers and perform such duties and functions, as may be entrusted to him by the Board from time to time. He shall report to the Chairman of the Company in relation to operational and strategic matters.

b. Mr. Utkarsh Munot shall be entitled to the following remuneration.

- i. Salary: Rs. 30,00,000 per month, with annual increment of 10% starting from April 1, 2027.
- ii. Performance Bonus/ Commission: Mr. Utkarsh Munot shall be entitled to an annual performance linked incentive, as may be determined by the Board of Directors/ Nomination and Remuneration Committee (**NRC**) of Directors.
- iii. Perquisites: In addition to the aforesaid Salary and Performance Bonus, Mr. Utkarsh Munot shall be entitled to perquisites like house-rent allowance of 50 percent of the basic salary, gas, electricity, water, furnishings, leave travel concession for self and family, club fees, personal accident insurance, medical reimbursement for self and family, Hospitalization insurance, Company's contribution to Provident fund/ special pay in lieu thereof, Company car/s with driver, telecommunication facilities, encashment of unavailed leave in accordance with the rules of the Company, retirement benefits as per the laws applicable and such other perquisites and allowances as may be approved by the Board of Directors or NRC, from time to time.
- iv. The perquisites and allowances shall be valued as per the Income Tax Rules, 2026, wherever applicable, otherwise at actual cost.

c. General:

- Either party may terminate the appointment by giving six months' written notice or salary in lieu thereof.
- Mr. Utkarsh Munot shall abide by the Company's Code of Conduct, provisions contained in Section 166 of the Act and in the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings, as may be required, to give effect to this resolution."

5. **Approval of Material Related Party Transactions by the Company and/ or its subsidiaries:**

To consider and if thought fit pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in partial modification of the earlier resolution as approved by the members of the Company at the Annual General Meeting held on September 8, 2025 and pursuant to the provisions of Regulation

23 read with Regulation 2(1)(zb), Regulation 2(1)(zc) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), the Company's policy on Materiality of and Dealing with the Related Party Transactions and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, consent of the Members of the Company, be and is hereby, accorded to enter into the related party transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) for Financial Year (**FY**) 2026-27, by the Company and/ or of its subsidiaries viz. DriveSys Systems Private Limited (**DriveSys**) and Metacast Auto Private Limited (**Metacast**), whether by way of renewal(s) or extension(s) or modification(s) of earlier/ existing or fresh contracts/ arrangements/ transactions or otherwise, on commercially reasonable terms and on an arm's length basis, up to a maximum aggregate value of the Related Party Transactions not exceeding Rs. 100 crore, by the Company and its subsidiaries viz. DriveSys and Metacast, notwithstanding the fact that the aggregate value of the Related Party Transactions may exceed materiality threshold, as prescribed under Regulation 23 of the Listing Regulations or other Applicable Laws, provided however, that the said Related Party Transactions shall be carried out at an arm's length basis and in the ordinary course of business of the Company and/ or its subsidiaries, and such Related Party Transactions would mean any transaction (sale, purchase and/ or supply of goods or services or both and loans) by and between the Company and its subsidiaries viz. DriveSys and Metacast and/ or any of them with entities forming part of the Supreme Group viz. Supreme Autocasts, Supreme Engineering, Supreme Autocasts Private Limited, Supreme Iron (India) Private Limited and/ or any related party/ affiliate of such entity(ies)/ firm(s), Related Parties of Metacast – Subsidiary and Joint Venture of the Company, more specifically set out in the explanatory statement to this resolution.

RESOLVED FURTHER THAT the members note that the Company had earlier obtained approval of members for material related party transactions for a period of three financial years from FY 2025–26 to FY 2027–28; however, pursuant to the amendment in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of such approval is now restricted to one financial year.

RESOLVED FURTHER THAT in compliance with the amended regulatory requirements, the approval of members is being sought afresh for the financial year 2026–27.

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

6. Approval of Material Related Party Transactions by and between subsidiaries of the Company:

To consider and if thought fit pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in partial modification of the earlier resolution as approved by the members of the Company through Postal Ballot on March 22, 2025 and pursuant to the provisions of Regulation 23 read with Regulation 2(1)(zb), Regulation 2(1)(zc) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), the Company’s policy on Materiality of and Dealing with the Related Party Transactions and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, consent of the Members of the Company, be and is hereby, accorded to ‘Metacast Auto Private Limited’ (**Metacast**), Subsidiary and Joint Venture of the Company and DriveSys Systems Private Limited (**DriveSys**), Wholly-Owned Subsidiary of the Company, to enter into Related Party transaction(s)/ contract(s)/ arrangement(s)/ agreement(s), in terms of Regulation 2(1)(zc) of the Listing Regulations for Financial Year (**FY**) 2026-27, whether by way of renewal(s) or extension(s) or modification(s) of earlier/ existing or fresh contracts/ arrangements/ transactions or otherwise, on commercially reasonable terms and on an arm’s length basis, up to a maximum aggregate value of the Related Party Transactions not exceeding Rs. 100 crore, notwithstanding the fact that the aggregate value of the Related Party Transactions may exceed materiality

threshold, as prescribed under Regulation 23 of the Listing Regulations or other Applicable Laws, provided however, that the said Related Party Transactions shall be carried out at an arm’s length basis and in the ordinary course of business, and such Related Party Transactions would mean any transactions including but not limited to supply of castings between DriveSys and Metacast, more specifically set out in the explanatory statement to this resolution.

RESOLVED FURTHER THAT the members note that the Company had earlier obtained approval of members for material related party transactions for a period of three financial years from FY 2025–26 to FY 2027–28; however, pursuant to the amendment in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of such approval is now restricted to one financial year.

RESOLVED FURTHER THAT in compliance with the amended regulatory requirements, the approval of members is being sought afresh for the financial year 2026–27.

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

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

Satish Mehta
 Company Secretary
 ICSI Membership Number: F3219

Registered Office:
Gat No. 1242/ 44, Village Vadu Budruk,
Tal. Shirur, Dist. Pune – 412216
CIN: L29130PN1981PLC023734
May 12, 2026

NOTES

1. The Ministry of Corporate Affairs (**MCA**) has allowed the Companies to conduct Annual General Meeting through video conferencing (**VC**) or other audio visual means (**OAVM**). In this regard, MCA issued Circular No. 14/ 2020 dated April 8, 2020, Circular No.17/ 2020 dated April 13, 2020, Circular No. 20/ 2020 dated May 5, 2020 and Circular No.02/ 2021 dated January 13, 2021, Circular No. 02/ 2022 dated May 5, 2022, Circular No. 10/ 2022 dated December 28, 2022, Circular No. 9/ 2023 dated September 25, 2023, Circular No. 9/ 2024 dated September 19, 2024 and latest being Circular No. 03/ 2025 dated September 22, 2025 (**MCA Circulars**), prescribing the procedure and manner of conducting the Annual General Meeting through VC/ OAVM. In compliance with the applicable provisions of the Companies Act 2013 (**the Act**), MCA Circulars, the Board of Directors has approved conducting of the 46th Annual General Meeting (**AGM**) of the Company through VC/ OAVM.
2. An Explanatory Statement pursuant to Section 102 of the Act, setting out material facts relating to business under item numbers 3, 4, 5 & 6 to be transacted at the meeting, is annexed hereto and forms part of this Notice.
3. As the AGM shall be conducted through VC/ OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Brief profiles of Mr. Dinesh Munot, Chairman & Whole-Time Director and Mr. Utkarsh Munot, Managing Director of the Company, seeking re-appointment, as stipulated under Regulation 36 of the Listing Regulations, and Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, from time to time, as provided for under Section 118(10) of the Act, are given in the annexure to the Notice of the Annual General Meeting.
5. In terms of provisions of Section 107 of the Act, the resolutions as set out in the notice are being conducted through e-voting, and therefore the said resolutions will not be decided on a show of hands at the AGM.
6. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Institutional/ Corporate Members (i.e. other than individuals, Hindu Undivided Family (**HUF**), Non-Resident Indians (**NRI**), etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or Governing Body Resolution/ Authority Letter etc., authorizing its representative(s) to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting and e-voting at AGM. The said resolution/ Authority Letter shall be sent through its registered email address to cs@siut.in with a copy marked to evoting@nsdl.com.
8. In case of any queries regarding the Annual Report or any matter to be placed at the AGM, Members are requested to write to us at least ten (10) days before the AGM through email on investor@zfindia.com. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
9. Non-resident Indian Members are requested to inform immediately about the following to the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be:
 - a. The change in the residential status on return to India for permanent settlement;
 - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
10. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in the dematerialized form are, therefore, requested to submit their PAN details to their DPs.
11. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Pursuant to the provisions of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (**IEPF**) of the Central Government. Accordingly, unclaimed dividends for the financial years 1995-96 to 2017-18 have been transferred to the IEPF. Members who have not yet claimed the dividend warrants for financial years 2022-23 & 2023-24, are requested to contact the Company at the earliest.
13. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account (in the name of the Company) within thirty days of such shares becoming due for transfer to the Fund.
14. The Members/ claimants whose shares and unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application

to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Members/ claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

15. It is in the Member's interest to claim any unclaimed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the investor's account on time.
16. Members are requested to write to the Company for claiming the dividend for the aforesaid years. The details of unclaimed dividends of the aforesaid years are available on the website of the Company viz. <http://www.zfindia.com/unclaimeddividend.php>.
17. Members holding shares in dematerialized form are requested to update/ intimate all changes, if any pertaining to their bank details such as name of the bank and branch address, bank account number, MICR Code, IFSC Code, National Electronic Clearing Service (**NECS**), Electronic Clearing Service (**ECS**) mandates, Permanent Account Number (**PAN**), nominations, power of attorney, change of address, change of name, email address, contact numbers, mobile number, etc., to their Depository Participant (**DP**). Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agents, MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) (**RTA**), Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411001. The requisite forms for Investor Service Request are available on the Company's Website <http://www.zfindia.com/investorservice-request.php>
18. Members can avail the facility of Nomination in respect of securities held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed form duly filled – in to Company's RTA. The nomination forms can be obtained from RTA. Members holding shares in dematerialized form may contact their Depository Participant for availing this facility.
19. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred/ transmitted only in dematerialized form with effect from April 1, 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, MUFG Intime India Private Limited (formerly known as Link Intime India Private

Limited). Further, the requisite forms for Investors' Service Requisition were sent to the physical shareholders' at their registered address and the said forms are also available on the website of the Company <http://www.zfindia.com/investor-service-request.php>.

However, SEBI vide its Circular dated January 30, 2026, has re-opened a special window for re-lodgement of requests for transfer of physical shares from February 05, 2026 to February 04, 2027, wherein only those shareholders who had lodged such transfer requests to transfer the such shares prior to April 1, 2019, which was rejected due to documentation errors, shall be allowed to re-lodge transfer requests. Further, the shares so transferred pursuant to the said procedure shall be issued only in dematerialized form and shall be under lock-in for a period of one year from the date of registration of transfer. Such securities shall not be transferred/ lien-marked/ pledged during the said lock-in period.

20. The statutory documents i.e., The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
21. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut-off date i.e. Monday, July 20, 2026**, only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM. The remote e-voting period commences from Friday, July 24, 2026 (9:00 a.m. IST) and ends on Sunday, July 26, 2026 (5:00 p.m. IST).
22. M/s. SIUT & Co. LLP, Company Secretaries, has been appointed as the Scrutinizers to scrutinize the e-voting during the AGM and to conduct remote e-voting process in a fair and transparent manner. The Members who have cast their votes by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their votes again. The scrutinizer shall close the e-voting facility after expiry of 15 minutes from the conclusion of voting at the AGM. The scrutinizer shall first count the votes casted electronically at the meeting and there after unblock the votes cast through remote e-voting and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizers' report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

23. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on Monday, July 27, 2026 i.e. the date AGM.
24. The results declared along with the report of the scrutinizer shall be placed on the website of the Company <http://www.zfindia.com/> and on the website of National Securities Depository Limited (**NSDL**) immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited where the shares of the Company are listed.
25. In compliance with the aforesaid MCA Circulars and the SEBI Circular dated October 3, 2024, Notice of the AGM along with the Annual Report 2025-26, is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2025-26, will also be available on the Company's website at www.zfindia.com, website of the Stock Exchange i.e., BSE Limited at www.bseindia.com and on the website of NSDL at www.evoting.nsdl.com.
26. The Notice calling the AGM has been uploaded on the website of the Company at www.zfindia.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.
27. In compliance with Regulation 36(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), a letter providing details of web-link, including the path, where complete details of Annual Report are available is being sent to those members whose e-mail addresses are not registered with the Company/ RTA or with any Depository.
28. To support the 'Green Initiative', members who have not registered/ updated their email addresses and mobile number are requested to register/ update the same with MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), if shares are held in physical mode, or with their DPs, if the holding is in electronic mode. The registered e-mail address will be used for sending future communications.
29. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
30. The Notice of Annual General Meeting was approved by the Board of Directors at its meeting held on May 12, 2026.
31. The Company will also be publishing an advertisement in newspapers containing the details about the AGM i.e., date and time of AGM, details for e-voting, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses.
32. SEBI has established a common Online Dispute Resolution Portal (**ODR Portal** - <https://smartodr.in/login>) to raise disputes arising in the Indian Securities Market. Post exhausting the option to resolve their grievances with the RTA/ Company directly and through SCORES platform, the investors can initiate dispute resolution through the ODR Portal.
33. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

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

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings (**SS-2**) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (**NSDL**) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
2. Pursuant to Para 3, Part A, Sub – Para X of the MCA Circular No. 14/ 2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.

3. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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

The remote e-voting period begins on Friday, July 24, 2026 at 09:00 A.M. and ends on Sunday, July 26, 2026 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (**cut-off date**) i.e. **Monday, July 20, 2026**, may cast their vote

electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, July 20, 2026.

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

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

4. Your User ID details are given below:

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

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

- c) If you are still unable to get the password by afore-said two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@siut.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Rahul Rajbar at evoting@nsdl.com.
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@zfindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@zfindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/ members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ ask questions during the meeting must pre-register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, email ID and mobile number to investor@zfindia.com **at least 10 days prior to meeting**. Only those members who have pre-registered themselves as speaker will be allowed to express their views/ ask questions during the AGM.



Annexure to the Annual General Meeting Notice dated May 12, 2026

Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, and Secretarial Standard-2, containing material facts in respect of item of special business set out in this AGM Notice. Further, this Explanatory Statement and the Annexure thereto may also be regarded as a disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the Listing Regulations).

Item No. 3

Mr. Dinesh Munot (DIN: 00049801) was re-appointed as the Chairman & Whole-time Director of the Company, for a period of five years from July 28, 2021 to July 27, 2026, by the Members of the Company at their 41st Annual General Meeting held on August 28, 2021.

As the aforesaid tenure ends on July 27, 2026, the re-appointment of Mr. Dinesh Munot as the Chairman and Whole-time Director of the Company, for a period of five years with effect from July 28, 2026 to July 27, 2031, was approved by the Board of Directors in their meeting held on May 12, 2026, on the recommendation of the Nomination and Remuneration Committee, in their Meeting held on May 4, 2026.

Mr. Dinesh Munot is an illustrious industrialist and a renowned personality, having over 50 years' of experience in the automotive industry. He has been associated with the Company since inception and he has played a significant role in the growth and strategic development of the Company. He has successfully steered the Company's operations since the year 1986. His total involvement, perseverance and commitment to the goals of the Company, has brought the Company to this position.

He was elected as 'President' of Automotive Components Manufacturers' Association (**ACMA**). He was invited to United Nations at Vienna to present the Auto Cluster project in his capacity as ACMA President.

He was bestowed with 'Lifetime Achievement Award' by the Nagar Road Industry Chamber of Commerce, Pune. He was also conferred 'Outstanding Young Person of the Year' during the International Youth Year 1985.

Considering his eminence, seniority, expertise, vast experience in his field and outstanding contribution to the prosperity of the Company, the Board considers that the re-appointment of Mr. Dinesh Munot would be of immense benefit to the

Company. Thus, the approval of Members is hereby sought by way of Special Resolution, for his re-appointment as the Chairman and Whole- Time Director of the Company as per the aforementioned tenure and as per the terms and conditions specified in the resolution for his re-appointment.

Pursuant to Section 196(3)(a) of the Companies Act, 2013, approval of Members by way of Special Resolution is required for appointment/ re-appointment of a Whole-time Director who has attained the age of 70 years. Mr. Dinesh Munot has attained the age of 78 years, and hence, Special Resolution is proposed. The approval of Members is also being sought, by way of Special Resolution, for payment of annual remuneration to Mr. Dinesh Munot, by way of salary, perquisites and other benefits, as Minimum Remuneration, notwithstanding that such remuneration may exceed 5% of the Net Profit as prescribed under Section 197 or limits specified in Schedule V to the Act and in excess of Rs.5,00,00,000 or 2.5% of net profits of the Company, whichever is higher or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company, as prescribed under Regulation 17 of the Listing Regulations, notwithstanding the case/ situation wherein in any financial year, during the currency of Mr. Dinesh Munot's term as the Chairman and Whole-time Director, the Company has no profits or inadequate profits therein. Performance bonus/ commission shall be payable subject to applicable law and approvals.

Mr. Dinesh Munot is not disqualified from being appointed as Director in terms of Section 164 of the Act and he is not restrained from holding position of director in any listed Company by virtue of any order of SEBI or any such authority.

Except Mr. Dinesh Munot, Mr. Utkarsh Munot – Managing Director (son of Mr. Dinesh Munot) and Dr. Dinesh Bothra, Non-Executive Director (son-in-law of Mr. Dinesh Munot), none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

A brief profile of Mr. Dinesh Munot, pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard 2 (SS- 2) on General Meetings issued by the Institute of Company Secretaries of India (ICSI), as provided for under Section 118(10) of the Act and Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 is provided in the **Annexure A** to this statement.

The appointment and remuneration are in conformity with the provisions of Sections 196, 197, 198 and Schedule V of the Companies Act, 2013.

The Board recommends Item No. 3 as a **Special Resolution** for approval of the Members.

Item No. 4

Mr. Utkarsh Munot (DIN:00049903) was appointed as the Managing Director of the Company, for a period of 5 years from May 19, 2021 to May 18, 2026, which was approved by the Members of the Company at the 41st Annual General Meeting held on August 28, 2021.

As the aforesaid tenure of five years ends on May 18, 2026, re-appointment of Mr. Utkarsh Munot as the Managing Director of the Company, for a period of five years, with effect from May 19, 2026 to May 18, 2031, was approved by the Board of Directors at their meeting held on May 12, 2026, on the recommendation of the Nomination and Remuneration Committee, in their Meeting held on May 4, 2026.

Considering his outstanding contribution, capacity to shoulder responsibilities, his leadership, strategic initiatives and contribution to the growth and operational performance of the Company and on the recommendation of the Board of Directors, approval of Members is sought for his re-appointment as the Managing Director of the Company, as per the aforementioned tenure and as per the terms and conditions specified in the resolution for his re-appointment.

The approval of Members is also being sought, by way of Special Resolution, for payment of annual remuneration to Mr. Utkarsh Munot, by way of salary, perquisites and other benefits as Minimum Remuneration, notwithstanding that such remuneration may exceed 5% of the Net Profit as prescribed under Section 197 or limits specified in Schedule V to the Act and in excess of Rs.5,00,00,000 or 2.5% of the net profits of the Company, whichever is higher or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company, as prescribed under Regulation 17 of the Listing Regulations, notwithstanding the case/ situation wherein in any financial year, during the currency of Mr. Utkarsh Munot's term as the Managing Director, the Company has no profits or inadequate profits therein. Performance bonus/ commission shall be payable subject to applicable law and approvals.

Mr. Utkarsh Munot is not disqualified from being appointed as Director in terms of Section 164 of the Act and he is not restrained from holding position of director in any listed Company by virtue of any order of SEBI or any such authority.

Except Mr. Utkarsh Munot and Mr. Dinesh Munot, Chairman of the Company and father of Mr. Utkarsh Munot, none of the

Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

A brief profile of Mr. Utkarsh Munot, pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard 2 (SS-2) on General Meetings issued by the Institute of Company Secretaries of India (ICSI), as provided for under Section 118(10) of the Act and Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 is provided in the **Annexure A** to this statement.

The appointment and remuneration are in conformity with the provisions of Sections 196, 197, 198 and Schedule V of the Companies Act, 2013.

The Board recommends item No. 4 as a **Special Resolution** for approval by the Members of the Company.

Item No. 5

The Members may note that the Company had previously obtained approval of the members for entering into material related party transactions for a period of three financial years, (FY) i.e., from FY 2025–26 to FY 2027–28, in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulation**).

However, pursuant to a recent amendment to the aforesaid Regulation, validity of members' approval for material related party transactions has been restricted to one financial year only.

Accordingly, in order to ensure compliance with the amended regulatory framework, the Company is seeking fresh approval of the Members for the proposed material related party transactions for financial year 2026–27.

The provisions of Regulation 23 of the Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, mandates prior approval of members by means of an ordinary resolution for all material related party transactions and subsequent material modifications as defined by the Audit Committee, even if such transactions are in the ordinary course of business of the concerned Company and at an arm's length basis. Effective from December 19, 2025, for a Company whose Consolidated turnover is up to Rs. 20,000 crore, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year, whether directly and/ or through its subsidiary(ies), exceed(s) 10% of the annual consolidated turnover, as per the

last audited financial statements of the listed entity.

The Company, along with its Subsidiaries viz. DriveSys Systems Private Limited (**DriveSys**) and Metacast Auto Private Limited (**Metacast**) proposes to enter into related party transaction(s) for purchase/ sale of Raw Material/ Components including but not limited to Vane Pump Housings, Housing Covers, Vane Pump Mounting Brackets etc., loans and other transactions in Ordinary Course of Business from Supreme Autocasts Private Limited (**SAPL**), Supreme Iron (India) Private Limited (**SIPL**), Supreme Autocasts and Supreme Engineering and/or any related party/ affiliate of such entity(ies)/ firm(s) (collectively referred to as the '**Supreme Group**'), for Financial Year 2026-27. The said products are required for making Company's end product i.e. Steering Gears.

Amongst other benefits such as superior quality, Supreme Autocasts also assures uninterrupted supply of aforementioned raw material in volumes within due time.

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

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

Relationship inter-se within the entities of ZF India Group, is as follows - ZF Steering Gear (India) Limited (**ZF India/ the Company/ the Holding Company**).

- DriveSys – Wholly-Owned Subsidiary of the Company
- Metacast – Subsidiary and Joint-Venture of the Company with JV Partner Supreme Iron (India) Private Limited.

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

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

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

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

The Audit Committee, after reviewing all necessary information, has granted its approval and recommended the same to the Board, subject to approval of the Members, for entering into RPTs with Supreme Group for an aggregate value of up to Rs.100 crore to be entered during FY 2026-27. The Committee has noted that the said transactions will be on an arm's length basis and in the ordinary course of business of the Company.

Accordingly, as per the Listing Regulations, approval of the Members is being sought for all such arrangements/ transactions proposed to be undertaken by the Company.

Apart from Mr. Dinesh Munot who is Chairman & Whole-time Director of ZF India, Mr. Utkarsh Munot – Managing Director of ZF India and Director in DriveSys, Mr. Aniket Kadam – Deputy Chief Financial Officer of the Company, Mr. Sachin Gugale – Chief Information Officer of the Company and Mr. Ajit Gugale – President (Works) of the Company, by virtue of their Directorship in Metacast Auto Private Limited, and their relatives, to the extent of their shareholdings, if any, who may be deemed to be concerned or interested in the proposed transactions, none of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the said transactions.

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

Pursuant to the SEBI Circular dated June 26, 2025, the Minimum Information relating to the proposed related party transaction(s) and pursuant to Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is provided under **Annexure B** to this Notice:

Item No. 6

The Members may note that the Company had previously obtained approval of the members for entering into material related party transactions for a period of three financial years (**FY**), i.e., from FY 2025–26 to FY 2027–28, in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, pursuant to a recent amendment to the aforesaid Regulation, the validity of members' approval for material related party transactions has been restricted to one financial year only.

The Audit Committee, after reviewing all necessary information, has granted its approval and recommended the same to the Board, subject to approval of the Members, for transaction between Metacast and DriveSys for an aggregate value of upto Rs.100 crore to be entered during FY 2026-27. The Committee has noted that the said transactions will be on an arm's length basis and in the ordinary course of business of the Company.

Accordingly, in order to ensure compliance with the amended regulatory framework and pursuant to Regulation 23(4) of the Listing Regulations, the Company is seeking fresh approval of the Members for the proposed material related party transactions for the financial year 2026–27.

Metacast Auto Private Limited (**Metacast**), is a Subsidiary and Joint Venture of the Company, and DriveSys Systems Private Limited (**DriveSys**), is a Wholly-Owned Subsidiary of the Company. Thus, Metacast and DriveSys being subsidiaries of the Company, are Related Parties in terms of Regulation 2(1)(zb) of the Listing Regulations, and any Transactions between both the subsidiaries inter se, shall be Related Party Transactions in terms of Regulation 2(1)(zc) of the Listing Regulations.

It is proposed that Metacast shall supply various types of castings to DriveSys. The castings are required by DriveSys for manufacturing Vane Pump and Power Housings to be supplied to the ZF India for its end product i.e. Steering Gears.

As a part of backward integration, Metacast has been set-up in order to ensure in-house and uninterrupted supply of castings to DriveSys for further processing, as mentioned above.

Pricing and commercial terms are benchmarked against prevailing market conditions and periodically reviewed by the Audit Committee.

Apart from Mr. Dinesh Munot – Chairman, Mr. Utkarsh Munot – Managing Director, Mr. Aniket Kadam – Deputy Chief Financial Officer of the Company and Director of Metacast Auto Private Limited, Mr. Sachin Gugale – Chief Information Officer of the Company and Director of Metacast Auto Private Limited and Mr. Ajit Gugale – President (Works) of the Company and Director of Metacast Auto Private Limited, and their relatives to the extent of their shareholdings, if any, and/ or their directorship/ shareholding in DriveSys and/ or Metacast, who may be deemed

to be concerned or interested in the proposed transactions, none of the other Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the said transactions.

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

Pursuant to the SEBI Circular dated June 26, 2025, the Minimum Information relating to the proposed related party transaction(s) and pursuant to Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is provided under **Annexure B** to this Notice:

Annexure A to Item No. 3 & 4 of the Notice

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

Name of the Director	Mr. Dinesh Munot	Mr. Utkarsh Munot
DIN	00049801	00049903
Designation	Chairman & Whole - Time Director	Managing Director
Age	78 years	45 years
Date of first appointment on the Board	November 8, 1986	October 31, 2006
Qualifications	B.E. (Elec.), M.I.E.	B.E. (Mech. and Mfg.) and Diploma in Business Admin. from North Eastern University, Boston, U.S.A.
A brief resume of the director and experience	Mr. Dinesh Munot worked as an Executive Director in Kinetic Engineering Ltd. (before 1984). Worked as Chief Executive of the Company during 1984 - 1986. Managing Director of the Company from January 1, 1987 and Chairman and Managing Director from July 14, 2010 till August 1, 2019. Currently he is Chairman and Whole-Time Director of the Company.	Mr. Utkarsh Munot was working as 'Manager Works' in the Company since May 14, 2004. He was appointed as 'Executive Director' of the Company from November 1, 2006. He was appointed as 'Whole-time Director & Chief Executive Officer' on May 19, 2016. He took charge as the Managing Director of the Company with effect from August 1, 2019.
Nature of expertise in specific functional areas	Veteran of Automobile Industry, Top Management & Strategy, New Product Development and such other areas.	Management & Strategy, Operations & Engineering, Business Development, New Projects, Sales & Marketing and such other areas.

Directorships held in other Companies	1. Emtech Solutions Private Limited 2. Nexsteer Systems Private Limited 3. Jeudan Ventures Private Limited 4. KSH International Limited	1. Indo-Bio Activelabs Private Limited 2. Nexsteer Systems Private Limited 3. Emtech Solutions Private Limited 4. Jeudan Ventures Private Limited 5. Drivesys Systems Private Limited
Listed entities from which the Director has resigned from directorship in the past three (3) years	-	-
Committee Memberships/ Chairmanships of the Committees (in the Company)	Corporate Social Responsibility Committee - Chairman	Audit Committee – Member Corporate Social Responsibility Committee - Member
Committee Memberships/ Chairmanships held in other Listed companies	<u>KSH International Limited</u> Nomination and Remuneration Committee – Chairman Stakeholders Relationship Committee – Member	Nil
Terms and conditions of appointment or re-appointment	Re-appointed as Chairman & Whole-Time Director, for five years, with effect from July 28, 2026, not liable to retire by rotation	Re-appointed as Managing Director, for five years with effect from May 19, 2026, liable to retire by rotation
Remuneration last drawn from the Company	Rs. 8.62 crore	Rs. 5.90 crore
Details of remuneration sought to be paid	As per the resolution at Item No. 3 of this AGM Notice.	As per the resolution at Item No. 4 of this AGM Notice.
No. of Equity Shares held in the Company	18,89,445 equity shares of Rs. 10 each	25,91,494 equity shares of Rs. 10 each
Number of Board Meetings attended for the Financial Year 2025-26	Five out of Five	Five out of Five
Relationship Between Directors/ KMP inter-se	Mr. Utkarsh Munot – Managing Director is son of Mr. Dinesh Munot and Dr. Dinesh Bothra Non- Executive Director of the Company. is son in law of Mr. Dinesh Munot.	Mr. Utkarsh Munot is son of Mr. Dinesh Munot, Chairman and Whole-Time Director of the Company.

Information pursuant to Section 197 read with Section II of Part II of Schedule V to the Companies Act, 2013 for item no. 3 & 4

I. General information:

1. Nature of industry	The Indian auto components industry is a key pillar of the country's manufacturing sector, contributing significantly to GDP, exports, and employment. It caters to both domestic and global OEMs, benefiting from strong demand, cost competitiveness, and increasing localization. The sector is also witnessing growth driven by EV adoption, technological advancements, and supportive government policies.			
2. Date or expected date of commencement of commercial production	The Company was incorporated on January 21, 1981. Commercial production commenced on October 1, 1983.			
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
4. Financial performance based on given indicators	(Rs. in crore)			
	Particulars	FY 2025-26	FY 2024-25	FY 2023-24
	Total Revenue	556.74	492.86	477.87
	Profit / (Loss) before tax	52.56	50.44	56.04
	Profit / (Loss) after tax	31.78	33.89	47.72
5. Foreign investments or collaborations, if any.	As on March 31, 2026, the shareholding of foreign investors, in the Company is detailed as under:			
	Promoter / Promoter Group (Foreign)	0%		
	Foreign Portfolio Investors	0%		
	Non-Resident Indians	0.38%		

II. Information about the appointee:

Sr. No.	Particulars	Mr. Dinesh Munot	Mr. Utkarsh Munot
1.	Background details, Job profile and his suitability	The brief profile and experience of the Director are mentioned in the above table under heading A brief resume of the director and experience.	The brief profile and experience of the Director are mentioned in the above table under heading A brief resume of the director and experience.
2.	Past remuneration	For FY 2025-26 Rs. 8.62 crore	For FY 2025-26 Rs. 5.90 crore
3.	Recognition or awards	Mr. Dinesh Munot was bestowed with ' Lifetime Achievement Award ' by the Nagar Road Industry Chamber of Commerce, Pune. He was also conferred ' Outstanding Young Person of the Year ' during the International Youth Year 1985.	-
4.	Remuneration proposed	The details of proposed remuneration are provided in the resolution for re-appointment.	The details of proposed remuneration are provided in the resolution for re-appointment.
5.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration commensurate with the size and nature of the business of the Company, the responsibility of the appointee and the industry benchmarks.	The proposed remuneration commensurate with the size and nature of the business of the Company, the responsibility of the appointee and the industry benchmarks.
6.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any.	Mr. Dinesh Munot does not have any pecuniary relationship with the Company, except for the remuneration currently being drawn by him, and he holds 20.82% of the equity shares of the Company. Mr. Dinesh Munot is not related to any managerial personnel or Directors of the Company, except Mr. Utkarsh Munot, Managing Director, who is his son, and Dr. Dinesh Bothra, Non-Executive Director, who is his son-in-law.	Mr. Utkarsh Munot does not have any pecuniary relationship with the Company, except for the remuneration currently being drawn by him, and he holds 28.56% of the equity shares of the Company. Mr. Utkarsh Munot is not related to any managerial personnel or Directors of the Company, except Mr. Dinesh Munot, Chairman and Whole-Time Director, who is his father.

III. Other information:

1.	Reasons of loss or inadequate profits	The Company mainly caters to the Commercial Vehicles Segment by manufacturing and supply of steering systems to major OEMs. The Company is making Profits, however, the Company has witnessed subdued profitability in recent years due to multiple headwinds. The commercial vehicle (CV) industry in India is currently experiencing a downcycle, primarily due to weak freight demand, lower infrastructure activity, and tighter financing conditions, which have reduced fleet expansion by operators. Additionally, higher vehicle and fuel costs, regulatory changes, and overcapacity in certain segments have led to cautious purchasing, thereby impacting volumes and profitability across the value chain, including auto component manufacturers. These include supply chain disruptions, important components shortages, rising raw material and energy costs, and pricing pressure from OEMs, which have constrained margins. Additionally, slow and limited on-ground implementation of much awaited vehicle scrappage policy has resulted in lower-than-anticipated replacement demand for older vehicles. This has adversely impacted new vehicle sales, particularly in the commercial vehicle segment, and consequently affected the growth prospects of the auto components industry.
2.	Steps taken or proposed to be taken for improvement	There are visible signs of revival in commercial vehicle cycle driven by improving consumption trends and increased freight movement, supported in part by rationalization of GST rates. This is likely to result in much higher demand for commercial vehicles, leading to improvement in volumes, revenues, and profitability across the CV and auto components industry. Additionally, the Company has undertaken projects of backward integration, through its subsidiaries, which is expected to result in reduction in cost of raw material/ components. The Company is exploring Electric CV market, mainly buses.
3.	Expected increase in productivity and profits in measurable terms	As may be seen from the Company's financial results, the Company has posted Total Revenue of Rs. 556.74 crore and Net Profit of Rs. 31.78 crore in Fiscal 2026 as compared to Rs. 492.86 crore Revenue and Rs 33.89 crore Profit in previous FY 2024-25. With growth of Indian Economy and higher Automotive exports coupled with various Government Initiatives Make in India, Scrappage policy etc. increased revenue and higher profitability is expected, subject to geopolitical stability. The Company's backward integration, launch of new products/ new line of businesses etc. are expected to meaningfully contribute towards the Company's profitability.

Annexure B to Item No. 5 & 6 of the Notice

Pursuant to the SEBI Circular dated June 26, 2025, the Minimum Information relating to the proposed related party transaction(s) and pursuant to Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is provided as under:

Sr. No.	Particulars	Details	Details
A. Details of the related party and transactions with related parties			
A (1)	Basic details of the related party		
1	Name of the related party	Supreme Group viz. Supreme Autocasts, Supreme Engineering, Supreme Autocasts Private Limited, Supreme Iron (India) Private Limited.	Transaction between two subsidiaries of ZF Steering Gear (India) Limited (Holding Company) namely DriveSys Systems Private Limited (DriveSys) and Metacast Auto Private Limited (Metacast) wherein the Holding Company is not a party to the transaction.
2	Country of incorporation of the related party	India	India
3	Nature of business of the related party	Supreme Group: Production of SG (Ductile) and CI (Cast Iron) castings & machined metal components.	DriveSys: • Machining Division: supply of semi-finished machined components such as housing machining, sector shaft machining, piston machining, oil tanks, plastic injection moulding, and steering pump assemblies. • Aluminium Division: Aluminium Melting, Extrusion, Machining, Fabrication activities etc. • Electrical Division: Manufacturing of Moulded Case Circuit Breaker (MCB/ MCCB), Residential Current Circuit Breaker (RCB) and Mechanism Operated Auxiliary Contactor (MOC). Metacast: Captive Process Vendor (CPV) for DriveSys, supplying castings

Sr. No.	Particulars	Details	Details
A (2)	Relationship and ownership of the related party		
	Relationship between the listed entity/ subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:	Please refer to the Explanatory statement for item No. 5.	Please refer to the Explanatory statement for item No. 6.
	Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	Nil	1. ZF Steering Gear (India) Limited holds 100% of share capital in DriveSys, 2. ZF Steering Gear (India) Limited holds 51% of share capital in Metacast.
	Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).	Not Applicable	Not Applicable
	Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).	Supreme Iron (India) Private Limited holding 49% in Metacast Auto Private Limited.	Nil

Sr. No.	Particulars	Details	Details				
A (3)	Details of previous transactions with the related party						
1	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year	ZF Steering Gear (India) Limited: (Rs. in crore)		DriveSys: (Rs. in crore)			
		Sr. No	Nature of Transactions	FY 2025-26	Sr. No	Nature of Transactions	FY 2025-26
		1.	Purchase of Goods/ services	30.25	1.	Purchase of Goods/ ser- vices	59.05
		Total		30.25	2.	Sale of Goods/ services	0.88
					3.	Purchase of Asset	0.40
					Total		60.33
		DriveSys: (Rs. in crore)		Metacast: (Rs. in crore)			
		Sr. No	Nature of Transactions	FY 2025-26	Sr. No	Nature of Transactions	FY 2025-26
		1.	Purchase of Goods/ services	4.14	1.	Sale of Goods/ services	59.05
		2.	Sale of Goods/ services	4.41	2.	Purchase of Goods/ services (Interest Ex- penses)	0.88
		Total		8.55	3.	Sale of Asset	0.40
					Total		60.33
		Metacast: (Rs. in crore)					
		Sr. No	Nature of Transactions	FY 2025-26			
		1.	Purchase of Goods/ services	0.67			
2.	Interest Expenses	0.36					
3.	Loan taken	1.15					
Total		2.18					

Sr. No.	Particulars	Details	Details
2	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	ZF Steering Gear (India) Limited: (Rs. in crore)	
		Sr. No	Nature of Transactions
		1.	Purchase of Goods/ services
		Total	
		DriveSys: (Rs. in crore)	
		Sr. No	Nature of Transactions
		1.	Purchase of Goods/ services
		2.	Sale of Goods/ services
		Total	
		Metacast: (Rs. in crore)	
		Sr. No	Nature of Transactions
		1.	Purchase of Goods/ services
2.	Sale of Goods/ services		
Total			
3	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	
		Not applicable	

Sr. No.	Particulars	Details	Details
A (4)	Amount of the proposed transaction(s)		
1	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	Not exceeding Rs. 100 crore.	Not exceeding Rs. 100 crore.
2	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes	Yes
3	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year.	Percentage of Annual Consolidated Turnover of the Listed entity as on March 31, 2026: The estimated transactions value of the proposed transactions as mentioned in Clause A (4)(1) is 17.51% of the Annual Consolidated Turnover of the Company for FY 2025-26.	Percentage of Annual Consolidated Turnover of the Listed entity as on March 31, 2026: The estimated transactions value of the proposed transactions as mentioned in Clause A (4)(1) is 17.51% of the Annual Consolidated Turnover of the Company for FY 2025-26.
4	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction).	Not applicable	Percentage of Annual Standalone Turnover of DriveSys as on March 31, 2026: The estimated value of the proposed transactions is 112.51% of annual standalone turnover of DriveSys for FY 2025-26. Percentage of Annual Standalone Turnover of Metacast as on March 31, 2026: The estimated value of the proposed transactions is 169.34% of annual standalone turnover of Metacast for FY 2025-26.
5	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	Percentage of Annual Standalone Turnover of Supreme Group: Overall Supreme Group: 86.48%	Mentioned in point no. A(4) of this table.

Sr. No.	Particulars	Details		Details	
6	Financial performance of the related party for the immediately preceding financial year:	<u>Supreme Autocast:</u>		<u>DriveSys:</u> (Rs. in crore)	
		(Rs. in crore)		Particulars	FY 2025-26
		Particulars	FY 2025-26 (Unaudited)	Turnover	88.88
		Turnover	79.46	Profit After Tax	(9.01)
		Profit After Tax	1.46	Net worth	(16.38)
		Net worth	6.58	<u>Metacast:</u> (Rs. in crore)	
		<u>Supreme Engineering:</u>		Particulars	FY 2025-26
		(Rs. in crore)		Turnover	59.05
		Particulars	FY 2025-26 (Unaudited)	Profit After Tax	(6.83)
		Turnover	29.73	Net worth	(2.01)
		Profit After Tax	0.49		
		Net worth	3.41		
		<u>Supreme Iron (India) Private Limited:</u>			
		(Rs. in crore)			
		Particulars	FY 2025-26 (Unaudited)		
		Turnover	6.45		
		Profit After Tax	0.56		
		Net worth	3.94		

Sr. No.	Particulars	Details	Details
A (5)	Basic details of the proposed transaction		
1	Specific type of the proposed transaction (e.g. sale of goods/ services, purchase of goods/ services, giving loan, borrowing etc.).	Sale, purchase and/ or supply of goods or services or both and loans in ordinary course of business.	Sale, Purchase of goods/ Raw Material and Other transactions in ordinary course of business.
2	Details of each type of the proposed transaction.	Sale, Purchase of Raw Material/ Components including but not limited to Vane Pump Housings, Housing Covers, Vane Pump Mounting Brackets and loans etc.	<u>DriveSys:</u> 1. Purchase of Castings from Metacast. <u>Metacast:</u> 1. Sale of various types of castings to DriveSys.
3	Tenure of the proposed transaction (tenure in number of years or months to be specified).	FY 2026-27	FY 2026-27
4	Whether omnibus approval is being sought?	Yes	Yes
5	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	For FY 2026-27: Not exceeding Rs. 100 crore	For FY 2026-27: Not exceeding Rs. 100 crore
6	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	Supreme Group has been a reliable vendor of Castings for ZF India over a decade. Other benefits include such as superior quality, assurance of uninterrupted and timely supply of the aforementioned raw materials and components in the required volumes. Additionally, given the established production integration and proximity, sale of castings to entities within the Supreme Group enables operational efficiency, and optimized capacity utilization, resulting in a mutually beneficial business relationship conducted at an arm's length basis.	As a part of Backward integration, Metacast is set-up in order to ensure in-house and uninterrupted supply of castings to DriveSys for further processing and Manufacturing of Vane Pump and Power Housings.

Sr. No.	Particulars	Details	Details
7	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.		
	a. Name of the director / KMP	Not Applicable	1. Mr. Utkarsh Munot – Managing Director, being common director 2. Mr. Dinesh Munot – Chairman and Whole-Time Director 3. Mr. Shrenik Gandhi – Independent Director
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	Nil	<u>DriveSys:</u> 1. DriveSys is a Wholly Owned Subsidiary of ZF Steering Gear (India) Limited (Holding Company) and Mr. Utkarsh Munot, Managing Director of Holding Company, holds One equity share in DriveSys as nominee of the Holding Company. He also holds 28.56% shareholding in the Holding Company. 2. Mr. Dinesh Munot, Chairman and Whole-Time Director of Holding Company holds 20.82% shareholding in the Holding Company.
			<u>Metacast:</u> 1. Metacast is a Subsidiary of ZF Steering Gear (India) Limited (Holding Company) and Mr. Utkarsh Munot, Managing Director of Holding Company, holds 28.56% shareholding in the Holding Company. 2. Mr. Dinesh Munot, Chairman and Whole-Time Director of Holding Company holds 20.82% shareholding in the Holding Company.
8	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable	Not applicable

Sr. No.	Particulars	Details	Details
9	Other information relevant for decision making.	All relevant/ important information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.	All relevant / important information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.
B (1)	Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances.		
1	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	<u>Purchase of Goods:</u> The Company follows a competitive bidding process by inviting quotations from at least three vendors. The quotations are evaluated on key factors such as price, quality, delivery timelines, and payment terms, and the vendor is finalized by the respective Head of Department in the best interest of the Company. The Company also periodically reviews market trends and prevailing prices to ensure fair, transparent, and cost-effective procurement aligned with industry standards. <u>Sale/ Supply of Goods:</u> The Company follows zero base costing mechanism and market based pricing methodology for all customers related or unrelated; and related party orders undergo the same technical evaluation, costing, margin assessment, and approval process as third-party customers.	<u>Purchase of Goods:</u> The Company follows a competitive bidding process by inviting quotations from at least three vendors. The quotations are evaluated on key factors such as price, quality, delivery timelines, and payment terms, and the vendor is finalized by the respective Head of Department in the best interest of the Company. The Company also periodically reviews market trends and prevailing prices to ensure fair, transparent, and cost-effective procurement aligned with industry standards. <u>Sale/ Supply of Goods:</u> The Company follows zero base costing mechanism and market based pricing methodology for all customers related or unrelated; and related party orders undergo the same technical evaluation, costing, margin assessment, and approval process as third-party customers.
2	Basis of determination of price.	The Company periodically reviews market trends and prevailing prices to ensure fair, transparent, and cost-effective procurement aligned with industry standards.	The Company periodically reviews market trends and prevailing prices to ensure fair, transparent, and cost-effective procurement aligned with industry standards.

Sr. No.	Particulars	Details	Details
3	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice), if any, proposed to be extended to the related party in relation to the transaction, specify the following:	Not Applicable	Not Applicable
	a. Amount of Trade advance	Not Applicable	Not Applicable
	b. Tenure	Not Applicable	Not Applicable
	c. Whether same is self-liquidating?	Not Applicable	Not Applicable
C (4)	Disclosure only in case of transactions relating to borrowings.		
1	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements.	<u>Metacast:</u>	Not Applicable
	a. Before transaction (In times)	(25.75)	Not Applicable
	b. After transaction (In times)	(30.72)	Not Applicable
2	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements.		Not Applicable
	a. Before transaction (In times)	0.24	Not Applicable
	b. After transaction (In times)	0.23	Not Applicable

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

Registered Office:
Gat No. 1242/ 44, Village Vadu Budruk,
Tal. Shirur, Dist. Pune – 412216
CIN: L29130PN1981PLC023734
May 12, 2026

Satish Mehta
Company Secretary
ICSI Membership Number: F3219

BOARD'S REPORT

Board's Report

To the Members,

The Board of Directors (**the Board**) is pleased to present the 46th Annual Report of ZF Steering Gear (India) Limited (**the Company**), together with the Standalone and Consolidated Financial Statements for the financial year ended March 31, 2026.

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

(Rs. in crore)

Sr. No	Particulars	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
		Standalone		Consolidated	
1	Revenue from Operations and other Income	577.9	521.1	580.9	514.6
2	Profit before Depreciation and Tax	82.6	81.9	76.7	67.3
3	Depreciation and Amortization Expenses	29.4	31.4	47.3	42.8
4	Profit before exceptional items (PBT) (2 - 3)	53.2	50.4	29.4	24.5
5	Exceptional items Statutory impact of new Labour Codes	0.7	-	0.7	-
6	Profit before tax (PBT) (4 - 5)	52.6	50.4	28.8	24.5
7	Tax Expense	20.8	16.6	16.7	11.9
8	Net Profit for the year (6 - 7)	31.8	33.9	12.0	12.6
	a) Owners of the Company	31.8	33.9	15.4	14.9
	b) Non-controlling interest	N.A.	N.A.	(3.4)	(2.3)
9	Other comprehensive Income	0.1	0.1	0.0	0.0
10	Total Comprehensive Income for the year (8 + 9)	31.9	34.0	12.1	12.6
	a) Owners of the Company	31.9	34.0	15.4	15.0
	b) Non-controlling interest	N.A.	N.A.	(3.3)	(2.3)
11	Balance of Profit Brought Forward from previous year	243.1	216.4	219.2	211.5
12	Transfer to General Reserve	Nil	Nil	Nil	Nil
13	Dividend Paid during the year	Nil	(7.3)	Nil	(7.3)
14	Closing balance as per the Profit and Loss Statement c/f	275.0	243.1	234.6	219.2
15	Earnings Per Share Basic and Diluted (Rs.)	35.0	37.4	17.0	16.4

II) Dividend

In order to conserve resources of the Company, for the purpose of the Company's ongoing expansion/diversification plans, through its Subsidiaries, the Board decided not to recommend any dividend for the financial year ended on March 31, 2026.

III) Reserves

During the year under review, the Company does not propose to transfer any amount to the General Reserve.

IV) Changes in the Nature of Business

There has been no change in the nature of the business of the Company, during the period under review.

V) Share Capital

During the year under review, there was no change in the paid-up share capital of the Company. As on March 31, 2026, the paid-up share capital of the Company stood at Rs. 9,07,33,000/- (Rupees Nine Crore Seven Lakh Thirty-Three Thousand only), comprising 90,73,300 equity shares of Rs. 10/- each.

VI) Consolidated Financial Statements

Subsidiaries, Associates and Joint Ventures

The Company has prepared Consolidated Financial Statements for the financial year ended March 31, 2026, in accordance with the applicable provisions of the Companies Act, 2013 and the relevant accounting standards.

As on March 31, 2026, the Company has three subsidiaries. A statement containing the salient features of the financial statements of the subsidiaries in the prescribed Form AOC-1 forms part of the Consolidated Financial Statements included in this Annual Report.

Further, details of the subsidiaries, including investments made therein, are provided under the section “Investment in Subsidiaries” in the Management Discussion and Analysis Report, which forms part of this Annual Report.

The Company does not have any associate or joint venture as on March 31, 2026.

The Consolidated Financial Statements, together with the relevant notes and the Auditors’ Report thereon, form an integral part of this Annual Report.

Further, pursuant to the provisions of Section 136 of the Act, the audited financial statements including the consolidated financial statement of the Company and all other documents required to be attached thereto are available on the Company’s website and can be accessed at <http://www.zfindia.com/financial-results.php>.

The financial statements along with other relevant documents, in respect of subsidiaries, are available on the website of the Company, at the link: <http://www.zfindia.com/financial-statements.php>.

VII) Management discussion and Analysis

Indian Economy and Industry Scenario

During the financial year under review, the Indian economy continued to demonstrate resilience despite global uncertainties, supported by strong domestic demand, sustained government capital expenditure, and stable financial sector conditions. As per estimates of the Reserve Bank of India, India’s GDP growth remained robust in the range of 6.5%–7.0%, positioning it among the fastest-growing major economies globally. Policy support through infrastructure development, Production Linked Incentive (PLI) schemes, and reforms in the Goods and Services Tax (GST) framework, including rationalisation measures and compliance simplification, contributed positively to economic activity. While external risks such as geopolitical tensions and crude oil volatility persist, the medium-term outlook for the Indian economy remains favourable.

The Indian auto components industry continued its growth momentum, supported by steady vehicle demand, increasing localisation, and export opportunities. Government initiatives such as “Make in India”, PLI schemes, and the Vehicle Scrappage Policy are expected to drive replacement demand by phasing out older, polluting vehicles, thereby creating incremental opportunities for original equipment manufacturers (OEMs) and component suppliers. In addition, efforts towards GST rationalisation and improved tax efficiency have supported cost structures and demand visibility. The industry is also witnessing structural transformation driven by electrification, stricter emission norms, and increased technology adoption. However, challenges such as commodity price volatility, supply chain disruptions, and evolving regulatory requirements remain. Notwithstanding these factors, the long-term outlook for the auto components sector remains positive, supported by domestic demand growth, export potential, and deeper integration into global value chains.

Outlook - FY 2026-27

The outlook for FY 2026–27 remains cautiously optimistic, though shaped by expectations of a below-normal monsoon, which may impact agricultural output, rural demand, and inflationary trends. Supply chains are expected to stay relatively stable due to ongoing infrastructure enhancements and diversification efforts, but weather-related disruptions and global uncertainties could pose intermittent challenges. Commodity prices may remain volatile, particularly for food and energy, influenced by climatic conditions and geopolitical factors. Government policy is likely to continue emphasizing infrastructure development, domestic manufacturing, and stricter regulatory compliance and data governance norms. In this environment, businesses will need to focus on cost management, supply chain resilience, and alignment with evolving policy frameworks to sustain growth and mitigate risks to become a global leader by 2047.

1. Industry Overview

Number of Commercial Vehicles (CV) Sold

The overall Commercial Vehicle sales were 11.6 lakh units in FY 2025-26, as compared to 10.4 lakh units in FY 2024-25, registering growth of 13%. Sales of Medium and Heavy Commercial Vehicles increased from 4 lakh to 4.6 lakh units (15% increase) and Light Commercial Vehicles increased from 6.4 lakh to 7.2 lakh units (12% increase) in FY-2025-26, compared to the previous year.

(Source: SIAM - Society of Indian Automobile Manufacturers)

2. Company Overview

Your Company caters to requirements of steering gear systems for a range of Commercial Vehicles (including buses) and Tractors. The Company's Steering Systems are fitted on Commercial Vehicles as well as on Tractors.

Your Company Sales:

Type	FY 2025-26 (Value Rs. in crore)	FY 2024-25 (Value Rs. in crore)	Growth
Sales - OEM	498.7	435.1	14.6%
After-Sales	53.1	52.7	0.7%
Total	551.7	487.8	13.1%

3. Renewable Energy Initiatives

Solar Energy

The Company's 5 MW Solar Power Project situated at Gujarat Solar Park, Charnka Village, District Patan (Kutch), Gujarat, generated approximately 65 lakh Units of Electricity, during FY 2025-26, resulting in sales-revenue of Rs.4.4 crore. The entire power generated was purchased by Gujarat Urja Vikas Nigam Limited (GUVNL), a Government of Gujarat Company, pursuant to the multi-year Power Purchase Agreement entered into with the Company.

Further, the Company's rooftop solar project, installed at its Vadu Budruk manufacturing plant, generated approximately 8 lakh units of electricity during FY 2025-26. The entire electricity generated was captively consumed at the said plant.

Wind Energy

The Company owns and operates Wind Turbine Generators aggregating to over 8.10 MW capacity, located in the districts of Satara, Ahilyanagar (formerly Ahmednagar) and Sambhajnagar (formerly Aurangabad), Maharashtra. During FY 2025-26, these wind energy facilities generated approximately 94 lakh units of electricity.

Out of the total generation, approximately 70 lakh units were utilized for captive consumption, meeting approximately 65.1% of the total energy consumption requirements of the Company's manufacturing facility at Village Vadu Budruk. The balance 24 lakh units were sold to Maharashtra State Electricity Board.

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

Revenue from Operations

During the financial year under review, revenue from operations from the Company's auto-components business, comprising Steering Gear Systems and related components, registered a growth of 13% over the previous financial year.

Revenue from the Renewable Energy segment increased by 1.5% during FY 2025-26.

Consequently, the Company's overall Revenue from Operations recorded an increase of 13% as compared to the previous financial year.

Finance Cost

Finance cost for FY 2025-26 stood at Rs. 3.4 crore, representing approximately 6.4% of Profit Before Tax ("PBT"), as against Rs. 2.9 crore, representing approximately 5.7% of PBT, in FY 2024-25.

The increase in finance cost during the year was primarily attributable to bill discounting arrangements undertaken by the Company for easing working capital pressures and improving liquidity management.

Other Income

During the year under review, Other Income stood at Rs. 21.1 crore as compared to Rs. 28.2 crore in FY 2024-25.

Other Income mainly comprises realised gains arising on sale of financial investments during the year, Government grants, interest income on financial assets, dividend income and rental income from investment property. For the year under review, there is loss on unrealised loss of Rs. 4.9 crore on mark-to-market is grouped under "Other expenses".

The financial markets witnessed considerable volatility during the latter part of the financial year, particularly in March 2026, owing to prevailing geo-political developments, which impacted the valuation of investments.

Other Income also includes subsidy income of Rs. 4.2 crore received from the Government of Madhya Pradesh.

Members are requested to refer Note No. 16 to the Financial Statements for detailed particulars of Other Income.

Financial Investments

As on March 31, 2026, the Company's Financial Investments stood at Rs. 148.4 crore as compared to Rs. 168.5 crore as on March 31, 2025.

The aforesaid amounts represent the fair/ market value of the financial investments held by the Company as at the end of the respective financial years, except bonds and equity investments in subsidiaries, which are carried at cost in accordance with the applicable accounting standards.

Members are requested to refer Note No.5(a) to the Financial Statements for complete details of investments held by the Company as on the year-end.

Profitability

Despite a 13% increase in sales during the year, profitability remained largely stable. This was primarily due to a sizeable decline in other income by Rs.7 crore and an increase in material costs from 64.8% to 66.3% of sales, which offset the benefits of higher revenue. Consequently, Profit Before Tax remained almost flat at Rs.52.6 crore as compared to Rs.50.4 crore in FY 2024-25. Profit After Tax stood slightly lower at Rs.31.8 crore versus Rs.33.9 crore in the previous year. Earnings per share for the year was Rs.35.

5. Credit Rating

During the financial year under review, in June 2025, ICRA Limited reaffirmed the credit ratings of the Company in respect of its working capital facilities as under:

- **Long-term fund-based and non-fund-based facilities: [A+]**
- **Short-term fund-based and non-fund-based facilities: [A1+]**

The outlook on the long-term working capital facilities was also reaffirmed as '**Stable**'.

Further, the Company's wholly owned subsidiary, **DriveSys Systems Private Limited**, was assigned the following credit ratings by ICRA Limited:

- **Long-term fund-based and non-fund-based facilities: [BBB+]**
- **Short-term fund-based and non-fund-based facilities: [A2]**

The outlook on the long-term working capital facilities of the subsidiary was also reaffirmed as '**Stable**'.

6. Key Financial Ratios

In accordance with Regulation 34 read with Schedule V, Part C to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), the key financial ratios are as under:

Particulars	FY 2025-26	FY 2024-25	Change
Debt Equity Ratio (in times)	0.1	0.1	8%
Inventory Turnover Ratio (in times)	9.1	7.6	20.5%
Interest Coverage Ratio (in times)	16.8	18.6	-9.7%
Debtors Turnover Ratio (in times)	5.4	4.7	13.8%
Current Ratio (in times)	1.6	1.8	-11.6%
Operating Profit Margin (%)	10.0	11.0	-9.1%
Net Profit Margin (%)	5.7	6.9	-17.4%

7. Return on Net Worth

Particulars	FY 2025-26	FY 2024-25
Return on Net Worth (%)	6.3	7.1

Return on Net Worth has dipped from 7.1 to 6.3 in view of dip in Other Income and increase in Material Cost percentage, as explained under 'Profitability' (above).

8. Segment wise Profitability

The Company's Auto-Components Segment (comprising OEM and After-Sales business) Segment reported a Profit Before Tax (**PBT**) of Rs. 33.3 crore, compared to Rs. 20.4 crore in FY 2024-25. Renewable Energy Segment reported PBT of Rs. 8.8 crore as compared to Rs. 8.6 crore in previous year and PBT from other (Un-allocable) segment/ Other Income was Rs.10.5 crore against Rs. 21.5 crore in previous year.

9. Outlook, Opportunities and Threats

i) SWOT Analysis – Indian Auto Components Industry

Strengths

- Strong domestic market base
Large and growing vehicle demand across PV, CV, 2W and tractors
- Cost competitiveness
Lower labour and manufacturing costs vs global peers
- Established OEM ecosystem
Long-standing relationships with domestic and global OEMs
- Growing export presence
Increasing integration with global supply chains (China+1 advantage)
- Policy support
Government initiatives such as PLI and “Make in India” enhancing localisation

Weaknesses

- High dependence on OEMs
Pricing pressure and limited bargaining power
- Fragmented industry structure
Large number of MSMEs with limited scale and technology
- Technology gap (vs global leaders)
Lag in advanced electronics, EV components, semiconductors
- Low R & D intensity
Limited innovation capability in many players
- Working capital intensive
High inventory and receivable cycles

Opportunities

- EV transition (largest opportunity)
New product categories: battery systems, power electronics, sensors
- Export growth (China+1 strategy)
Global OEMs diversifying sourcing to India
- Localization/ import substitution
Reduction in dependency on imports (especially China)
- Aftermarket expansion
Growing vehicle parc → steady replacement demand

- Premiumisation trend
Higher value per vehicle → more content per component
- Digital & smart manufacturing
Industry 4.0 improving productivity and margins

Threats

- Commodity price volatility
Steel, aluminium, crude-linked inputs impacting margins
- EV disruption risk
Traditional ICE components may become obsolete
- Global demand slowdown
Export exposure to US/ EU cycles
- Regulatory changes
Emission norms, safety standards → capex pressure
- Supply chain disruptions
Semiconductor shortages, geopolitical risks
- Margin pressure from OEMs
Continuous cost reduction demands

ii) Communication received from ZF Friedrichshafen AG

As reported in the previous year's Board's Report, the Company had received a communication dated 19 October 2022, from ZF Friedrichshafen AG, regarding alleged infringement and passing off, of the trademark/ mark “ZF” and/ or “ZF India” and amongst other alleged demands, ZF Friedrichshafen AG, has claimed a sum of Rs.100 crore in damages from the Company. The Company continues to be of the opinion that, it has not committed any act of infringement and/ or passing off, in any manner whatsoever. The Company vide communication dated 12 April 2023, had sent a detailed reply to ZF Friedrichshafen AG. The allegations of ZF Friedrichshafen AG and/ or ZF India Private Limited are neither accepted nor acceptable to the Company. The Company has also sent a letter to certain affiliates of ZF Friedrichshafen AG, to cease and desist the use of the name “ZF” and/ or “ZF India”, in relation to certain products, as per the terms of the No-Objection Letter dated 28 July 2006, issued by the Company to ZF Friedrichshafen AG. In addition to the same, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune.

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

iii) Strategic Initiatives, Expansion and Capital Expenditure

1. Investment in Subsidiaries

Your Company, as part of its strategic expansion plan, had undertaken backward integration initiatives through its subsidiaries for manufacturing key components required for its end product, i.e., Steering Gear Systems. These backward integration initiatives have been successfully implemented and are currently operational.

Further, as reported in the previous Board's Report, the Company has embarked upon a diversification strategy through its subsidiaries, by entering into new business segments such as SG Iron castings, Aluminium Extrusion and Electrical Equipment Components manufacturing, as detailed below.

These initiatives are being undertaken through the following subsidiaries:

- DriveSys Systems Private Limited (**DriveSys**)
- NexSteer Systems Private Limited (**NexSteer**)
- Metacast Auto Private Limited (**Metacast**)

DriveSys Systems Private Limited (Wholly Owned Subsidiary)

DriveSys was incorporated to establish a reliable in-house source for supply of semi-finished machined components such as housing machining, sector shaft machining, piston machining, oil tanks, plastic injection moulding, and steering pump assemblies, required for your Company's end products. The facility is located at MIDC Supa, Parner, Ahilyanagar, Maharashtra.

DriveSys has commenced manufacturing and supplying these components, primarily catering to the requirements of your Company. Opportunities in the external market are being explored after meeting internal demand.

During the year under review:

- DriveSys was identified as a Material Subsidiary, based on its turnover exceeding the prescribed threshold of consolidated turnover.
- DriveSys has undertaken the following diversification projects:

I. Aluminium Division

This division involves aluminium melting, extrusion, machining and fabrication activities.

- **Project Cost:** ~Rs. 100 crore

Key Updates:

- A significant order was received in December 2025 for manufacture and supply of machined aluminium parts aggregating approximately Rs. 151 crore, with a delivery period of 15 months.
- Pursuant to receipt of necessary approvals from MIDC, DriveSys has executed Lease Deed with MIDC and acquired leasehold rights in an industrial plot along with factory building thereon from NexSteer.
- The aluminium project at MIDC Supa, Ahilyanagar Maharashtra is nearing completion, with major capital expenditure incurred.
- Capital expenditure incurred to date: Rs. 90 crore, funded mainly through loans from your Company.

II. Electrical Division

This division pertains to manufacturing of electrical components such as MCB/ MCCB, RCB and Mechanism Operated Auxiliary Contactors (MOC).

- **Project Cost:** ~Rs. 12 crore

Key Updates:

- Two adjacent industrial premises at MIDC Nagapur, Ahilyanagar were acquired on sub-lease basis in January 2026.
- The project has reached an advanced stage of completion, with substantial progress in civil works and installation of plant and machinery. Trial runs have commenced, and commercial production is expected to commence shortly, subject to stabilization and necessary approvals like Production Part Approval Process (PPAP) and statutory approvals.
- Capital expenditure incurred to date: Rs. 9.2 crore, funded through loans from your Company.

Financial & Operational Highlights – DriveSys

- Investment by the Company (as on March 31, 2026):
 - o Equity: Rs. 8 crore
 - o Loans: Rs. 167 crore
- External borrowings by DriveSys: Rs. 24.3 crore (closing balance)
- Turnover for FY 2024–25: Rs. 24.8 crore (majority to your Company)
- Turnover for FY 2025–26: Rs. 88.9 crore (majority to your Company)
- Loss for FY 2025-26 – Rs. 9 crore (Rs. 14.5 crore in previous year)

Metacast Auto Private Limited (51% Subsidiary/ Joint Venture)

Metacast is a joint venture with Supreme Iron (India) Private Limited and operates in the foundry business.

It functions as a **Captive Process Vendor (CPV)** for DriveSys, supplying castings.

- Commercial production commenced in **November 2024**
- **Turnover:**
 - o FY 2024–25: Rs. 8.7 crore
 - o FY 2025–26: Rs. 59.0 crore (all sales to DriveSys)
 - o Loss for FY 2025-26: Rs. 6.8 crore (Rs. 4.8 crore previous year)

During the year, Metacast has been identified as a **Material Subsidiary** upon its turnover crossing the prescribed threshold.

- Investment by the Company:
 - o Equity (51% stake): Rs. 4.9 crore (including rights issue premium)
 - o Loans: Rs. 18.3 crore
- Casting Capacity
 - Annual Casting Capacity - 10,000 metric tonnes p.a.
 - Utilised Casting Capacity in FY 2025-26 – 74 %
 - Utilised Casting Capacity in March 2026 – 90 %

Metacast has made substantial progress in the Project and has achieved record capacity utilisation in March 2026. In view of the strong demand outlook and for improved operational efficiency, it is proposed to further expand the Casting capacity from 10,000 metric tonnes p.a. to 25,000 metric tonnes p.a. by installing one additional production line.

The fresh Investment proposed for this expansion is Rs. 25 crore which will be funded mainly through borrowings.

NexSteer Systems Private Limited (Wholly Owned Subsidiary)

NexSteer has not commenced Business operations as on date.

During the year, NexSteer transferred its leasehold rights in the MIDC plot along with building structure to DriveSys, after complying with applicable legal requirements.

- Investment by the Company (as on March 31, 2026):
 - o Equity: Rs. 0.08 crore
 - o Loans: Rs. 0.7 crore
- Loss for FY 2025-26 – Rs. 0.02 crore (Rs. 0.1 crore in previous year)

2. Capital-Expenditure

In the current Financial Year, your Company has planned Rs. 35 crore towards replacement of old machinery, procurement of balancing equipment etc. for its Pune and Pithampur factories. Further, the Company has allocated around Rs. 88 crore towards subsidiaries out of which Rs. 25 crore is for expansion plans of their existing business.

3. Financing and Fund Raising

The Company is evaluating various financing options to meet the capital expenditure requirements of its subsidiary companies. Currently, the primary source of funding for such subsidiaries is loans from the Holding Company.

In this regard, the Company is exploring the possibility of strengthening the capital structure of its subsidiaries, including by way of infusion of equity capital and optimization of the debt-equity mix. These initiatives are aimed at enhancing financial resilience and supporting long term growth, subject to detailed evaluation and requisite approvals.

10. Internal Control System and its Adequacy

The Company has established and maintained adequate internal financial controls over financial reporting ("IFC-FR"), commensurate with the size, scale and complexity of its operations, in compliance with the requirements of the Companies Act, 2013.

The Company's internal control framework is designed to provide reasonable assurance regarding the reliability of financial reporting, the preparation of

financial statements in accordance with applicable accounting standards, the safeguarding of assets, prevention and detection of frauds and errors, and the orderly and efficient conduct of its business operations. The framework is based on a risk-based approach, involving identification, evaluation and mitigation of key business risks.

The Company has a well-defined organisational structure, documented policies and procedures, and a system of authority limits to ensure orderly and efficient conduct of its business. The internal control systems are supported by an internal audit process and appropriate information technology controls.

The Audit Committee of the Board, constituted in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, oversees the adequacy and effectiveness of the internal control systems. The Audit Committee periodically reviews internal audit plans, significant audit findings, and the status of implementation of corrective actions.

The Internal Audit function is carried out by an independent firm of Chartered Accountants, M/s. Kirtane & Pandit LLP, who report functionally to the Audit Committee. The scope and coverage of internal audit are approved by the Audit Committee. The Internal Auditors evaluate the adequacy and effectiveness of internal controls, risk management processes, governance processes, and compliance with applicable laws, regulations, and internal policies.

Significant audit observations and recommendations are placed before the Audit Committee and the Board, and corrective actions, wherever necessary, are taken by the management in a time-bound manner. The status of such actions is periodically reviewed.

The Statutory Auditors have also issued a report on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting, as required under Section 143(3)(i) of the Companies Act, 2013.

Based on the evaluation carried out by the management, internal auditors, and the Statutory Auditors, the Audit Committee has concluded that, as at March 31, 2026, the Company's internal financial controls over financial reporting were adequate and operating effectively and that no material weaknesses were observed.

11. Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations.

These forward-looking statements are based on certain assumptions and expectations of future events and are subject to risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied in such statements. Important factors that could influence the Company's operations include economic conditions, changes in government regulations, tax laws, market demand, competition and other factors beyond the control of the Company.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable laws and regulations.

VIII) Conservation of Energy, Research and Development, Technology Absorption and Innovation, Foreign Exchange Earnings and Outgo

The details as required under the Companies (Accounts) Rules, 2014, are given in **Annexure-I** to this Report.

IX) Board of Directors and Key Managerial Personnel

As on March 31, 2026, the Board of Directors of the Company comprises seven Directors, possessing an appropriate mix of skills, experience and expertise in diverse fields. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Out of the total strength, the Board comprises two (2) Executive Directors, one (1) Non-Executive Non-Independent Director and four (4) Independent Directors, including one Woman Independent Director.

During the year under review:

- Mr. Shrenik Gandhi and Mr. Bharat Agarwal were appointed as Non-Executive Independent Directors with effect from April 1, 2025;
- Mrs. Smita A. Lahoti was re-appointed as a Non-Executive Independent Director with effect from June 27, 2025; and

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved the re-appointment of Mr. Dinesh Munot (DIN: 00049801) as Chairman and Whole-time Director of the Company, for a further term of five (5) consecutive years, with effect from July 28, 2026, subject to the approval of the Members of the Company.

The Board has also approved the re-appointment of Mr. Utkarsh Munot (DIN: 00049903) as Managing Director of the Company, for a further term of five (5) consecutive years with effect from May 19, 2026, subject to the approval of the Members.

The necessary resolutions seeking approval of the Members for the aforesaid re-appointments, along with the requisite disclosures and brief profiles as required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, form part of the Notice convening the 46th Annual General Meeting of the Company.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Utkarsh Munot retires by rotation at the ensuing 46th Annual General Meeting and, being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board have recommended his re-appointment for the consideration of the Members.

During the year under review, there was no change in the Key Managerial Personnel of the Company.

1. Board Diversity

The Company recognises and embraces the importance of a diverse Board in enhancing its effectiveness and overall performance. The Company believes that an optimal combination of diversity in terms of skills, experience, gender, age, cultural and geographical background, and domain knowledge fosters balanced decision-making and strengthens corporate governance.

The Board comprises members with diverse backgrounds and expertise, which enables the Company to benefit from varied perspectives and insights, thereby supporting sustainable growth and maintaining a competitive advantage.

2. Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (**the Act**) and Regulation 25 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), the Independent Directors of the Company have submitted necessary declarations confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Listing Regulations.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstances or situations which exist or may reasonably be anticipated that could impair or impact their ability to discharge their duties with an objective and independent judgment, free from any external influence.

The Company has received declarations from all Independent Directors confirming compliance with the provisions of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, relating to their registration with the databank of Independent Directors maintained by the Ministry of Corporate Affairs (**MCA**). The Independent Directors have also confirmed that they have either passed the online proficiency self-assessment test or are in the process of appearing for the same, or are exempt from the requirement, in terms of the applicable provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Independent Directors possess integrity, expertise and experience, including proficiency in their respective fields, and fulfil the conditions specified under the Act and the Listing Regulations. In the opinion of the Board, all the Independent Directors are persons of integrity and fulfil the conditions of independence and are independent of the management.

Familiarisation Programmes for Independent Directors

The Company has in place a structured familiarisation programme for Independent Directors to enable them to understand the nature of the industry, business model, operations, regulatory environment and their roles, rights and responsibilities.

Independent Directors are periodically updated on business performance, strategy, risk management

practices, internal control systems and regulatory developments. The details of such familiarisation programmes are available on the Company's website at www.zfindia.com.

At the time of appointment of an Independent Director, a formal letter of appointment is issued, setting out the terms and conditions of appointment, roles, functions, duties and responsibilities, and applicable compliance requirements under the Companies Act, 2013, SEBI Listing Regulations and other relevant laws.

3. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), the Board of Directors has carried out an annual evaluation of its own performance, the performance of its Committees and that of individual Directors.

The Board has constituted the Nomination and Remuneration Committee (**NRC**) in accordance with the provisions of the Act and the Listing Regulations. The NRC, inter alia, is responsible for:

- (i) identifying persons who are qualified to become Directors and who may be appointed in senior management, and recommending their appointment and removal to the Board;
- (ii) formulating the criteria for determining qualifications, positive attributes and independence of a Director;
- (iii) recommending to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees;
- (iv) carrying out evaluation of every Director's performance, including that of Independent Directors; and
- (v) formulating policies relating to the identification, appointment, remuneration and performance evaluation of Directors, including Board diversity.

The Company has in place a structured policy for performance evaluation of the Board, its Committees and individual Directors, including Independent Directors. The evaluation criteria include, inter alia, the composition of the Board, experience, competencies, effectiveness of Board processes, participation in meetings, quality of deliberations, strategic guidance, and contribution to decision-making.

The Board evaluated its performance after seeking inputs from all the Directors, based on criteria such as Board composition and structure, effectiveness of Board processes, adequacy of information flow and overall functioning. The performance of the Committees was evaluated by the Board after considering inputs from Committee members, based on criteria such as composition, effectiveness of meetings and discharge of functions.

In a separate meeting of the Independent Directors, held in accordance with Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of the Executive and Non-Executive Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Independent Directors being evaluated.

The evaluation framework is broadly in line with the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Board is satisfied with the effectiveness of the evaluation process and its outcomes for the financial year under review.

X) Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual financial statements for the financial year ended March 31, 2026, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (b) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026, and of the profit of the Company for the financial year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual financial statement on a 'going concern' basis;

- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls, in their opinion, are adequate and are operating effectively; and
- (f) the Directors have organised/ devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

XI) Corporate Governance

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), a separate report on Corporate Governance, along with the Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance, forms an integral part of this Annual Report as **Annexure – II**.

XII) Business Responsibility and Sustainability Report

Pursuant to the provisions of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement of submission of a Business Responsibility and Sustainability Report (**BRSR**) is not applicable to the Company, for the financial year ended March 31, 2026, as the Company does not fall within the prescribed applicability criteria.

XIII) Other Aspects

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

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

2. Contracts and Arrangements with Related Parties

All contracts, arrangements and transactions entered into by the Company with related parties during the financial year 2025–26 were in the ordinary course of business and on an arm's length basis.

Prior approval of the Audit Committee (comprising Independent Directors) was obtained for all related party transactions in accordance with the provisions of Regulation 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**). Certain repetitive transactions were approved by the Audit Committee through omnibus approvals, and the details of such transactions were reviewed by the Audit Committee on a quarterly basis.

All material related party transactions entered into during the year were duly approved by the Members of the Company in terms of Regulation 23(4) of the Listing Regulations.

All related party transactions were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. The details of related party transactions are disclosed in Note 35 to the Financial Statements forming part of this Annual Report.

Since all related party transactions, entered into by the Company, during the year, were in the ordinary course of business and on an arm's length basis, the disclosure in Form AOC-2, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable and accordingly does not form part of this Report.

During the year under review, the Non-Executive Directors had no pecuniary relationship or transactions with the Company, other than sitting fees, reimbursement of expenses for attending meetings of the Board and its Committees, and dividend on equity shares held by them, if any.

Further, certain related party transactions proposed to be entered into the financial year 2026-27, though in the ordinary course of business and on an arm's length basis, are likely to exceed the materiality thresholds as prescribed under Regulation 23 of the Listing Regulations and are therefore considered Material Related Party Transactions.

In accordance with the provisions of the Listing Regulations, such Material Related Party Transactions require approval of the Members. Accordingly, the Company proposes to seek approval of the Members at the ensuing 46th Annual General Meeting. All such transactions have been reviewed and approved by the Audit Committee and the Board of Directors, subject to the approval of the Members.

It may be noted that the Company had earlier obtained approval of the Members for these material related party transactions for a period of three financial years. However, pursuant to the amendments to Regulation 23 of the Listing Regulations, which provide that approval of Members for material related party transactions shall not be valid for a period exceeding one financial year, the Company is seeking fresh approval of the Members for such transactions for the financial year 2026-27.

The detailed information with respect to the Material Related Party Transactions, as required under Regulation 23 of the Listing Regulations is provided in the Notice convening the ensuing Annual General Meeting.

The Company has formulated a **Policy on Related Party Transactions** for identification, review, approval and monitoring of such transactions in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. The said Policy is available on the Company's website at: www.zfindia.com.

3. Corporate Social Responsibility (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time, the Company has in place a Corporate Social Responsibility (CSR) Policy.

The CSR Policy outlines the Company's approach towards undertaking CSR activities and is available on the Company's website at www.zfindia.com.

The Annual Report on CSR activities, in the prescribed format, forms part of this Report as **Annexure – III**.

4. Risk Management

The Company has in place a comprehensive Risk Management Framework designed to identify, assess, mitigate and monitor key business risks, taking into account applicable statutory requirements, industry practices, stakeholder inputs and expert assessment.

In terms of the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to constitute a separate Risk Management Committee.

The Audit Committee of the Board has been entrusted with the responsibility of overseeing the risk management framework, including identification, evaluation and mitigation of risks, and reviewing the implementation of risk mitigation plans. In addition, the Senior Management of the Company is responsible for managing risks within their respective functional areas, including strategic, operational, financial, information technology and compliance risks.

The Risk Management Framework, inter alia, provides for:

- (i) establishing proactive processes for identification, reporting, evaluation and mitigation of risks;
- (ii) assessment of risks associated with business decisions prior to their implementation;
- (iii) enabling informed decision-making at all levels in alignment with the Company's risk appetite;
- (iv) protection of stakeholders' interests through an integrated approach to risk identification, assessment, mitigation, monitoring and reporting;
- (v) implementation of appropriate risk mitigation measures to support sustainable business growth; and
- (vi) periodic review of the Company's risk profile and risk tolerance levels.

The Company continuously monitors and reviews its risk management processes to ensure their effectiveness and has implemented measures to strengthen internal controls and adopt an integrated approach towards risk management and assurance activities.

5. Auditors and Auditors' Report

Statutory Auditors

M/s. Joshi Apte & Company, Chartered Accountants (Firm Registration No. 104370W), were re-appointed as Statutory Auditors of the Company at the 44th Annual General Meeting held on September 10, 2024, for a second term of five consecutive years, to hold office from the conclusion of the 44th Annual General Meeting until the conclusion of the 49th Annual General Meeting of the Company.

The Statutory Auditors have confirmed that they satisfy the eligibility criteria and are not disqualified from holding office as Statutory Auditors of the Company.

The Auditors' Report on the financial statements for the financial year ended March 31, 2026 does not contain any qualification, reservation, adverse remark or disclaimer. The said Report forms part of the Annual Report.

Secretarial Auditors

The Members of the Company at the 45th Annual General Meeting approved the appointment of M/s. SIUT & Co. LLP, Company Secretaries, as Secretarial Auditors of the Company for a period of five consecutive years commencing from the financial year 2025–26

up to the financial year 2029–30, in accordance with the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Secretarial Auditors have confirmed that they satisfy the eligibility criteria and are not disqualified from holding office as Secretarial Auditors of the Company.

The Secretarial Audit Report for the financial year ended March 31, 2026, issued by M/s. SIUT & Co. LLP, is annexed to this Report as **Annexure – IV**.

There are no qualifications in the Secretarial Audit Report for FY 2025-26, however, the Secretarial Audit Report contains an observation which is as follows:

The Stock Exchange on April 2, 2026 sought additional details from the Company, in respect of a Disclosure made by the Company under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, citing discrepancy pertaining to delay in disclosure, in respect of developments in the ongoing litigations before the Commissioner of Income Tax (Appeals) (CIT(A))-28, Delhi and requested the Company to submit reasons for the same. The Company submitted its clarification for delay vide letter dated April 02, 2026. The aforesaid letter is available on BSE Limited portal and on the Company's website. It may please be noted that no further communication has been received from BSE Limited, subsequent to the submission of the said clarification.

Further, in terms of Regulation 24A of the SEBI Listing Regulations, secretarial audit has also been conducted for the Company's material unlisted subsidiaries incorporated in India, namely:

- DriveSys Systems Private Limited
- Metacast Auto Private Limited

The Secretarial Audit Reports of the aforesaid material subsidiaries are annexed to this Report as **Annexure – IV** and available on the website of the Company and can be accessed at: www.zfindia.com.

6. Disclosures

Meetings of the Board

Five Meetings of the Board of Directors were held during the financial year 2025-26. Detailed information is given in the Report on Corporate Governance, forming part of this Annual Report.

7. Committees of the Board

Audit Committee

The Company has constituted an Audit Committee in accordance with the provisions of the Companies Act, 2013 read with the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**).

The composition, terms of reference and other details of the Audit Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

The Audit Committee performs its functions in accordance with the provisions of the Companies Act, 2013 and Part C of Schedule II to the Listing Regulations.

During the year under review, all recommendations made by the Audit Committee were accepted by the Board of Directors.

Nomination and Remuneration Committee

The Company has constituted a Nomination and Remuneration Committee (**NRC**) in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**).

The composition, terms of reference and other relevant details of the NRC are provided in the Corporate Governance Report, which forms part of this Annual Report.

The NRC performs its functions in accordance with the provisions of the Companies Act, 2013 and Part D of Schedule II to the Listing Regulations.

During the year under review, all recommendations made by the NRC were accepted by the Board of Directors.

Remuneration Policy

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has approved a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management personnel.

The Nomination and Remuneration Policy, inter alia, lays down the criteria for determining qualifications,

positive attributes and independence of Directors and the framework for remuneration of Directors, Key Managerial Personnel and Senior Management personnel.

The said Policy is available on the Company's website at www.zfindia.com.

Stakeholders' Relationship Committee

The Board of Directors has constituted a Stakeholders' Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the rules made thereunder and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**).

The Committee performs its functions in accordance with the provisions of the Companies Act, 2013 and Part D of Schedule II to the Listing Regulations.

The composition, terms of reference and other relevant details of the Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

Corporate Social Responsibility Committee

The Board of Directors has constituted a Corporate Social Responsibility (**CSR**) Committee in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

The composition, terms of reference and other relevant details of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

8. Vigil Mechanism/ Whistle Blower Policy

The Company has established a Vigil Mechanism in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also adopted a Whistle Blower Policy to provide a formal mechanism for Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct.

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

- (a) all Directors and employees are adequately informed about the Vigil Mechanism;
- (b) the mechanism provides adequate safeguards against victimisation of persons who use such mechanism and provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases; and
- (c) the mechanism ensures proper procedures for reporting, investigation and resolution of complaints.

During the financial year under review, no concerns were reported under the Vigil Mechanism.

The Whistle Blower Policy and Vigil Mechanism are available on the Company's website at www.zfindia.com.

9. Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2026 is available on the Company's website at www.zfindia.com.

10. Industrial Relations

Industrial relations at all locations of the Company remained cordial during the financial year under review.

The Company continues to focus on improving product quality, reducing costs, enhancing operational efficiency and productivity, and ensuring a safe working environment across all its operations. The Company also places significant emphasis on promoting health and wellness initiatives for its employees.

Details of certain pending litigations, which are not material in nature, are disclosed in Note No. 31 to the financial statements forming part of this Annual Report.

11. Particulars of Employees and related disclosures

In terms of the provisions of Section 197 of the Companies Act, 2013 read with the relevant rules made thereunder and Section 136(1) of the Act, the Board's Report and the Annual Report are being sent to the Members excluding the statement containing particulars of employees and related disclosures.

The said information is available for inspection at the Registered Office of the Company during working hours on any working day. Any Member interested in obtaining a copy of such information may write to the Company Secretary, and the same will be furnished upon request.

12. Disclosures – Policy on Prevention of Sexual Harassment at Workplace

The Company has in place, a policy on Prevention of Sexual Harassment at Workplace in line with the requirements of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013' and the Rules framed there under. An Internal Complaints Committee (**ICC**) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, temporary, trainee etc.) are covered under this Policy. During the year, no complaint with allegation of sexual harassment was received by the Company. Details of Complaints Received by the ICC During the Financial Year.

Details of Complaints Received by the ICC During the Year:

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

13. General

- (i) The Company did not have deposits at the beginning of the financial year nor it accepted any deposits during the year, within the meaning of Chapter V of the Companies Act, 2013 and the rules made thereunder.
- (ii) All equity shares of the Company rank pari passu in all respects, including dividend entitlement and voting rights.
- (iii) During the year under review, the Company has not issued any sweat equity shares.
- (iv) The Company had three subsidiaries during the financial year under review. No remuneration or commission was received by any Whole-time Director or employee of the Company from any of its subsidiaries.
- (v) During the year under review, no material orders or strictures were passed by any regulator, court or tribunal which could impact the going concern status of the Company or its future operations.

- (vi) During the year under review, no instance of fraud has been reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 read with the rules made thereunder, either to the Company or to the Central Government.
- (vii) The maintenance of cost records as specified under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.
- (viii) The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ix) There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.
- (x) The Company has neither filed any application nor are any proceedings pending against it under the Insolvency and Bankruptcy Code, 2016 during the year under review.
- (xi) The Company has not made any one-time settlement with any bank or financial institution during the year and accordingly, disclosure relating to the difference between the amount of valuation done at the time of one-time settlement and the valuation done at the time of availing loan is not applicable.

(xii) The Company has complied with the provisions of the Maternity Benefit Act, 1961.

(xiii) Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes the code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available at <http://www.zfindia.com/pdf/miscellaneous/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf>

XIV) Acknowledgement

The Board of Directors places on record its sincere appreciation for the continued support and cooperation extended by the Company's Members, customers, suppliers, bankers, business partners, employees and the Central and State Governments. The Board looks forward to their continued support in the future.

Pune
May 12, 2026

Dinesh Munot
Chairman
(DIN: 00049801)

Annexure – I to the Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[pursuant to Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. Conservation of Energy

i. Steps taken during the year

Pune Plant

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

Pithampur Plant

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

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

The Company's 5 MW Solar Energy Plant generated 0.65 crore units of electricity with sales-revenue of Rs. 4.4 crore in F.Y. 2025-26. These units were sold to GUVNL (Gujarat Urja Vikas Nigam Limited), as per the Power Purchase Agreement (PPA) signed with Government of Gujarat. During the F.Y. 2025-26, its Rooftop Solar Project at its Vadu Budruk plant has generated 0.08 crore units of electricity, which was captively consumed in the said plant.

Wind Energy

The Company owns and operates Wind Turbine Generators aggregating to over 8.10 MW capacity, located in the districts of Satara, Ahmednagar and Sambhajinagar (formerly Aurangabad), Maharashtra. During FY 2025–26, these wind energy facilities generated approximately 94 lakh units of electricity.

Out of the total generation, approximately 70 lakh units were utilized for captive consumption, meeting approximately 65.1% of the total energy consumption requirements of the Company's manufacturing facility at Village Vadu Budruk. The balance 24 lakh units were sold to Maharashtra State Electricity Board.

iii. The capital investment on Energy Conservation equipments: Nil

B. Technology Absorption, Research and Development

i. Efforts made towards Technology Absorption during the year

- a. 8049 Steering gear developed and productionised. This has eliminated the auxiliary cylinder requirement on Vehicles and is a cost saving proposal for customer.
- b. 8050 A New variant is designed and developed which gives variable ratio in 8049 Segment. This product will be with highest torque available in Indian Industry.
- c. 8050 variant is established and demand is growing for variant.
- d. Developed a small aluminium pump for last mile vehicles. Two established variants are developed in aluminium pump in view to cater after market.
- e. Developed a middle version of 8043 and 8046, which is known as M043 which is well suited for ICV and HCV. This has gained popularity in 19T segment where good volumes are seen in Indian market after BS6.
- f. Implemented the alternate material in forging to avoid the use of Nickel & Moly.
- g. Developed Hydraulic steering gear for Tractor segment of Mahindra, TAFE motors and Qucev vehicles.
- h. Introduced flow limiting piston in Tractor HPAS - This is first time in India.
- i. Developed MO33 for Bolero Mahindra application. This is the highest ROI Model requirement from Indian Industry.
- j. HPAS steering system for Tractors has been improved with integrated bracket and integrated flow and pressure control with enhanced capacity. This will increase the range of application from current 35HP to 50 HP Tractor.
- k. Implemented Scada software for Pit Furnace to effective data monitoring.
- l. Established pump integrated with motor which IP66 class for the EV segment.
- m. Considering the demand from EV market, developed IP67 PMSM motor in two variants:
 1. 3.7 KW
 2. 2.2 KW
 which will cater to all models of EV bus.

- n. Developed Emergency Steering System with PMSM motor plus pump controlled by ECU to give power to steering gear, if primary pump fails.

Technology Absorption at the Manufacturing facilities of the Company:

Pune Plant

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

Pithampur Plant

- Introduction of Honing operation in piston centre bore to enhance the surface finish & cylindricity of the component and improve product quality.
- Indigenization semi-automated Cast iron pump line to enhance quality, productivity and error proofing.

ii. Benefits Derived as a result of aforesaid efforts

- Product quality and cost reduction to meet customer expectation.
- Reduction in foreign exchange outgo.
- Improvements in Manufacturing methods and quality standards.
- Reduction in usage of Corrugated boxes & implemented returnable packaging for raw material & finish goods to avoid the use of Paper, as a part of ESG drive.

iii. Imported Technology in last three years

Low Bake CED coating technology from PPG Europe through Asian PPG India (CED coating had been installed during Pithampur plant which is older than 3 years).

Developed Indigenous Aluminium pumps for models 7613955837 & 7613955838 which was imported earlier from Germany.

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

The Company has so far incurred Capital expenditure of Rs. 1.53 crore on R & D.

C. Foreign Exchange Earnings and Outgo for FY 2025-26:

Sr. No.	Particulars	Amount (Rs. in crore)
1	Earnings in Foreign Exchange	1.6
2	Expenditure in Foreign Exchange	2.7

For and on behalf of the Board of Directors

Pune
May 12, 2026

Dinesh Munot
Chairman
(DIN: 00049801)

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

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

1. ENTITY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and erstwhile Clause 49 of the Listing Agreement.

The Company believes that good corporate governance is essential for achieving long-term corporate goals and enhancing stakeholder value. It is committed to conducting its business in accordance with the highest standards of integrity, transparency, accountability, and ethical conduct.

The governance framework of the Company ensures:

- Protection of shareholder interests, including minority shareholders
- Timely and accurate disclosure of all material information
- Accountability of the management to the Board
- Effective monitoring of executive performance
- Compliance with all applicable laws, rules, and regulations

The Company has established a robust governance structure, wherein the Board of Directors provides strategic direction and oversight, supported by its Committees. The management team is responsible for execution, guided by clearly defined policies, procedures, and internal control systems.

The Company recognizes that corporate governance is a continuous process and remains committed to benchmarking its practices with globally accepted standards.

ETHICS AND GOVERNANCE POLICIES/ CODES:

The Company has adopted a comprehensive framework of **policies and codes** in compliance with the SEBI (LODR) Regulations, 2015 to promote ethical conduct and ensure transparency in operations.

Some of these policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Policy and Procedure for inquiry in case of leak/suspected leak of the Unpublished Price Sensitive Information.
- Policy on Determination of Materiality for Disclosure of Events or information
- Vigil Mechanism and Whistle Blower Policy

- Policy on Materiality of and Dealing with Related Party Transactions
- Policy on Corporate Social Responsibility
- Policy for Selection of Directors and determining Directors' Independence
- Remuneration policy for Directors, Key Managerial Personnel and other Employees
- Policy determining 'Material' Subsidiary
- Policy on Preservation of Documents
- Archival Policy for information disclosed on the Company's website

The aforementioned policies are available on the website of the Company <https://zfindia.com/policies-codes.php>.

2. BOARD OF DIRECTORS

The Board of Directors plays a pivotal role in providing strategic oversight and governance to the Company. The Board possesses a comprehensive understanding of the Company's business dynamics, industry environment, and the opportunities and challenges impacting its operations.

The Board provides strategic guidance and direction to the Senior Management to ensure the achievement of the Company's objectives in a sustainable and value-driven manner. In discharging its fiduciary responsibilities, the Board acts in good faith, with due diligence, care, and in the best interests of all stakeholders.

The Board has constituted an optimum combination of Executive and Non-Executive Directors, including Independent Directors, ensuring diversity of experience, knowledge, and perspective. The composition of the Board is in compliance with the requirements of:

- Regulation 17 of SEBI (LODR) Regulations, 2015
- Companies Act, 2013 (including applicable provisions relating to Board composition and independence)

The Company ensures that the Board composition is balanced, with an appropriate mix of skills, expertise, and independence, enabling it to effectively discharge its responsibilities of oversight, monitoring, and strategic decision-making.

The Board periodically reviews its composition to ensure alignment with statutory requirements and evolving business needs, and to maintain high standards of corporate governance.

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

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

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

Board Composition

During the Financial Year 2025-26, the Board of the Company comprised Seven Directors, all of whom are accomplished professionals bringing diverse expertise and experience across various domains.

All Directors, except the Chairman and the Managing Director, are Non-Executive Directors, thereby ensuring an appropriate balance between executive and non-executive representation on the Board.

During the year under review:

- Mr. Shrenik Gandhi and Mr. Bharat Agarwal were appointed as Non-Executive Independent Directors with effect from April 1, 2025;
- Mrs. Smita A. Lahoti was re-appointed as a Non-Executive Independent Director with effect from June 27, 2025; and

- consequent to the above changes, the Board composition comprised seven Directors, including four Independent Directors, in compliance with applicable regulatory requirements.

The composition of the Board is in conformity with:

- Regulation 17 of the SEBI (LODR) Regulations, 2015
- Companies Act, 2013

The Company ensures that the Board has an optimum combination of Executive and Non-Executive Directors, with adequate representation of Independent Directors, thereby enabling effective oversight, balanced decision-making, and protection of stakeholders' interests.

A detailed profile of Board of Directors is available on the Company's website www.zfindia.com.

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

DETAILS OF COMPOSITION OF THE BOARD, CATEGORY, ATTENDANCE OF DIRECTORS, NUMBER OF OTHER COMMITTEE MEMBERSHIPS ARE GIVEN BELOW:

Sr. No	Name of the Director	Category of Directorship	Attendance Particulars		No. of other Directorship and Committee Membership/ Chairmanship		
			Board meetings during F.Y. 2025-26	Last AGM Held on September 8, 2025	Other Directorship	Committee Membership	Committee Chairmanship
1.	Mr. Dinesh Munot (Chairman)	Promoter Executive Director	5/5	Yes	5	2	1
2.	Mr. Utkarsh Munot (Managing Director)	Promoter Executive Director	5/5	Yes	6	-	-
3.	Dr. Dinesh Bothra	Non-Executive, Non-Independent Director	5/5	Yes	3	-	-
4.	Mrs. Smita A. Lahoti	Non- Executive, Independent Director	5/5	Yes	1	4	2
5.	Mr. Rohit Rathi	Non- Executive, Independent Director	4/5	No	1	-	-
6.	Mr. Shrenik Gandhi (from April 1, 2025)	Non- Executive, Independent Director	5/5	Yes	2	-	-
7.	Mr. Bharat Agarwal (from April 1, 2025)	Non- Executive, Independent Director	4/5	Yes	6	-	-

DETAILS OF THE NUMBER OF DIRECTORSHIPS HELD IN OTHER LISTED COMPANIES:

Sr. No	Name of the Director	Directorships held in other Listed Companies	
		Name of the Company	Type of Directorship
1.	Mr. Dinesh Munot (Chairman)	KSH International Limited	Independent Director
2.	Mr. Utkarsh Munot (Managing Director)	-	-
3.	Dr. Dinesh Bothra	-	-
4.	Mrs. Smita A. Lahoti	Midwest Limited	Independent Director
5.	Mr. Rohit Rathi	-	-
6.	Mr. Shrenik Gandhi (from April 1, 2025)	-	-
7.	Mr. Bharat Agarwal (from April 1, 2025)	-	-

BOARD MEETINGS AND BOARD-COMMITTEE MEETINGS

The Board has 4 Committees, namely the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility (CSR) Committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on business needs.

NUMBER OF BOARD MEETINGS HELD AND DATES

The meetings of the Board of Directors are scheduled in advance. During the Financial Year under the review, the Board of Directors had 5 Meetings. These were held on May 17, 2025, July 26, 2025, September 8, 2025, November 6, 2025 and January 31, 2026.

The Company has complied with the requirements relating to the frequency of Board Meetings, and the gap between any two consecutive Meetings did not exceed 120 days, in accordance with:

- Companies Act, 2013; and
- SEBI (LODR) Regulations, 2015.

Further, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, as mandated under:

- Section 118(10) of Companies Act, 2013.

The Company confirms that all Board Meetings were conducted in compliance with the applicable Secretarial Standards (SS-1) relating to Meetings of the Board of Directors.

The information, including as specified in Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), is regularly made available to the Board, whenever applicable and materially significant, for discussion and consideration. The Company's Board/ Committees are presented with detailed notes, along with agenda, well in advance of the meetings. The Agendas for the Board/ Committee Meetings is set by the Company Secretary in consultation with the Chairman of the Board/ Chairman of the respective Committees.

MEETINGS OF THE COMMITTEES HELD DURING THE FINANCIAL YEAR AND DIRECTORS' ATTENDANCE

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee (CSR)	Independent Directors Meeting held on January 31, 2026
Number of Meetings held	4	1	1	1	1
Directors' Attendance					
Mr. Dinesh Munot	N.A.	N.A.	N.A.	1	N.A.
Mr. Utkarsh Munot	4	N.A.	1	1	N.A.
Dr. Dinesh Bothra	N.A.	1	1	N.A.	N.A.
Mrs. Smita A. Lahoti	4	1	N.A.	N.A.	1.
Mr. Rohit Rathi	4	1	N.A.	N.A.	1
Mr. Shrenik Gandhi (from April 1, 2025)	4	N.A.	1	N.A.	1
Mr. Bharat Agarwal (from April 1, 2025)	3	1	N.A.	-	-

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

CORE SKILLS/ EXPERTISE/ COMPETENCIES OF THE BOARD OF DIRECTORS

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

Name of the Director	Category	Core Skills/ Expertise/ Competencies
Mr. Dinesh Munot	Chairman & Whole-time Director	Veteran of Automobile Industry, Top Management - Business Strategy.
Mr. Utkarsh Munot	Managing Director	Strategic Leadership across Operations, Engineering, Business Development & New Initiatives.
Dr. Dinesh Bothra	Non-Executive, Non-Independent Director	Pharmaceuticals, Speciality Materials, and Entrepreneurship
Mrs. Smita A. Lahoti	Non-Executive, Independent Director	Accounts/ IFRS/ Audit/ Taxation/ Company Law and others
Mr. Rohit Rathi	Non-Executive, Independent Director	Top Management, Strategies, Entrepreneurship etc.
Mr. Shrenik Gandhi (from April 1, 2025)	Non-Executive, Independent Director	Dispute Resolution/ Litigation (Taxes, Arbitration and Civil Litigation); Mergers and Acquisition (Joint Venture collaboration)
Mr. Bharat Agarwal (from April 1, 2025)	Non-Executive, Independent Director	Manufacturing, Retail Sector, Academics

3. INDEPENDENT DIRECTORS

The Company has appointed Independent Directors, who are renowned persons having expertise/ experience in their respective fields/ professions. None of the Independent Directors is a Promoter or related to the Promoters. They do not have any pecuniary relationship with the Company and further do not hold two per cent or more of the total voting power of the Company.

None of the Independent Directors of the Company serves as an Independent Director in more than seven listed companies and where any Independent Director is serving as Whole-time Director in any listed company, such Director is not serving as an Independent Director in more than three listed companies. None of the Independent Directors are Non-Independent Directors of another Company, on the Board of which any Non-Independent Director of the Company is an Independent Director.

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

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

Further, pursuant to the provisions of Rule 6(3) of the Companies (Appointment and Qualification of Directors)

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

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

CONFIRMATION AS REGARDS TO INDEPENDENCE OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 of the Act and Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of the Listing Regulations, the Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

The Company familiarises its Independent Directors pursuant to the requirements of the Listing Regulations with their roles, rights, responsibility in the Company, nature of the industry in which the Company operates and business model of the Company etc. All the Board members are provided with necessary documents, reports, updates on statutory changes and internal policies to enable them to familiarize with the Company's procedures and practices. The details of familiarization programs are placed on the Company's website <http://www.zfindia.com/miscellaneous.php>.

4. AUDIT COMMITTEE

The Audit Committee of the Board is constituted in accordance with the provisions of:

- Regulation 18 of SEBI (LODR) Regulations, 2015; and
- Companies Act, 2013 .

During the year under review, Mr. Rohit Rathi, Mr. Shrenik Gandhi, and Mr. Bharat Agarwal were appointed as Members of the Audit Committee, with effect from April 1, 2025.

Accordingly, during Financial Year 2025-26, the Audit Committee comprised Five Directors, as under:

- Mr. Shrenik Gandhi – Chairman (Independent Director)
- Mrs. Smita A. Lahoti – Member (Independent Director)
- Mr. Rohit Rathi – Member (Independent Director)
- Mr. Bharat Agarwal – Member (Independent Director)
- Mr. Utkarsh Munot – Member (Managing Director)

The composition of the Committee is in compliance with applicable regulatory requirements, with a majority of Independent Directors, and the Chairman being an Independent Director.

All members of the Audit Committee are financially literate, and collectively possess relevant expertise in accounting, financial management, and corporate governance, enabling them to effectively discharge their responsibilities.

The Committee acts as a key oversight body for:

- Financial reporting process
- Internal control systems
- Risk management framework
- Statutory and internal audit functions
- Compliance with legal and regulatory requirements

The Audit Committee also performs the following functions:

- 1) oversight of the Company's financial reporting processes as a listed entity and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:
 - matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- 5) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the Company with related parties only by the Independent Directors of the Committee;
- 9) scrutiny of inter-corporate loans and investments;

- 10) valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) to review the functioning of the whistle blower mechanism and ensure that:
 - the mechanism provides for adequate safeguards against victimisation of persons who use such mechanism
 - mechanism makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases
- 19) approval of appointment of chief financial officer after assessing the qualifications, experience and background of the candidate;
- 20) Risk identification, evaluation and mitigation and control process for such risks, oversight of the Risk Management System/ Plan of the Company and review thereof.
- 21) Audit Committee to have an authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- 22) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing.

- 23) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., if any, on the listed entity and its shareholders.

- 24) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

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

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

The Audit Committee met 4 times during the financial year 2025-26 - May 17, 2025, July 26, 2025, November 6, 2025, and January 31, 2026. The attendance record of the members of the Committee is given above in tabular form.

The Annual General Meeting of the Company held on September 8, 2025, was attended by Mr. Shrenik Gandhi, Chairman of the Audit Committee, to answer the Members' queries.

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

5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is constituted in accordance with:

- Regulation 19 of the SEBI (LODR) Regulations, 2015; and
- Companies Act, 2013.

During the year under review, Mr. Rohit Rathi and Mr. Bharat Agarwal were appointed as Members of the Committee with effect from April 1, 2025.

Accordingly, the Committee during Financial Year 2025-26 comprised Four Directors, as under:

- Mr. Bharat Agarwal – Chairman
(Independent Director)
- Mrs. Smita A. Lahoti – Member
(Independent Director)
- Mr. Rohit Rathi – Member
(Independent Director)
- Dr. Dinesh Bothra – Member
(Non-Executive, Non-Independent Director)

The composition of the Committee is in compliance with applicable regulatory requirements, with a majority of Independent Directors and the Chairperson being an Independent Director.

The Annual General Meeting of the Company held on September 8, 2025, was attended by Mr. Bharat Agarwal, Chairman of the Committee, to answer the Members' queries.

Role and Responsibilities

The NRC plays a critical role in ensuring that the Board and senior management are appropriately structured and compensated. The Committee is responsible for:

- Evaluating the balance of skills, experience, independence, diversity, and knowledge on the Board
- Formulating criteria for selection and appointment of Directors and Key Managerial Personnel
- Overseeing succession planning for the Board and senior management
- Recommending remuneration policies aligned with performance and industry standards
- Ensuring that remuneration is reasonable, sufficient, and linked to performance
- Evaluating the performance of the Board, its Committees, and individual Directors

The Committee ensures that the Company maintains a transparent and merit-based approach in the appointment and remuneration of Directors and senior management personnel.

The role of Nomination and Remuneration Committee, inter-alia, includes:

- 1) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
- 2) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- 3) To carry out evaluation of every Director's performance;
- 4) To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- 5) Review the performance of the Board of Directors, and Key Managerial Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company;
- 6) To formulate the criteria for evaluation of Independent Directors and the Board as a whole;
- 7) To devise a policy on Board diversity;
- 8) To recommend/ review remuneration of the Executive Directors' based on their performance and defined assessment criteria;
- 9) To recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 10) To recommend to the Board, all remuneration, in whatever form, payable to senior management.

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

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

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

During the Financial Year under review, the Committee met on July 24, 2025. The attendance record of the members of the Committee is given above in tabular form.

PERFORMANCE EVALUATION:

The Committee has put in place an evaluation framework and criteria for evaluation of performance of the Chairman, the Board, Board Committees and Executive/ Non-Executive/ Independent Directors through a peer evaluation, excluding the director being evaluated.

The evaluations for the Individual Directors, the Board, the Board Committees and the Chairman of the Board were undertaken through circulation of separate questionnaires, one for the Individual Directors, one for the Board, one for the Board Committees and one for the Chairman of the Board. The performance of the Board was assessed on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors is based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board. The evaluation criteria for the Chairman of the Board besides the general criteria adopted for assessment of all Directors, focused incrementally on

leadership abilities, effective management of meetings and preservation of interest of stakeholders. The evaluation of the Committees was based on the assessment of the compliance with the terms of reference of the Committees.

6. POLICY ON BOARD DIVERSITY:

The Committee devises the policy on Board diversity to provide for having a broad experience and diversity on the Board.

Details of remuneration paid to the Whole-time Directors for the year ended March 31, 2026, are as under:

(Rupees in crore)

Particulars	Mr. Dinesh Munot	Mr. Utkarsh Munot
Basic Salary	8.33	5.68
Perquisites	0.29	0.22
Commission/ Bonus	-	-
Total	8.62	5.90
Present Term of Five Years		
From	*July 28, 2026	May 19, 2026
To	*July 27, 2031	May 18, 2031

* The re-appointment of Mr. Dinesh Munot and Mr. Utkarsh Munot are subject to members' approval.

The Company does not have any stock option scheme. The tenure of the office of the Whole-time Directors is 5 (Five) years. There is no separate provision for payment of severance fees.

7. DETAILS OF REMUNERATION PAID TO THE NON-EXECUTIVE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2026, ARE AS UNDER:

The Company pays sitting fees to all the Non-Executive Directors at the rate of Rs. 50,000 for each Board Meeting and Rs. 30,000 for each Committee meeting attended.

(Amt. in Rs.)

Name	Sitting Fees
Dr. Dinesh Bothra	3,10,000
Ms. Smita A. Lahoti	4,50,000
Mr. Rohit Rathi	4,00,000
Mr. Shrenik Gandhi	4,50,000
Mr. Bharat Agarwal	3,20,000

None of the Non-Executive Directors was paid any incentive or commission during the year. There was no other pecuniary relationship or transaction with any Non-Executive Director of the Company, during the year.

8. DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON MARCH 31, 2026, ARE GIVEN BELOW:

Sr. No	Name of the Director	Designation	Number of Shares
1	Mr. Dinesh Munot	Chairman & Whole time Director	18,89,445
2	Mr. Utkarsh Munot	Managing Director	25,91,494
3	Dr. Dinesh Bothra	Non-Executive, Non-Independent Director	Nil
4	Mrs. Smita A. Lahoti	Non-Executive, Independent Director	Nil
5	Mr. Rohit Rathi	Non-Executive, Independent Director	10
6	Mr. Shrenik Gandhi (from April 1, 2025)	Non-Executive, Independent Director	Nil
7	Mr. Bharat Agarwal (from April 1, 2025)	Non-Executive, Independent Director	Nil

9. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

During the year Mr. Shrenik Gandhi, Independent Director, was appointed on the Committee with effect from April 1, 2025. As such, with effect from April 1, 2025, the Committee comprised 3 Directors viz. Mr. Shrenik Gandhi, as an Independent Director and Chairman, Mr. Utkarsh Munot – Managing Director and Member and Dr. Dinesh Bothra, Non-Executive Director and Member of the Committee.

The Committee is primarily responsible to review all matters connected with the Company's redressal of shareholders' grievances. The Committee looks into redressing of shareholders' complaints like transmission/ transposition of shares, non-receipt of Letter of Confirmation, non-receipt of Annual Report, non-receipt of declared dividends etc. and recommends measures for overall improvement in the quality of investor services.

The Committee's composition and the terms of reference meet with the requirements of Regulation 20 of the Listing Regulations and provisions of the Act.

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

During the financial year 2025-26, the Committee met on July 26, 2025. The attendance record of the members of the Committee is given above in tabular form.

The Company has an efficient system of dealing with investors' grievances. The Chairman of the Company takes personal interest in all matters of concern for investors.

Mr. Satish Mehta - Company Secretary, being the Compliance Officer, carefully looks into each issue and reports the same to the Committee.

During the year under review, the Company received a total of 9 (Nine) complaints from shareholders.

All the complaints were promptly attended to and resolved to the satisfaction of the shareholders, and there were no pending complaints as on the end of the financial year.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee is constituted in accordance with the provisions of:

- Section 135 of Companies Act, 2013

During the year under review, Mr. Bharat Agarwal was appointed as a Member of the Committee with effect from April 1, 2025.

Accordingly, with effect from April 1, 2025, the CSR Committee comprises 3 (Three) Directors, as under:

- Mr. Dinesh Munot – Chairman (Whole-Time Director)
- Mr. Utkarsh Munot – Member (Managing Director)
- Mr. Bharat Agarwal – Member (Independent Director)

Role and Responsibilities

The CSR Committee is entrusted with the responsibility of formulating and monitoring the Company's CSR initiatives in line with statutory requirements. Its key functions include:

- Formulating and recommending the CSR Policy to the Board
- Recommending the amount of expenditure to be incurred on CSR activities
- Monitoring implementation of CSR projects and programs
- Ensuring that CSR activities are aligned with Schedule VII of the Companies Act, 2013
- Reviewing the impact and effectiveness of CSR initiatives

- Formulate and recommend to the Board, an Annual Action Plan in pursuance of CSR Policy, which shall include;
- List of CSR Projects / programmes to be undertaken in the areas or subject specified in Schedule VII of the Act;
- Manner of execution of such Projects / programmes;
- Modalities of utilization of funds and implementation schedules of such Projects / programmes;
- Monitoring and reporting mechanism for such Projects / programmes;
- Details of need and impact assessment, if any, for the projects undertaken by the Company.

The CSR Policy of the Company is available on the Company's website viz.

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

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

During the financial year, the Committee met on January 31, 2026. The attendance record of the members of the Committee is given above (under Point No. 2) in tabular form.

11. RISK MANAGEMENT COMMITTEE:

In accordance with the provisions of the SEBI (LODR) Regulations, 2015, the Company is not mandatorily required to constitute a separate Risk Management Committee.

Accordingly, the Company has entrusted the responsibility of risk management oversight to the Audit Committee of the Board.

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

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

There was no change in the Senior Management Team during the year.

As on March 31, 2026, Senior Management Team comprised following employees of the Company:

- i. Mr. Anant Kalvit – President (Business Development and Design)
- ii. Mr. Ajit Gugale – President (Works)

- iii. Mr. Jinendra Jain – Chief Financial Officer
- iv. Mr. Sachin Gugale – Chief Information Officer
- v. Mr. Aniket Kadam – Deputy Chief Financial Officer and Head of Accounts and Legal

13. DISCLOSURE IN RELATION TO RECOMMENDATIONS MADE BY ANY COMMITTEE WHICH WAS NOT ACCEPTED BY THE BOARD:

In terms of the requirements of the SEBI (LODR) Regulations, 2015, the Company hereby confirms that during the year under review, there were no instances where any recommendation made by a Committee of the Board, which was mandatorily required, was not accepted by the Board of Directors.

Accordingly, there are no deviations to report in this regard.

14. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

The Independent Directors met on January 31, 2026, without the presence of the Non-Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated the performance of the Non-Independent Directors, the Board of Directors as a whole and the Committees of the Board, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of Information between the Company's Management and the Board.

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

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

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

On June 25, 2025, ICRA – the Credit Rating Agency, reaffirmed the Credit Rating, in respect of the Working Capital facilities sanctioned to the Company, as A+ for Long Term Fund based and Non-Fund based Facilities and A1+ for Short Term Fund based and Non-Fund Based Facilities. Further, the outlook on ratings of the Long Term Working Capital facilities was also reaffirmed as 'Stable'.

17. GENERAL BODY MEETINGS AND POSTAL BALLOT:

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

Year	AGMs	Location	Dates	Time	Special Resolutions Passed
2023-24	43rd AGM	(held through two-way video conferencing)	16.09.2023	10:30 a.m.	Special Resolution Passed for: 1) Alteration of Capital Clause of the Memorandum of Association of the Company. 2) Adoption of new set of Articles of Association of the Company. 3) Authority to give loans/ advances under Section 185(2) of the Act.
2023-24	Postal Ballot	NA	19.04.2024	NA	No Special Resolution was passed
2024-25	44th AGM	(held through two-way video conferencing)	10.09.2024	10:30 a.m.	Special Resolution passed for: 1) Appointment of Mr. Rohit Rathi (DIN: 00018654) as an Independent Director of the Company. 2) Issuance of equity shares, for an amount not exceeding Rs. 200,00,00,000 (Rupees Two hundred crore only).
2024-25	Postal Ballot	NA	22.03.2025	NA	Special Resolutions: *As Mentioned below
2025-26	45th AGM	(held through two-way video conferencing)	08.09.2025	10.00 a.m.	No Special Resolution was passed
2025-26	Postal Ballot	NA	30.11.2025	NA	Special Resolution: #As Mentioned below

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

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 03/2025 dated September 22, 2025, respectively issued by the Ministry of Corporate Affairs.

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

- 1) Appointment of Mr. Shrenik Gandhi (DIN: 10929891) as a Non-Executive, Independent Director of the Company w.e.f. April 01, 2025.
 - In favour – 99.99%
 - Against – 0.01%

- 2) Appointment of Mr. Bharat Agarwal (DIN: 00256915) as a Non-Executive, Independent Director of the Company w.e.f. April 01, 2025.
 - In favour – 99.99%
 - Against – 0.01%

- 3) Re-appointment of Mrs. Smita A. Lahoti (DIN: 08764528) as a Non-Executive, Independent Director of the Company w.e.f. June 27, 2025.
 - In favour – 99.99%
 - Against – 0.01%

As mentioned in the table, one Special Resolution was passed through Postal Ballot via e-voting and Voting Pattern for each resolution is as follows:

- 1) Approval for Re-classification of three Promoters of the Company from Promoter Group Category to Public Category.
 - In favour – 99.97%
 - Against – 0.03%

No Extraordinary General Meeting was held during three years preceding the current Financial Year.

None of the businesses proposed to be transacted in the ensuing AGM, requires the passing of a special resolution through postal ballot.

18. DISCLOSURES:

- a) Transactions with related parties, as per requirements of IND AS-24, are disclosed in the Notes annexed to the Audited Financial Statements.
- b) The Company has not entered into any transaction of a material nature, with any of the Related Parties that had or may have a potential conflict with the interests of the Company at large.
- c) There have been no instances of non-compliance with any of the legal provisions of law by the Company or any penalty or strictures imposed by the stock exchange or SEBI or any other statutory authority on any matter related to the capital markets during the last 3 years.
- d) Disclosures have been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, there were no such transactions during the financial year 2025-26 having potential conflict with the interest of the Company at large.
- e) Details of remuneration paid to the Statutory Auditors: The total fees, for all services, paid by the Company, for the FY 2025-26, to the Statutory Auditors is Rs. 15.13 lakh. (Excluding GST).

19. RISK MANAGEMENT FRAMEWORK:

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

20. COMMODITY PRICE/ FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company has adequate risk assessment and minimization system in place including for Commodities and Foreign Exchange. The Company does not have material exposure of any commodity or foreign exchange and accordingly, no hedging activities for the same are carried out.

21. CODE OF CONDUCT:

The updated Code of Conduct (the Code) includes duties of Independent Directors. The Code is available on the website of the Company <http://www.zfindia.com/policies-codes.php>. Pursuant to the provisions under the Listing Regulations, a Confirmation from the Managing Director regarding compliance with the Code by all the Directors and Senior Management forms part of this Report.

22. VIGIL MECHANISM:

The Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors and employees to report unethical behaviour, actual or suspected fraud or violation of applicable laws and regulations and the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Directors/ employee(s).

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

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

23. MEANS OF COMMUNICATION:

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

24. DISCLOSURES TO STOCK EXCHANGE:

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

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

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

There were no presentations made to institutional investors/ analysts during the year.

26. ACCOUNTING STANDARDS/ TREATMENT:

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

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

28. GENERAL SHAREHOLDER INFORMATION:

46th Annual General Meeting

Day, Date and Time	Monday, July 27, 2026 at 10.00 am (IST)
	The Meeting will be conducted through video-conferencing (VC) pursuant to MCA Circulars.

29. FINANCIAL YEAR:

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

30. DIVIDEND AND DIVIDEND PAYMENT DATE:

In order to conserve resources of the Company, for the purpose of ongoing Company's expansion/ diversification plans, through its Subsidiaries, the Board has decided not to recommend any dividend for the financial year ended on March 31, 2026.

31. UNCLAIMED DIVIDEND:

Unclaimed dividend for the years prior to and including the unpaid dividend for F.Y. 2017-18 has been transferred to the Investor Education and Protection Fund (IEPF) (the Fund), set up by the Central Government, as applicable. The shareholders who have not encashed their dividend drafts for the Financial Year 2022-23 and 2023-24, are requested to claim the amount from the Company. As per the relevant provisions, any dividend remaining unclaimed for a period of seven years shall be transferred to IEPF.

32. UNCLAIMED EQUITY SHARES:

Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all the shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account (in the name of the Company) within thirty days of such shares becoming due for transfer to the Fund. The information relating to outstanding dividend account/ (s) and the dates by which they can be claimed by the shareholders are given below:

Financial Year	Date of declaration of dividend	Type of dividend	Total Dividend (in Rs.)	Unclaimed dividend as on March 31, 2026 (in Rs.)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2022-23	September 16, 2023	Final	4,53,66,500	2,87,867	November 14, 2030
2023-24	September 10, 2024	Final	7,25,86,400	7,72,866	November 8, 2031
2024-25	No dividend Declared	NA	Nil	Nil	NA

PURSUANT TO IEPF RULES, GIVEN BELOW ARE THE EQUITY SHARES TRANSFERRED TO THE IEPF AUTHORITY:

Particulars	Number of Shares transferred to IEPF
Transferred to IEPF during the Financial Year 2018-19	11,688
Transferred to IEPF during Financial Year 2019-20	2,131
Shares Claimed during Financial Year 2019-20	(150)
Transferred to IEPF during Financial Year 2020-21	2,649
Shares Claimed during Financial Year 2020-21	(720)
Transferred to IEPF during Financial Year 2021-22	3,740
Shares Claimed during Financial Year 2021-22	Nil
Transferred to IEPF during Financial Year 2022-23	7,142
Shares Claimed during Financial Year 2022-23	Nil
Transferred to IEPF during Financial Year 2023-24	3,368
Shares Claimed during Financial Year 2023-24	(379)
Transferred to IEPF during Financial Year 2024-25	5,402
Shares claimed during Financial Year 2024-25	Nil
Transferred to IEPF during Financial Year 2025-26	8,020
Shares claimed during Financial Year 2025-26	(1,112)
Total Number of Shares held by IEPF as on March 31, 2026.	75,684

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

The lists of Members whose shares have been transferred to the Demat Account of the IEPF is available on the website of the Company - www.zfindia.com.

33. LISTING ON STOCK EXCHANGE:

The Company's Equity Shares are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The Company has paid the annual Listing fees up to the Financial Year 2025-26:

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

34. CUSTODIAL FEES TO DEPOSITORIES:

Annual Custody/ Issuer fee has been paid to NSDL and CDSL up to the Financial Year 2025-26.

35. REGISTRAR AND TRANSFER AGENTS:

MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited) (website: https://in.mpms.mufg.com/) (email: mt.helpdesk@in.mpms.mufg.com)	
Pune Office Block No. 202, Akshay Complex, Near Ganesh Temple, Pune- 411001 Phone No. (020) 2616 1629/26160084 Fax No. (020) 2616 3503	Mumbai Office C 101, 247 Park, L.B.S. Marg, Vikhroli (W) Mumbai- 400083 Phone No. (022) 49186270 Fax No. (022) 49186060

36. PHYSICAL SHARES RELATED OPERATIONS:

With effect from April 1, 2019, requests for effecting transfer of shares held in physical mode, cannot be processed as per the SEBI directive.

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

Securities and Exchange Board of India (SEBI), vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) read with SEBI Master Circular for Registrars to an Issue and Share Transfer Agents dated June 23, 2025 mandated that the shareholders holding shares in physical mode, whose folio/s do not have PAN, Choice of Nomination, Contact Details or Mobile Number, Bank Account Details and Specimen Signature updated with our Registrar and Transfer Agent, MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited), shall are not eligible for any payment including dividends, in respect of such folios, with effect from April 01, 2024, unless they have furnished the aforesaid details, thereby making their folio KYC Compliant. The brief procedure along with requisite forms are available on the Company's website www.zfindia.com – Investors – Investor Service Requests. The Company has also dispatched the requisite forms to the concerned shareholders.

Shareholding Pattern as on March 31, 2026.

Category	No. of Shares of Rs. 10 each	Percentage of shareholding
Promoters (Munot Family)	56,93,679	62.75
Banks, Financial Institutions, Insurance Companies, Mutual Funds	1,014	0.01
IEPF	75,684	0.83
Private Corporate Bodies	1,06,059	1.17
Indian Public	31,62,404	34.86
NRIs/ OCBs	34,460	0.38
Total	90,73,300	100

	As on March 31, 2026	As on March 31, 2025
No. of Shareholders	9,997	10,149

37. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2026:

No. of Shares held (Face Value of Rs. 10 Each)	No. of Share holders	% to total No. of share holders	No. of Shares held	% to total No. of Shares
1-5000	9,935	99.38	16,55,672	18.25
5001-10000	21	0.21	1,62,463	1.79
10001 & above	41	0.41	72,55,165	79.96
Total	9,997	100.00	90,73,300	100.00

38. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The details of Equity shares dematerialized and those held in physical form as on March 31, 2026, are given hereunder:

Particulars of Equity Shares	Equity Shares of Rs. 10 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized form				
NSDL	50,71,284	55.89	4,766	47.67
CDSL	39,14,331	43.14	4,817	48.19
Sub-total				
Physical Form	87,685	0.97	414	4.14
Total	90,73,300	100	9,997	100

Considering the advantages of dealing in securities in electronic/ dematerialized form, shareholders still holding shares in physical form are requested to dematerialise their Shares at the earliest. For further information/ clarification/ assistance in this regard, please contact MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited), Registrar and Share Transfer Agents.

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

However, as per the SEBI Circular SEBI/HO/MIRSD/ MIRSD-PoD/P/CIR/2025/97 dated July 2, 2025, SEBI has opened special window for those shareholders holding shares in physical mode and who had lodged/ re-lodged request for transfer of physically held shares prior to April 1, 2019, for completion of such transfer, with effect from July 7, 2025 to January 6, 2026. Subsequently the SEBI vide circular No. HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 dated January 30, 2026 SEBI has reopened special window, for a further period of one year, effective from February 05, 2026 to February 04, 2027.

39. DIVIDEND DECLARED FOR THE LAST 10 YEARS:

Financial Year	Dividend Per Share* (Rupees)
2014-15	10.00
2015-16	12.50
2016-17	8.00
2017-18	8.00
2018-19	Nil
2019-20	Nil
2020-21	Nil
2021-22	Nil
2022-23	5.00
2023-24	8.00
2024-25	Nil
2025-26	Nil

*Paid-up value of Rs. 10 per share

40. OUTSTANDING GDR, ADR OR WARRANTS:

The Company has not issued so far any GDR, ADR or any Convertible instrument pending Conversion or any other instrument likely to impact the equity share capital of the Company.

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

Particulars	Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	52	4,483
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders whose shares were transferred to Investor Education Protection Fund (IEPF) account during the year	06	625
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	46	3,858

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

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

During the year under review, no complaint was filed pursuant to the said Act. Please refer to the Board's Report for the aforesaid disclosure.

43. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:

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

44. ADOPTION OF MANDATORY AND DISCRETIONARY REQUIREMENTS OF THE LISTING REGULATIONS:

The Company has complied with all mandatory requirements of the Listing Regulations. The Company has adopted following discretionary requirements of the Listing Regulations:

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

45. PLANT LOCATIONS (OWN):

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

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

Sr. No.	Name of the Company	Name of the Directors interested	Amount (Rs. in crore) as on March 31, 2026
1	DriveSys Systems Private Limited (Material Wholly-Owned Subsidiary of the Company)	i. Mr. Utkarsh Munot- Managing Director* ii. Mr. Shrenik Gandhi	167.36
2	NexSteer Systems Private Limited (Wholly-Owned Subsidiary of the Company)	i. Mr. Dinesh Munot- Chairman ii. Mr. Utkarsh Munot- Managing Director iii. Mr. Shrenik Gandhi	0.70

* Mr. Dinesh Munot, Chairman and Whole-Time Director of the Company, being the father of Mr. Utkarsh Munot, is considered an interested director.

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

During the year, DriveSys Systems Private Limited, a Wholly Owned Subsidiary of the Company, and Metacast Auto Private Limited, a subsidiary of the Company, were identified as Material Subsidiaries with effect from December 3, 2025 and February 12, 2026, respectively, in accordance with the applicable provisions of law and the Company's Policy on Material Subsidiaries. Further, details of the Company's Subsidiaries, date of incorporation and particulars of their Statutory Auditors are as follows:

Sr. No.	Name of the Subsidiary	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditors	Date of Appointment/ Reappointment of the Statutory Auditors
1	DriveSys Systems Private Limited Regd. Office: Plot No. E-3/1, Supa Parner Industrial Park, Supa, Ahilyanagar, Parner, Maharashtra, India, 414301.	April 27, 2022	Gat No. 1242/44 Village Vadu-Budruk, Tal - Shirur, District - Pune, Maharashtra, India, 412216.	M/s. MGM and Co., Chartered Accountants (FRN: 117963W)	September 30, 2023
2	NexSteer Systems Private Limited Regd. Office: 1242/44 Village Vadu-Budruk, Tal - Shirur, District - Pune, Maharashtra, India, 412216.	April 29, 2022	Gat No. 1242/44 Village Vadu-Budruk, Tal - Shirur, District - Pune, Maharashtra, India, 412216.		September 30, 2023
3	Metacast Auto Private Limited Regd. Office: Plot T/26, Kagal Hatkanangale, 5 Star MIDC, Village- Halsavade, 5 Star MIDC Kagal, Kolhapur, Maharashtra, India, 416236.	May 22, 2023	H. No. PL. N. 658, L.I.E. RD Cross, Tilawani, Ichalkaranji, Hatkanangle, Kolhapur – 416115, Maharashtra		September 9, 2024

48. ADDRESS FOR INVESTOR CORRESPONDENCE:

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

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

Pune
May 12, 2026

Dinesh Munot
Chairman
(DIN: 00049801)

Certificate of Compliance with the Corporate Governance

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

To,

The Members of

ZF Steering Gear (India) Limited

1. This Certificate is issued in Accordance with the terms of our engagement letter dated 10th Sept, 2024.
2. The Certificate of Compliance with the Corporate Governance contains details of compliance of conditions of Corporate Governance by ZF Steering Gear (India) Limited ('the Company') for the year ended 31st March, 2026 as Stipulated in regulations 17 to 27, clause (b) to (i) and (t) of regulation 46 (2) And paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with BSE Limited (referred to as the 'Stock Exchange').

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

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

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as Stipulated in the Listing Regulations for the year ended 31st March, 2026.

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

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as Stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

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

Sd/-
per **Kaustubh Deshpande**
Partner
Membership No.: 131090
UDIN: 26131090MSNRNU2170
Pune: 12th May 2026

Certificate on Compliance with Code of Conduct:

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2025-26.

For and on behalf of the Board of Directors

Pune
May 12, 2026

Utkarsh Munot
Managing Director
DIN: 00049903

Managing Director/ CFO Certification

The Managing Director and Chief Financial Officer have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pune
May 12, 2026

Utkarsh Munot
Managing Director

Jinendra Jain
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

ZF Steering Gear (India) Limited

Regd. Office: Gat No 1242/1244 Village Vadu

Budruk Tal Shirur, Pune, Maharashtra, India, 412216

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ZF Steering Gear (India) Limited having (CIN : L29130PN1981PLC023734) and having registered office at Gat No 1242/1244 Village Vadu Budruk Tal Shirur, Pune, Maharashtra, India, 412216 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31st, 2026 have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT AT CURRENT DESIGNATION IN COMPANY
1	DINESH HIRACHAND MUNOT	00049801	08/11/1986
2	UTKARSH DINESH MUNOT	00049903	31/10/2006
3	SMITA AMOL LAHOTI	08764528	27/06/2020
4	DINESH KESHARI CHAND BOTHRA	00049883	03/02/2024
5	ROHIT KISHOR RATHI	00018654	06/08/2024
6	BHARAT RAJKUMAR AGARWAL	00256915	01/04/2025
7	SHRENIK RASIK GANDHI	10929891	01/04/2025

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SIUT & Co LLP
Company Secretaries
(Unique code: L2021MH011500)
Name: CS I U Thakur
Partner
FCS: 2298
CP: 1402
UDIN: F002298H000332760
Peer Review Certificate No.: 5460/2024

Date: 12/05/2026
Place: Pune

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

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy (**the Policy**) outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare and sustainable development of the community at large.

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

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

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

2. The Composition of the CSR Committee.

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Dinesh Munot	Chairman	1	1
2	Mr. Utkarsh Munot	Member/ Managing Director	1	1
3	Mr. Bharat Agarwal	Member/ Independent Director	1	0

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: <http://www.zfindia.com/profile/committees.php>, <http://www.zfindia.com/policies-codes.php>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable.**

5. (a) Average Net Profit/ (Loss) of the Company for last three financial years (as per sub-section (5) of section 135): **Rs. 40.78 crore**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs 0.82 crore**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**

(d) Amount required to be set-off for the financial year, if any: **NIL**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs 0.82 crore**

6. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

(a) Details of CSR amount spent against on-going projects for the Financial Year:

Sr. No.	Name of the Project	Item from the List of activities in Schedule VII of the Act.	Local Area (Yes/ No)	Location of the Project		Duration of the Project	Amount allocated for the project (Rs. in crore)	Amount spent in the current financial year (Rs. in crore)	Amount transferred to Unspent CSR Account for the Project	Mode of Implementation – Whether Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency
				State	District						
1	Stipend Payment under National Apprenticeship Promotion Scheme	Employment enhancing vocational skills	Yes	Maharashtra Madhya Pradesh	Pune Pithampur		0.82	0.82	NIL	No	Yashaswi BSA
Total							0.82	0.82	NIL		

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

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

(b) Amount spent in Administrative Overheads : NIL

(c) Amount spent on Impact Assessment, if applicable : Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : Rs 0.82

(e) CSR amount spent or unspent for the Financial Year:

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

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (Rs. in crore)
i.	Two percent of average net profit/ (loss) of the Company as per section 135(5)	0.82
ii.	Total amount spent for the Financial Year	0.82
iii.	Excess amount spent for the financial year [(ii)-(i)]	0
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
v.	Amount available for set off in succeeding financial year(s) [(iii)-(iv)]	0

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial year(s)	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs. in crore)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (Rs. in crore)	Amount Spent in the Financial Year (in Rs. crore)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (Rs. in crore)	Deficiency, if any
					Amount (Rs. in crore)	Date of Transfer		
1.	2024-25	NIL	-	NIL	NIL	-	-	-
2.	2023-24	NIL	-	NIL	NIL	-	-	-
3.	2022-23	NIL	-	NIL	NIL	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	NIL	NIL	NIL	NIL	NIL	NIL	NIL

9. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide reasons for not spending the amount in its Board's Report: Not Applicable.

ANNEXURE - IV to the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ZF STEERING GEAR (INDIA) LIMITED
Regd. Office: Gat No 1242/1244 Village Vadu
Budruk Tal Shirur, Pune, Maharashtra, India, 412216

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZF STEERING GEAR (INDIA) LIMITED** having (CIN: L29130PN1981PLC023734) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances by the Company and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and based on such verification and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2026 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2026 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable** to the Company during the Review Period;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable** to the Company during the Review Period;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable** to the Company during the Review Period;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable** to the Company during the Review Period;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable** to the Company during the Review Period;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; – **Not applicable** to the Company during the Review Period;
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable** to the Company during the Review Period;

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

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

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

1. The Company has filed three e-forms with the MCA during the year, along with additional fees, some of which were due to technical issues with the MCA portal.
2. The Stock Exchange on April 2, 2026 sought additional details from the Company, in respect of a Disclosure made by the Company under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, citing discrepancy pertaining to delay in disclosure, in respect of significant developments in the ongoing litigations before Commissioner of Income Tax (Appeals) (CIT(A))-28, Delhi and requested the Company to submit reasons for the same. The Company submitted its clarification for delay vide letter dated April 02, 2026.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for the Board Meeting dated 08th September, 2025 which was held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. The Company had undertaken reclassification of the following persons from the category of "Promoter/ Promoter Group" to "Public Shareholder(s)":
 - i. Mrs. Amita Jinendra Munot
 - ii. Mr. Piyush Jinendra Munot
 - iii. Mr. Yash Munot

The approval of the shareholders for the aforesaid reclassification was obtained through Postal Ballot on November 30, 2025 with requisite majority.

2. With effect from December 3, 2025 Drivesys Systems Private Limited (Drivesys), a wholly owned subsidiary of ZF Steering Gear (India) Limited (ZF India/ the Company) has been identified as a Material Subsidiary of the Company.
3. With effect from February 12, 2026 Metacast Auto Private Limited (Metacast), a subsidiary of ZF Steering Gear (India) Limited (ZF India/ the Company) has been identified as a Material Subsidiary of the Company.
4. The Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune.
5. ZF Friedrichshafen AG has filed Commercial IP Suit No. (L): 27382 of 2024 along with Interim Application No. (L): 28099 of 2024 before the Hon'ble High Court of Judicature at Bombay, inter-alia alleges an infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and a claim of Rs. 200 Crores as damages. The case is now pending at interim application stage.
6. During the year under review, Pune Mathadi, Hamal and Other Manual Workers Board vide order dated May 16, 2025 directed the Company to pay an amount of Rs. 57.60 Lakhs towards dues relating to Mathadi workers for the period from January 2024 to April 2025. The Company filed a Writ Petition before the Bombay High Court on June 20, 2025 challenging the said order. Subsequently, the Hon'ble High Court vide interim order dated December 05, 2025 stayed the aforesaid order subject to deposit of 50% of the assessed amount, which was deposited by the Company on January 07, 2026.
7. A civil suit has been filed by Mr. Shitole claiming rights over the plot of land situated at Vadu Budruk, Taluka Shirur, District Pune, which was acquired by the Company in the year 1995. In this regard, the Company has filed its detailed written statement before the Hon'ble Ghodnadi Court, Shirur on September 19, 2025, seeking dismissal of the said suit. The matter is presently pending for hearing before the Court.

For SIUT & Co LLP
 Company Secretaries
 (Unique code: L2021MH011500)
 Name: CS I U Thakur
 FCS: 2298
 CP: 1402
 UDIN: F002298H000332749

Date: 12/05/2026 Partner
 Place: Pune Peer Review Certificate No.: 5460/2024

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

‘Annexure’

To,
The Members,
ZF Steering Gear (India) Limited
Registered Office: Gat No 1242/1244,
Village Vadu Budruk, Tal Shirur,
District Pune, Maharashtra, India, 412216

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 12/05/2026
Place: Pune

For SIUT & Co LLP
Company Secretaries
(Unique code: L2021MH011500)
Name: CS I U Thakur
FCS: 2298
CP: 1402
UDIN: F002298H000332749
Partner
Peer Review Certificate No.: 5460/2024

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DRIVESYS SYSTEMS PRIVATE LIMITED
CIN: U24202PN2022PTC210785
Plot No. E-3/1, Supa Parner Industrial Park,
Supa, Ahmed Nagar, Parner 414301.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DRIVESYS SYSTEMS PRIVATE LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the Company during the audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the Company during the audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Applicable to the extent relevant for a material subsidiary of a listed entity)**

The Company is a private limited company and a wholly-owned subsidiary of **ZF STEERING GEAR (INDIA) LIMITED**. Further, the Company is a material subsidiary of a listed entity within the meaning of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is subject to certain governance and compliance requirements as applicable.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s); (Not applicable to the Company during the audit period).

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards mentioned above. However, certain forms were filed beyond the prescribed time limits with the payment of additional filing fees. It is observed that the Board's Report for the financial year 2024-25, as filed with Form AOC-4, bears a Digital Signature Certificate (DSC) with a date subsequent to the date of the Annual General Meeting. On inquiry, the Company has produced the physical Board's Report dated 21st July, 2025 with the Chairman's signature.

We further report that:

- The Board of the Company is duly constituted. During the year under review, Mr. Ajit Gugale (DIN: 10171943) and Mr. Shrenik Gandhi (DIN: 10929891) were appointed as Additional Directors on 28th May, 2025 and 1st April, 2025 respectively, and were subsequently regularized as Directors at the General Meeting held on 27th June, 2025. Mr. Dinesh Munot (DIN: 00049801) ceased to be a Director of the Company with effect from 28th May, 2025. Mr. Utkarsh Munot (DIN: 00049903) was re-designated as Chairman of the Company with effect from 28th May, 2025. The appointments, cessation and re-designation of directors during the year were in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- Adequate notice is provided to all Directors to schedule Board Meetings, along with the agenda and notes on agenda items, at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on agenda items prior to the meeting, thereby ensuring meaningful participation by all Directors. Based on the minutes made available to us, we report that all decisions of the Board have been carried out unanimously, as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had the following major events which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

- i. During the year under review, the Company became a material unlisted subsidiary of ZF STEERING GEAR (INDIA) LIMITED, as its turnover exceeded 10% of the consolidated turnover of ZF STEERING GEAR (INDIA) LIMITED, in accordance with the applicable provisions.
- ii. During the year under review, the Company shifted its registered office outside the local limits of the city, town or village where it was earlier situated, pursuant to a special resolution passed at the General Meeting held on 27th June, 2025, in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- iii. During the year under review, the Company altered its Object Clause of the Memorandum of Association pursuant to a special resolution passed at the General Meeting held on 27th June, 2025, in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- iv. During the year under review, the Company passed a special resolution under Section 186 of the Companies Act, 2013 at the General Meeting held on 27th June, 2025, authorizing the Board to give loans, guarantees, provide securities and make investments up to an aggregate limit not exceeding Rs. 50 crores.
- v. During the year under review, the Company passed a special resolution on 23rd February, 2026 for increasing the borrowing limits of the Company to Rs. 300 Crore and filed Form MGT-14 in respect of the said resolution on 29th April, 2026.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Requirements) Regulations, 2015, as amended.

Shashikant Sharma
Practicing Company Secretary
Partner

Place: Pune
Date: 30/04/2026
UDIN: F010515H000208781

DSV & Associates
Membership No.10515/CP No. 22772
PR: 1609/2021

Annexure A

To,
The Members,
DRIVESYS SYSTEMS PRIVATE LIMITED
CIN: U24202PN2022PTC210785

Our report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with established audit practices.

Place: Pune
Date: 30/04/2026
UDIN: F010515H000208781

Shashikant Sharma
Practicing Company Secretary
Partner

DSV & Associates
Membership No.10515/CP No. 22772
PR: 1609/2021

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

METACAST AUTO PRIVATE LIMITED

CIN: U24319PN2023PTC220826

PLOT T/26, KAGAL HATKANANGALE, 5 STAR MIDC, VILLAGE-HALSAVADE, 5 STAR MIDC KAGAL, KOLHAPUR, KAGAL 416236.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **METACAST AUTO PRIVATE LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the Company during the audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the Company during the audit period).
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period)

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Applicable to the extent relevant for a material subsidiary of a listed entity)**

The Company is a private limited company and a subsidiary of **ZF STEERING GEAR (INDIA) LIMITED**. Further, the Company is a material subsidiary of a listed entity within the meaning of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is subject to certain governance and compliance requirements as applicable.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s); (Not applicable to the Company during the audit period).

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards mentioned above. However, certain forms were filed beyond the prescribed time limits with the payment of additional filing fees. It is observed that the Board's Report for the financial year 2024-25, as filed with Form AOC-4, bears a Digital Signature Certificate (DSC) with a date subsequent to the date of the Annual General Meeting. On inquiry, the Company has produced the physical Board's Report dated 21st July, 2025 with the Chairman's signature.

We further report that:

- The Board of Directors of the Company is duly constituted. During the year under review, Mr. Ajit Gugale (DIN: 10171943) was designated as the Chairman of the Company in place of Mr. Sachin Gugale (DIN: 10171944), with effect from 25th April, 2025. The aforesaid change was carried out in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.

- Adequate notice is provided to all Directors to schedule Board Meetings, along with the agenda and notes on agenda items, at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on agenda items prior to the meeting, thereby ensuring meaningful participation by all Directors. Based on the minutes made available to us, we report that all decisions of the Board have been carried out unanimously, as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had the following major events which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

- i. During the year under review, the Company became a material unlisted subsidiary of ZF STEERING GEAR (INDIA) LIMITED, as its turnover exceeded 10% of the consolidated turnover of ZF STEERING GEAR (INDIA) LIMITED, in accordance with the applicable provisions.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Shashikant Sharma
Practicing Company Secretary
Partner

Place: Pune
Date: 30/04/2026
UDIN: F010515H000239942

DSV & Associates
Membership No.10515/CP No. 22772
PR: 1609/2021

Annexure A

To,
The Members,
METACAST AUTO PRIVATE LIMITED
CIN: U24319PN2023PTC220826

Our report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with established audit practices.

Place: Pune
Date: 30/04/2026
UDIN: F010515H000239942

Shashikant Sharma
Practicing Company Secretary
Partner

DSV & Associates
Membership No.10515/CP No. 22772
PR: 1609/2021

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To,

The Members of

ZF STEERING GEAR (INDIA) LIMITED, PUNE

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying Standalone Financial Statements of **ZF Steering Gear (India) Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Revenue recognition- Rebates, Discounts and Price Variations The Company measures revenue net of any trade discounts volume rebates and price variations. Material estimation by the Company is involved in recognition and measurement of rebates, discounts and price variations. This includes establishing an accrual at the year end, particularly in arrangements with varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. We identified the evaluation of accrual for rebates, discounts and price variations as a key audit matter	Principal Audit Procedures - We tested the effectiveness of controls over design, implementation and operating effectiveness of, key manual and application controls. They cover control over computation of discounts and rebates and rebate and discount accruals; - Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to rebates, discounts and price variations, we evaluated the Company's revenue recognition policies with reference to the requirements of Indian Accounting Standard-115 (Revenue from contracts with customers); - Substantive testing performed by selecting samples of rebates, discounts and price variations transactions recorded during the year and verifying the computation with the relevant source documents; - Understanding the process followed by the Company to determine the amount of accrual of rebates, discounts and price variations. Testing samples of rebate accruals and comparing to underlying documentation; - Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items; - Checking completeness and accuracy of the data used by the Company for accrual of rebates and discounts.

Sr. No.	Key Audit Matter	Auditor's Response
2	Evaluation of Investment in equity investment and loans given to Subsidiaries The Company has made equity investments of Rs. 12.97 crores and has advanced aggregate loans of Rs. 186.31 crores to DriveSys Systems Private Limited, NexSteer Systems Private Limited and Metacast Auto Private Limited. (Subsidiaries of the Company). The Company's evaluation of its equity investments and loans given involves the comparison of its recoverable value of each cash-generating unit to its corresponding carrying value. The Company used the discounted cash flow model to estimate recoverable value, which requires management to make significant estimates and assumptions related to forecasts of future revenues and discount rates. DriveSys Systems has been operational from March 2024 and Metacast Auto has been operational from November 2024. Whereas NexSteer Systems is currently in pre operative stage. We focused on this area as Key Audit Matter because of the Company's assessment of the 'recoverable value' of the CGU (at the entity level) involves judgements about the future results of the business and the discount rates applied to future cash flow forecasts.	Principal Audit Procedures With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) The two subsidiaries which are operational their performance has improved as compared to last year (2) valuation methodology and (3) discount rate by: • Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation. • Developing a range of independent estimates and comparing those to the discount rate selected by management. • Performed a sensitivity analysis to determine the effect of variation in the cash flow estimates.

Sr. No.	Key Audit Matter	Auditor's Response
3	Litigation with regard to Trade Mark disclosed in note 37 of Financial Statements The Company had received a communication which alleges an infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and a claim of Rs.100 Crores as damages. In addition to the same, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune. In September 2024, ZF Friedrichshafen AG and ZF India Private Limited have filed a Commercial IP Suit along with Interim Application before the Hon'ble High Court of Judicature at Bombay and have allegedly demanded a sum of Rs.200 crore in alleged damages. Refer Note No. 37 of Standalone Financial Statements. Whether a liability is to be recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgement in respect to this claim against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, this litigation amount is considered to be a key audit matter.	Principal Audit Procedures Our procedures included, but were not limited to, the following: • Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof. • Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. • Assessed management's discussions held with their legal consultants and understanding precedents in similar cases; • Obtained and evaluated the managements representation from the company's internal dedicated team and consultant opinion wherever required representing the Company before the various authorities. Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.

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

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

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

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

The accompanying Standalone Financial Statements have been approved by the Company's Board of Directors. The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian accounting standards) Rules 2015, as amended from time to time and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/ Standalone Financial Statements of the Company to express an opinion on the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows of Standalone Financial Statements dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2026 on its financial position in its Standalone Financial Statements. Refer Note 31 and 37 in Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested

- (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not proposed, declared and paid any Interim or Final Dividend during the year. Therefore, clause (v) is not applicable.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023, Based on the our examination which is conducted on test check basis and information and explanation provided by the management of the company, the Company has used accounting software (SAP HANA) for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure 'B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

**Per Kaustubh Deshpande
Partner
Membership No.: 131090
UDIN: 26131090XXYPJ1146
Pune, May 12, 2026**

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of ZF Steering Gear (India) Limited for the year ended March 31, 2026.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of The Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ZF Steering Gear (India) Limited (the “Company”) as of March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under The Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of The Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Per Kaustubh Deshpande
Partner
Membership No.: 131090
UDIN: 26131090XXYAPJ1146
Pune, May 12, 2026

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of ZF Steering Gear (India) Limited for the year ended March 31, 2026.

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

- (i) In respect of the Company's Property plant and Equipment and Intangible Assets:
 - (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment, and right of use assets
 - B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment, right of use assets under which the assets are physically verified by the management at reasonable intervals during the year as per the verification plan adopted by the Company, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and the records produced to us for our verification, the discrepancies noticed during such physical verification were not material and the same have been properly dealt with in the books of account.
- (c) Based on our examination of the property tax receipts and lease agreement for land on which land is constructed, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that the title in respect of self-constructed buildings and title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour lessee) disclosed in the Standalone Financial Statements included under Property, Plant and Equipment are held in the name of the Company as at balance sheet date except for:

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

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

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

Particulars	Loan to employees (Rs. In Crores)	Loan to Subsidiaries (Rs. In Crores)	Loan to Others (Rs. In Crores)	Guarantees/ Securities Provided (Rs. In Crores)
Aggregate amount provided during the year	(0.003)	96.08	0.50	8.93
Balance Outstanding as at Balance Sheet Date	0.19	186.31	1.37	32.17

- (b) The investments made and terms and conditions of the grant of all loans and advances in the nature of loans provided are not, prima facie, prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The repayments/receipts of principal is not initiated currently due to moratorium period. However, vide extension letter the same has been extended further by two years. Therefore, now the loan will be repayable within next Seven years after moratorium period. The repayments/receipts of interest are regular.
- (d) There is no overdue amount in respect of loans or advances in the nature of loan granted to such companies, firms, LLPs or other parties.
- (e) The Company has granted loans or advances to its subsidiaries in the nature of loans. Repayment obligations (including interest) which had fallen

due during year has been repaid on or before their respective due dates. The repayment period of the principal sum granted to subsidiaries that was falling due from April 2026 to March 2030 has been extended from April 2028 to March 2035. Moreover, during the year fresh loans have been granted amounting to Rs. 96.08 crores, to cover Capital expenditure needs of the subsidiaries. The aggregate amount of repayment obligations settled from such fresh loans is Rs. 9.51 crores which is 9.90% of the total loans granted during the year to the subsidiaries.

- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits)

Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

Details of dues of Income Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2026 on account of dispute are given below:

Nature of Statute	Nature of Dues	Forum where the Dispute is pending	Financial Year	Amount (Rs. In Crore)
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2014-15	1.80
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2015-16	4.40
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2016-17	0.92
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2017-18	0.64*
Income Tax Act, 1961	Assessment Dues	CIT (Appeal), Delhi	FY 2018-19	2.86*
Income Tax Act, 1961	Assessed TDS Dues by CPC	CIT (Appeal), Delhi	FY 2012-13	0.03
Maharashtra Value Added Tax, 2002	Assessment Dues	Jt. Commissioner Appeal	FY 2016-17	0.34
Central Excise Act	Excise dues	CESTAT, Mumbai		0.11
Goods & Service Tax Act	GST dues	Superintendent, CGST Pithampur -I	FY 2019-20	0.01
Goods & Service Tax Act	GST dues	GST Appellate Authority, Rudrapur	FY 2023-24	0.11
Goods & Service Tax Act	GST dues	GST Appellate Authority, Karnataka	FY 2023-24	0.05
Goods & Service Tax Act	GST dues	GST Appellate Authority, Pithampur	FY 2022-23	0.02
Labour Laws	Building Cess, Madhya Pradesh	Office of the Cess Assessment Officer and Assistant Labour Commissioner, Indore	FY 2018-19, FY 19-20 and FY20-21	0.31

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

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) a) According to the information and explanations given to us and based on our examination, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings or in the payment of interest on thereon to any lender.

b) According to the information and explanations given to us including representation receive from the management of the Company, and on the basis of our audit procedures, we report

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures as per details below

Nature of fund taken	Name of lender#	Amount involved	Name of the subsidiary	Relation	Nature of Transaction for which funds utilize
Short term funds#	HDFC Bank Ltd	1.10	DriveSys Systems Private Limited	Wholly owned Subsidiary	Payment of Stamp duty

The credit card of the company was used because of practical constraints of the portal through which the payment was required to be made.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended March 31, 2026.

(x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly reporting under clause 3(x)(a) of the Order is not applicable to Company.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the Standalone Financial Statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under section 143(12) of The Companies Act 2013 has been filed in Form ADT – 4 as prescribed under rule 13 of Companies (Audit & Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required under Related Party Disclosures specified in Companies (Indian accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company to the Company during the year and till date, in determining the nature, timing and extent of audit procedures.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and accordingly provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly reporting under clause 3(xvi)(a) of the order is not applicable to the Company.

(b) In our Opinion, there is no investment company within the Group (as defined in the Core Investments Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(b) of the order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory Auditor during the year. Accordingly reporting

under clause(xviii) of the order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amount under sub section (5) of Section 135 of the Act in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of Standalone Financial Statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

**Per Kaustubh Deshpande
Partner
Membership No.: 131090
UDIN: 26131090XXYAPJ1146
Pune, May 12, 2026**

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	Notes	As at 31 March, 2026	As at 31 March, 2025
ASSETS			
Non-current assets			
Property, Plant and Equipment	3[a]	108.75	120.85
Right of use asset	3[b]	8.49	9.96
Capital work-in-progress	3[c]	1.64	2.37
Investment Property	4[b]	0.68	0.71
Other Intangible assets	4[a]	0.61	0.73
Financial assets			
(i) Investments	5[a]	148.41	168.53
(ii) Loans	5[e]	187.79	92.21
(iii) Other non-current financial assets	5[f]	0.92	2.07
Other non-current assets	6	2.71	2.46
Income Tax Assets (Net)	7	2.47	3.19
Deferred Tax Assets (Net)	8	-	8.81
Total non-current assets		462.47	411.89
Current assets			
Inventories	9	58.58	62.16
Financial assets			
(i) Trade receivables	5[b]	96.18	111.73
(ii) Cash and cash equivalents	5[c]	4.05	0.74
(iii) Bank Balances other than Cash and cash equivalents	5[d]	0.11	0.19
(iv) Loans	5[e]	0.08	0.08
(v) Others	5[f]	4.37	4.39
Other current assets	6	5.56	3.11
Total current assets		168.93	182.40
TOTAL ASSETS		631.40	594.29

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	Notes	As at 31 March, 2026	As at 31 March, 2025
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	9.07	9.07
Other equity	11	512.67	480.79
Total Equity		521.74	489.86
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liability	12[c]	0.89	1.91
Provisions	13	1.24	1.02
Other non current liabilities	14	0.47	0.48
Deferred Tax Liability (Net)	8	1.23	-
Total non-current liabilities		3.83	3.41
Current liabilities			
Financial liabilities			
(i) Borrowings	12[a]	43.05	37.74
(ii) Trade payables			
A) Total outstanding dues of Micro and Small Enterprises	12[b]	10.92	4.51
B) Total outstanding dues of creditors other than Micro and Small Enterprises	12[b]	34.58	38.12
(iii) Lease Liability	12[c]	1.02	1.21
(iv) Others	12[d]	6.72	6.92
Provisions	13	3.01	3.20
Other current liabilities	14	6.53	9.32
Total current liabilities		105.83	101.02
Total liabilities		109.66	104.43
TOTAL EQUITY AND LIABILITIES		631.40	594.29

2

Material Accounting Policies

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

As per our report of even date

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

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Director
DIN : 10929891

Kaustubh Deshpande
Partner
Membership No. : 131090

Satish Mehta
Company Secretary

Jinendra Jain
Chief Financial Officer

Place: Pune
Date: 12 May, 2026

Place: Pune
Date: 12 May, 2026

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amount in Rs. Crores unless otherwise stated)

	Note	For the year ended 31 March, 2026	For the year ended 31 March, 2025
INCOME			
Revenue from operations	15	556.74	492.86
Other income	16	21.14	28.21
Total Income		577.88	521.07
EXPENSES			
Cost of raw material consumed	17	368.19	317.95
Change in Inventory of finished goods and work in progress	18	1.19	1.60
Employee benefits expense	19	70.88	66.14
Other expenses	20	51.66	50.66
Total Expenses		491.92	436.35
Profit before interest, tax, depreciation, amortisation expenses and exceptional items (EBITDA)		85.96	84.72
Finance costs	21	3.36	2.86
Depreciation and amortisation expense	22	29.37	31.42
Profit before exceptional items and tax		53.23	50.44
Exceptional items (refer note No.29)		0.67	-
Profit before tax		52.56	50.44
Tax Expense	23		
Current tax		20.91	13.94
Deferred tax		(0.13)	2.61
Total tax expense		20.78	16.55
Net Profit for the year after tax		31.78	33.89
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		0.14	0.14
- Income tax relating to the above items	23	(0.04)	(0.05)
Other comprehensive income for the year (net of tax)		0.10	0.09
Total comprehensive income for the year		31.88	33.98
Earnings per equity share of Rs 10 each	24		
Basic and diluted earnings per share		35.03	37.35

Material Accounting Policies

2

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

As per our report of even date

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

Kaustubh Deshpande
Partner
Membership No. : 131090

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Director
DIN :10929891

Satish Mehta
Company Secretary

Jinendra Jain
Chief Financial Officer

Place: Pune
Date: 12 May, 2026

Place: Pune
Date: 12 May, 2026

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/ (Loss) before exceptional items and tax	53.23	50.44
Adjustments for:		
Depreciation and amortisation expense	29.37	31.42
Interest paid	3.36	2.86
Fair value change in investment	4.85	(4.76)
(Profit)/ Loss on sale of PPE	(0.13)	(0.07)
(Profit)/ Loss on sale of investment	(2.92)	(8.12)
Interest Income	(11.18)	(7.07)
Exchange variation	-	(0.08)
Dividend received	(0.46)	(0.49)
Exceptional Items (Gratuity impact)	(0.67)	-
Rental Income from Investment Property	(0.82)	(1.04)
Operating profit before working capital changes	74.63	63.09
Adjustments for changes in working capital:		
(Increase)/ Decrease in inventory	3.58	4.21
(Increase)/ Decrease in trade receivables and financial asset	16.88	(14.19)
(Increase)/ Decrease in other current assets and non-current assets	(2.45)	1.34
(Increase)/ Decrease in trade payable and financial liabilities	2.66	14.67
(Increase)/ Decrease in other liabilities and provisions	(2.77)	(2.93)
Cash generated from operations	92.53	66.19
Income tax paid - Net	(9.98)	(7.45)
Net cash generated from operating activities	82.55	58.74
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(16.64)	(23.16)
Sale proceed from property, plant and equipment	1.48	1.82
Interest received	11.17	7.06
Dividend received	0.46	0.49
Purchase of Investment	(43.18)	(59.50)
Sale proceed from Investment	61.36	51.05
Investment in subsidiaries	-	(4.87)
Loans given to subsidiaries (net)	(96.08)	(42.52)
Loan Given to Others	0.50	0.56
Rental Income from Investment Property	0.82	1.04
Net cash used in investing activities	(80.11)	(68.03)

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	3.63	3.85
Proceeds from bill discounting (net)	1.68	4.80
Dividend paid	(0.08)	(7.23)
Interest paid	(3.15)	(2.86)
Payment of lease liability (net)	(1.21)	(1.42)
Net cash used in financing activities	0.87	(2.86)
Net Increase/ (Decrease) in cash and cash equivalents	3.31	(12.15)
Cash and cash equivalents as at the beginning of the year	0.74	12.89
Cash and cash equivalents as at the end of the year	4.05	0.74
Cash and cash equivalents comprise of the following:		
Cash on hand	0.01	0.01
Balances with banks	4.04	0.73
	4.05	0.74

Material Accounting Policies

2

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

As per our report of even date

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

Kaustubh Deshpande
 Partner
 Membership No. : 131090

Place: Pune
Date: 12 May, 2026

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

Dinesh Munot
 Chairman
DIN : 00049801

Utkarsh Munot
 Managing Director
DIN : 00049903

Shrenik Gandhi
 Director
DIN :10929891

Satish Mehta
 Company Secretary

Jinendra Jain
 Chief Financial Officer

Place: Pune
Date: 12 May, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at 01 April 2025		9.07
Changes in equity share capital due to prior period errors		-
Restated balance as at 01 April 2025		9.07
Changes in equity share capital during the current year	10	-
As at 31 March 2026		9.07

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

B. Other Equity

	Attributable to owners Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 01 April 2025	0.35	2.32	235.00	243.12	480.79
Profit for the year	-	-	-	31.78	31.78
Other comprehensive income for the year net of tax	-	-	-	0.10	0.10
Total comprehensive income for the year	-	-	-	31.88	31.88
Dividend paid	-	-	-	-	-
Balance at 31 March 2026	0.35	2.32	235.00	275.00	512.67

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

Material Accounting Policies

2

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

As per our report of even date

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

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Director
DIN :10929891

Kaustubh Deshpande
Partner
Membership No. : 131090

Satish Mehta
Company Secretary

Jinendra Jain
Chief Financial Officer

Place: Pune
Date: 12 May, 2026

Place: Pune
Date: 12 May, 2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

1 Company overview

ZF Steering Gear (India) Limited ("the Company") is listed on Bombay Stock Exchange (BSE) domiciled in India and was incorporated in 1981 under the provision of the Companies Act, 1956. The Company is primarily engaged in the business of production & assembling of steering systems for vehicles, buses and tractors. The Company has plant at Vadu Budruk, Near Pune and at Pithampur (Madhya Pradesh) for production and assembling of steering systems and accessories.

2 Material accounting policies

2.1 Basis of preparation

(i) Statement of compliance

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

These standalone financial statements were authorised for issue by the Company's Board of Directors on 12 May, 2026.

(ii) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis except for following items:

- Certain financial assets and liabilities which are measured at fair value; and
- Defined benefit plans - plan assets measured at fair value
- The financial statements are presented in Indian Rupee (INR), which also the Company's functional currency and all values are rounded off to nearest crores, except when otherwise indicated. Whenever, an amount is presented as INR "0"(Zero) in crores it construct value is less than Rs.1,00,000.

(iii) Use of estimates

In preparing these standalone financial statements, the management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and accompanying disclosure of contingent liability. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2026 is included in the following notes:

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

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

Note 13 - Provision for warranty.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which estimates are revised and in future years.

2.2 Segment reporting

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Corporate assets and liabilities, income and expenses which relate to the Company as a whole and are not allocable to segments, have been included under unallocated items.

Refer Note 28 for segment information presented.

2.3 Current versus non-current classification

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

An asset is classified as current when it is:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

All other assets are classified as non-current.

A liability is classified as current when:

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

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

2.4 Foreign currencies

(i) Functional and presentation currency

The standalone financial statements are presented and accounted for in Indian Rupees (INR), which is the Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the Company operates) and items included in the standalone financial statements of the Company are measured using that functional currency.

(ii) Transactions and balances

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

2.5 Revenue

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

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products/ services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

2.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss in proportion to export sale.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.7 Income Tax

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right

to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

2.8 Leases

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

As a lessee:

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

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

Company as a lessor:

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

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

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

2.8 A Impairment of non financial assets

Property, plant and equipment (PPE) and Intangible assets (IA) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately

identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.8 B Impairment of Investment

The carrying value of assets/ cash generating units at each Balance Sheet date are reviewed for impairment. If any such indication exists, the Company estimates their recoverable amount and impairment is recognised, if the carrying amount of these assets/ cash generating units exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit & Loss.

2.9 Inventories

Inventories are valued at the lower of cost (Value of cost is computed on a weighted average basis) and estimated net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Goods-in-transit are stated at actual cost incurred upto the date of balance sheet. Scrap is valued at net realisable value.

2.10 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

(a) Non derivative financial instruments consist of:

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

Investments

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

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

Investments in subsidiaries:

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

Other financial assets

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

(b) Derecognition of financial instruments

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

(c) Offsetting

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

2.11 Property, plant and equipment (PPE)

Property, plant and equipment excluding land are measured at cost/ deemed cost, less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Depreciation methods, estimated useful lives and residual value

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

- a) Plant & machinery depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on internal technical evaluations, taking in to the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc. Tangible assets residual value is kept at 5% of cost of the assets.

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

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

2.12 Investment Property

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes.

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Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

2.13 Intangible assets

(i) Recognition and measurement

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

(ii) Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the following method and useful life:

Class of asset	Method	Life of the asset
SAP related Software	Straight Line Method	3 years
Other Computer Software	Written Down Method	6 years
Patent	Straight Line Method	15 years

2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity

services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income.

2.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.16 Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the such obligation

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

2.17 Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

Leave encashment Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Defined Benefit Plans - Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

2.18 Asset classified as held for sale

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

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

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

2.19 Earnings per share

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

	Gross Block			Accumulated Depreciation			Net Block		
	Carrying amount as at 1 April 2025	Additions	Deletions / Disposals	Balance as at 31 March 2026	Balance as at 1 April 2025	Depreciation for the year	Accumulated depreciation on deletions/ disposals	As at 31 March 2026	As at 31 March 2025
Property, Plant and Equipment (PPE)	Land*	1.09	-	1.09	-	-	-	1.09	1.09
	Buildings	56.88	0.18	-	57.06	26.28	2.89	-	27.89
	Plant & Equipment	222.06	12.61	(16.14)	218.53	153.67	19.77	(14.95)	60.04
	Plant & Equipment (R & D)	1.17	-	-	1.17	0.98	-	-	0.19
	Furnitures & Fixtures*	4.25	-	-	4.25	2.84	0.33	-	1.08
	Vehicles	10.64	2.78	(0.99)	12.43	7.98	1.27	(0.88)	4.06
	Office Equipment	7.80	0.56	(0.59)	7.77	6.01	0.88	(0.56)	1.44
	Electrical Installation	10.09	0.44	(0.11)	10.42	7.86	0.61	(0.09)	2.04
	ETP/STP Plant	0.36	0.22	-	0.58	0.29	0.05	-	0.24
	Wind Mills	15.32	-	-	15.32	7.39	0.92	-	7.01
Solar Power Plant	26.92	0.02	-	26.94	22.43	0.84	-	3.67	
	356.58	16.81	(17.83)	355.56	235.73	27.56	(16.48)	108.75	120.85

* Amount of addition in Furniture & fixture is Rs. 42,195/-

	Gross Block				Accumulated Depreciation			Net Block		
	Carrying amount as at 1 April 2024	Additions	Deletions / Disposals	Balance as at 31 March 2025	Balance as at 1 April 2024	Depreciation for the year	Accumulated depreciation on deletions/ disposals	Balance as at 31 March 2025	As at 31 March 2025 As at 31 March 2024	
Property, Plant and Equipment (PPE)	Land*	1.09	-	1.09	-	-	-	-	1.09	1.09
	Buildings	55.42	1.46	-	56.88	22.96	3.32	-	26.28	30.60
	Plant & Equipment	217.50	25.77	(21.21)	222.06	152.25	20.94	(19.52)	153.67	68.39
	Plant & Equipment (R & D)	1.17	-	-	1.17	0.98	-	-	0.98	0.19
	Furnitures & Fixtures	4.02	0.23	-	4.25	2.42	0.42	-	2.84	1.41
	Vehicles	10.78	-	(0.14)	10.64	6.96	1.14	(0.12)	7.98	2.66
	Office Equipment	7.08	1.04	(0.32)	7.80	5.51	0.80	(0.30)	6.01	1.79
	Electrical Installation	9.56	0.53	-	10.09	7.13	0.73	-	7.86	2.23
	ETP/STP Plant	0.36	-	-	0.36	0.27	0.02	-	0.29	0.07
	Wind Mills	15.32	-	-	15.32	6.35	1.04	-	7.39	7.93
	Solar Power Plant	26.92	-	-	26.92	21.41	1.02	-	22.43	4.49
		349.22	29.03	(21.67)	356.58	226.24	29.43	(19.94)	235.73	120.85
									122.99	

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

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(All amounts in Rs. Crores unless otherwise stated)

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

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

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

2. Refer Note 2.11 for policy on depreciation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

3 [b] Right of Use Asset

	Category of Right of Use asset		
	Leasehold land	Office Premises	Total
Balance as at 01 April 2025	8.18	1.78	9.96
Additions	-	-	-
Amortisation	0.45	1.02	1.47
Balance as at 31 March 2026	7.73	0.76	8.49
Balance as at 01 April 2024	8.65	2.83	11.46
Additions	-	-	-
Amortisation	0.46	1.04	1.50
Balance as At 31 March 2025	8.18	1.78	9.96

	31-Mar-26	31-Mar-25
Interest expenses (included in finance cost)	0.21	0.30
Expenses relating to short term expenses	0.05	0.09

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

	As at 31 March 2026	As at 31 March 2025
Projects in progress	1.64	2.37
Projects temporarily suspended	-	-
	1.64	2.37

Capital Work-in-Progress ageing schedule as on 31 March 2026

Particulars	As on 31 March, 2026				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.99	0.65	-	-	1.64
Projects temporarily suspended	-	-	-	-	-

Capital Work-in-Progress aging schedule as on 31 March 2025

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

Note:

There was no overdue completion for any of the projects and there was no cost overrun for any project in FY 2025-26 and FY 2024-25. There were no material projects which have exceeded their original plan cost as at 31 March, 2026.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

4 a) INTANGIBLE ASSETS

	Computer software	Technical know how	Patent	Total
Gross Carrying Amount				
Carrying amount as at 01 April 2025	5.19	0.01	0.05	5.25
Additions	0.19	-	-	0.19
Disposals / adjustments	-	-	-	-
As at 31 March 2026	5.38	0.01	0.05	5.44
Accumulated amortization and impairment, if any				
Carrying amount as at 01 April 2025	4.49	-	0.03	4.52
Charge for the year	0.31	-	-	0.31
Disposals / adjustments	-	-	-	-
As at 31 March 2026	4.80	-	0.03	4.83
Net Block as at 31 March 2026	0.58	0.01	0.02	0.61

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

Amount of depreciation pertaining to patent as on 31 March 2026 is Rs. 27,250 (31 March 2025 Rs. 29,702)

Refer Note 2.13 for policy on depreciation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

4 b) INVESTMENT PROPERTY

	Amount
Gross Carrying Amount	
Carrying amount as at 01 April 2025	1.82
Additions	-
Disposals / adjustments	-
As at 31 March 2026	1.82
Accumulated amortization and impairment, if any	
Carrying amount as at 01 April 2025	1.11
Charge for the year	0.03
Disposals / adjustments	-
As at 31 March 2026	1.14
Net Block as at 31 March 2026	0.68

	Amount
Gross Carrying Amount	
Carrying amount as at 01 April 2024	1.82
Additions	-
Disposals / adjustments	-
As at 31 March 2025	1.82
Accumulated amortization and impairment, if any	
Carrying amount as at 01 April 2024	1.08
Charge for the year	0.03
Disposals / adjustments	-
As at 31 March 2025	1.11
Net Block as at 31 March 2025	0.71

Fair Market Value of investment property at ICC Tower, Pune as on 31 March 2026 Rs. 8.28 Crores (31 March 2025 Rs. 8.28 Crores).

Refer Note 2.12 for policy on investment properties.

The Company has earned rental income and incurred direct operating expense on the above properties. Details as below :

- Rental and incidental income earned of Rs. 0.82 Crores (31 March 2025 - Rs. 1.04 Crores). The tenant has vacated premises w.e.f. 01 January, 2026.
- Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income is NIL as all the expenses were born by tenant.
- Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income Rs. 0.03 Crores (31 March 2025 - NIL).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

5 FINANCIAL ASSETS

5 (a) INVESTMENTS

	Notes	31-Mar-26	31-Mar-25
Non-Current			
Investment in equity instruments			
Equity shares (quoted, fully paid-up, at FVTPL)	See note (i)	23.07	31.22
Equity shares of subsidiaries (unquoted, at cost)	See note (iv)	12.97	12.97
Investment in bonds			
Redeemable Non-Convertible Bonds (quoted, fully paid-up, at amortised cost)	See note (ii)	4.40	4.40
Investment in Mutual Fund			
Mutual Funds (quoted, at FVTPL)	See note (iii)	107.97	119.94
		148.41	168.53

	31-Mar-26	31-Mar-25
Aggregate amount of quoted investments and market value thereof	131.04	151.16
Aggregate amount of quoted investments (at amortised cost)	4.40	4.40
Aggregate amount of unquoted investments (at cost)	12.97	12.97

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

	31-Mar-26		31-Mar-25	
	Nos	Amount	Nos	Amount
ICICI Bank Limited (Face value of Rs. 2 each)	78,424	9.45	78,424	10.58
Tata Consultancy Services Limited (Face value of Re. 1 each)*	24,432	5.76	24,432	8.81
KPIT Technologies Limited (Face value of Rs. 10 each)	60,000	3.81	60,000	7.85
Birlasoft Limited (Face value of Rs. 2 each)	38,011	1.26	38,011	1.47
Borosil Renewables Limited (Face value of Re. 1 each)	8,000	0.30	8,000	0.38
National Securities Depository Limited (Face value of Rs. 2 each)	1,500	0.12	-	-
Mahindra & Mahindra Limited (Face value of Rs. 5 each)	8,000	2.37	8,000	2.13
		23.07		31.22

* Equity shares of TCS Ltd. (Nos.5,000) having a market value of Rs 1.18 Crores as at 31 March 2026 (31 March 2025 Rs.1.80 Crores) are pledged in favour of Prabhudas Lilladher Pvt. Ltd. (A stock broker) as Margin.

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

	31-Mar-26		31-Mar-25	
	Nos	Amount	Nos	Amount
National Highway Authority of India (NHAI)	24,724	2.44	24,724	2.44
Power Finance Corporation Limited (PFC)	19,935	1.96	19,935	1.96
		4.40		4.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

	31-Mar-26		31-Mar-25	
	Nos	Amount	Nos	Amount
HDFC Banking and PSU Debt Fund - Direct- Growth ¹	89,41,614	22.11	1,19,34,999	27.94
Kotak Banking and PSU debt fund - Direct - Growth ²	42,00,467	29.70	42,00,467	27.97
Kotak Nifty SDL July 2033 Index Fund - Direct - Growth ³	49,66,723	6.22	49,66,723	6.03
HDFC Credit Risk Debt Fund - Growth ³	49,63,912	13.51	49,63,912	12.59
Tata Nifty G-Sec Dec 2029 Index Fund - Direct Plan - Growth ³	49,17,388	6.26	49,17,388	5.89
Mirae Asset Nifty 8-13 Year G-SEC ETF	21,02,677	6.19	21,02,677	5.95
Bajaj Finserv Flexi Cap Fund - Direct- Growth	20,00,000	2.73	20,00,000	2.66
HDFC Manufacturing Fund - Direct - Growth	20,00,000	2.02	20,00,000	1.97
Kotak Multi Asset Allocation Fund Direct Plan Growth	18,60,686	2.81	-	-
Mirae Asset Nifty 200 Alpha 30 ETF	5,85,151	1.33	5,85,151	1.31
ICICI Prudential Multi asset Fund - Direct - Growth	76,366	6.39	54,120	4.28
Invesco India Corporate bond Fund - Direct - Growth	24,770	8.70	24,770	8.25
Invesco India Arbitrage Fund - Direct - Growth	-	-	38,63,519	13.10
360 One special opportunities fund	-	-	20,20,047	0.15
IRB Invit fund	-	-	100,000	0.50
Tata India Innovation Fund	-	-	14,97,181	1.35
		107.97		119.94

Note:

- During the FY 2024-25, total 1,19,34,999 units are pledged against overdraft facility which is utilised by the company. In current year there is no pledged against these units.
- Total 20,00,467 units (FY 2024-25 - 20,00,467 units) are pledged against overdraft facility utilised by the company and 22,00,000 units (FY 2024-25 - 22,00,000 units) are pledged against Term Loan facility used by DriveSys Systems Private Limited (Wholly Owned Subsidiary) to Kotak Mahindra Bank Ltd.
- Total 1,48,48,023 units (FY 2024-25 - 1,48,48,023 units) are pledged against Term loan facility used by DriveSys Systems Private Limited (Wholly owned Subsidiary) to Kotak Mahindra Bank Ltd.
- Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.

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

	31-Mar-26			31-Mar-26		
	Nos	Amount	%	Nos	Amount	%
Investment in Wholly Owned Subsidiaries						
DriveSys Systems Private Limited (Face value of Rs. 10 each, fully paid)	80,00,000	8.00	100.00	80,00,000	8.00	100.00
NexSteer Systems Private Limited (Face value of Rs. 10 each, fully paid)	80,000	0.08	100.00	80,000	0.08	100.00
		8.08			8.08	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	31-Mar-26			31-Mar-26		
	Nos	Amount	%	Nos	Amount	%
Investment in Subsidiary						
Metacast Auto Private Limited (Face value of Rs. 10 each, fully paid)*	40,80,000	4.89	51.00	40,80,000	4.89	51.00
		4.89			4.89	

*During the FY 2024-25, Company has subscribed to Right Issue made by the Metacast Auto Private Limited at Rs. 12 per share (Face value Rs.10 plus Share premium Rs.2).

5 (b) TRADE RECEIVABLES

	31-Mar-26	31-Mar-25
Trade receivables	96.18	111.73
Less: Allowance for doubtful debts		
Total receivables	96.18	111.73
Current portion	96.18	111.73
Non-current portion	-	-

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

Break-up of security details

	31-Mar-26	31-Mar-25
Trade receivables		
Unsecured, considered good	96.18	111.73
Sub-total	96.18	111.73
Less: Impairment allowance	-	-
Total	96.18	111.73

Note:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

Ageing of Trade Receivables as on 31 March 2026

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	86.20	9.76	0.04	0.17	0.01	-	96.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

Ageing of Trade Receivables as on 31 March 2025

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	98.88	12.31	0.53	0.01	-	-	111.73
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

5 (c) CASH AND CASH EQUIVALENTS

	31-Mar-26	31-Mar-25
Cash on hand	0.01	0.01
Balances with banks - Current accounts	2.06	0.73
Balances with banks - Overdraft accounts	1.98	-
	4.05	0.74

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

	31-Mar-26	31-Mar-25
Balances with banks in - on account of unpaid dividends	0.11	0.19
	0.11	0.19

5 (e) LOANS

	31-Mar-26	31-Mar-25
Non Current (Unsecured, considered good)		
Loan to subsidiaries ¹	186.31	90.23
Loan to Others ²	1.37	1.87
Loan to employees	0.11	0.11
	187.79	92.21
Current (Unsecured, considered good)		
Loan to employees	0.08	0.08
	0.08	0.08

1. The company has provided loan to subsidiaries for the purpose of Capital Expenditure and also to meet the working capital requirement of such business exclusively. In the light of recent major expansion initiatives undertaken by DriveSys Systems Private Limited and Metacast Auto Private Limited the repayment of loan is extended with moratorium upto April 2028 and repayment will commence thereafter, from April 2028, and continue until March 2035.
2. The company has provided loan to Supreme Autocast a vendor for the purpose of Capital Expenditure.

Name of the Loanee	Rate of interest	Secured/ Unsecured	Maximum Amount Outstanding During the year		Outstanding as at	
			31 March 2026	31 March 2025	31 March 2026	31 March 2025
Drivesys Systems Private Limited	Repo Rate + 3.20%	Unsecured	167.36	48.25	167.36	48.25
Nexsteer Systems Private Limited	Repo Rate + 2.20%	Unsecured	31.97	19.68	0.70	19.68
Metacast Auto Private Limited **	Repo Rate + 2.40% / 2.60%	Unsecured**	22.30	25.57	18.25	22.30

- (i) Repo rate will be as per rate specified by RBI. Repo rate will be reset quarterly.

First reset date - The External Benchmark rate of the loans / facility will be first reset on the 16th day of second calendar month, excluding the month of disbursement.

Subsequent reset date - The External Benchmark rate will subsequently be reset on the 16th day of 3rd month, which is immediately succeeding the previous reset date.

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

** The Company is in process to create charge over the 49% shares of Metacast Auto Pvt Ltd, which are held by Suprem Iron (India) Pvt. Ltd.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

5 (f) OTHERS FINANCIAL ASSETS

	31-Mar-26	31-Mar-25
Non-Current (Unsecured, considered good)		
Security Deposits	0.60	0.66
Gratuity (net) (Refer note 29)	0.32	1.41
	0.92	2.07
Current		
Incentives under Government schemes/ Grant	4.17	4.21
Interest on bonds / others	0.20	0.18
	4.37	4.39

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

6 OTHER ASSETS

	31-Mar-26	31-Mar-25
Non-Current		
Capital Advances	2.71	2.46
	2.71	2.46
Current		
Balances with Government authorities*	0.72	0.35
Prepaid expenses	2.15	1.99
Advances to suppliers	2.69	0.77
	5.56	3.11

* Balance with Government authorities includes tax paid under protest amounting to Rs. 0.38 Crores.

7 NON-CURRENT TAX ASSETS

	31-Mar-26	31-Mar-25
Non Current		
Opening balance	3.19	4.49
Add: Taxes paid during the year	9.93	7.45
Less: Tax expenses pertaining to current year	(20.91)	(13.94)
Add: MAT credit utilized during the year	10.26	5.19
Closing balance	2.47	3.19

8 DEFERRED TAX ASSETS (Net)

	31-Mar-26	31-Mar-25
Deferred tax (liabilities)/ assets		
Minimum Alternative Tax (MAT) credit	-	10.13
Property, plant and equipment	5.07	5.66
Provision for expenses to be claimed on payment basis	0.54	(0.08)
Financial asset at fair value through profit and loss (FVTPL)	(6.90)	(7.52)
Others	0.06	0.62
Deferred tax (liabilities) / assets net	(1.23)	8.81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	01-Apr-25	Recognised in			31-Mar-26
		Profit or loss	OCI	Equity	
Property, plant and equipment	5.66	(0.59)	-	-	5.07
Provision for expenses to be claimed on payment basis	(0.08)	0.66	(0.04)	-	0.54
Financial asset at fair value through profit and loss (FVTPL)	(7.52)	0.62	-	-	(6.90)
Others	0.62	(0.56)	-	-	0.06
	(1.32)	0.13	(0.04)	-	(1.23)

* Impact in Profit & Loss due to change in tax rate applicability amount to Rs.2.20 Crores, which is covered in above net amount of Rs.0.13 Crores.

	01-Apr-24	Recognised in			31-Mar-25
		Profit or loss	OCI	Equity	
Property, plant and equipment	5.07	0.59	-	-	5.66
Provision for expenses to be claimed on payment basis	0.13	(0.16)	(0.05)	-	(0.08)
Financial asset at fair value through profit and loss (FVTPL)	(4.46)	(3.06)	-	-	(7.52)
Business Loss	0.40	(0.40)	-	-	0.00
Others	0.20	0.42	-	-	0.62
	1.34	(2.61)	(0.05)	-	(1.32)

9 INVENTORIES

	31-Mar-26	31-Mar-25
(at lower of cost or net realisable value)		
Raw materials	7.71	10.10
Work - in - Progress	36.23	28.30
Finished Goods	14.64	23.76
Total	58.58	62.16
Included in inventories goods in transit/ at godown as follows:		
Raw materials	-	-
Finished goods	6.40	12.43
Total	6.40	12.43

* Refer note 2.9 for policy on Valuation of Inventories.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

10 SHARE CAPITAL

[a] Authorised share capital

	31-Mar-26	31-Mar-25
2,00,00,000 Equity shares of Rs.10/- each	20.00	20.00
(31 March 2025: 2,00,00,000 Equity shares of Rs.10/- each)		
	20.00	20.00

[b] Issued, subscribed and fully paidup share capital

	31-Mar-26	31-Mar-25
90,73,300 Equity shares of Rs.10/- each	9.07	9.07
(31 March 2025: 90,73,300 Equity shares of Rs.10/- each)		
	9.07	9.07

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

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

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

In the event of liquidation of the Company, the holders of each equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

[c] Details of shareholders holding more than 5% of the aggregate shares in the Company:

(i) Equity shares of (face value: Rs.10 each)

	31-Mar-26		31-Mar-25	
	No. of shares	% of total equity shares	No. of shares	% of total equity shares
Mr. Utkarsh Munot	25,91,494	28.56	25,91,494	28.56
Mr. Dinesh Munot	18,89,445	20.82	18,89,445	20.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

[d] Disclosure of Shareholding of Promoters

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

Shares held by Promoters					% Change during the year
Promoter Name	As on 31st March, 2026		As on 31st March, 2025		
	No. of shares	% of total shares	No. of shares	% of total shares	
Mr. Utkarsh Munot	25,91,494	28.56	25,91,494	28.56	-
Mr. Dinesh Munot	18,89,445	20.82	18,89,445	20.82	-
Mrs. Nandini Munot	3,21,474	3.54	3,21,474	3.54	-
Munot Harishkumar Amolchand (HUF)	2,69,500	2.97	2,69,500	2.97	-
Mr. Jinendra Hirachand Munot	2,24,059	2.47	2,24,059	2.47	-
Mrs. Pramila Amolchand Munot	1,22,111	1.35	1,30,616	1.44	6.51
Mrs. Trupti Sushen Gupta	1,23,496	1.36	1,23,496	1.36	-
Mrs. Pragati Dinesh Bothra	1,17,102	1.29	1,17,102	1.29	-
Munot Jinendrakumar Hirachand (HUF)	30,400	0.34	30,400	0.34	-
Mrs. Eitika Utkarsh Munot	2,712	0.03	2,712	0.03	-
Ms. Prerna Bothra	1,886	0.02	1,886	0.02	-
Mr. Piyush Jinendra Munot*	-	-	1,16,235	1.28	100.00
Mr. Yash Munot*	-	-	1,13,427	1.25	100.00
Mrs. Amita Jinendra Munot*	-	-	1,47,215	1.62	100.00
Robert Bosch Automotive Steering GmbH**	-	-	-	-	-
	56,93,679	62.75	60,79,061	66.99	

* During the year, these shareholder have been reclassified from Promoter to Public Shareholder.

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

11 OTHER EQUITY

	31-Mar-26	31-Mar-25
General Reserve	235.00	235.00
Securities Premium	2.32	2.32
Capital Reserve	0.35	0.35
Retained Earnings	275.00	243.12
	512.67	480.79

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(i) General Reserve

	31-Mar-26	31-Mar-25
Balance at the beginning of the year	235.00	235.00
Movement during the year	-	-
Balance at the end of the year	235.00	235.00

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

(ii) Securities Premium

	31-Mar-26	31-Mar-25
Balance at the beginning of the year	2.32	2.32
Movement during the year	-	-
Balance at the end of the year	2.32	2.32

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

(iii) Capital Reserve

	31-Mar-26	31-Mar-25
Balance at the beginning of the year	0.35	0.35
Movement during the year	-	-
Balance at the end of the year	0.35	0.35

Capital reserve is created from special capital incentive received from SICOM and MEDA and this amount not required to be repaid. These reserves will be utilised in accordance with the provision of Companies Act 2013.

(iv) Retained Earnings

	31-Mar-26	31-Mar-25
Balance at the beginning of the year	243.12	216.40
Net profit for the year	31.78	33.89
Dividend Paid	-	(7.26)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation net of tax	0.10	0.09
Balance at the end of the year	275.00	243.12

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/ (gain) on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

12 FINANCIAL LIABILITIES

12 [a] CURRENT BORROWINGS

	Security	31-Mar-26	31-Mar-25
Secured From banks			
Overdraft Facilities	These facilities are secured against pledge of certain financial asset of the Company (refer note 5a).	4.93	3.85
Bill discounting with banks	Secured against trade receivables of Tata Motors	11.52	33.89
Unsecured From banks			
Credit card facility		2.55	-
From other			
Supplier financing arrangement (RXIL)*		24.05	-
		43.05	37.74

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

2. The Company has registered all the required charges with Registrar of Companies within the statutory period.

12 [b] TRADE PAYABLES

	31-Mar-26	31-Mar-25
Current		
Total outstanding dues of Micro and Small Enterprises (Refer note -30)	10.92	4.51
Total outstanding dues of creditors other than Micro and Small Enterprises	34.58	38.12
	45.50	42.63

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

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

Ageing of Trade Payables as on 31 March, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payable	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small Enterprises	-	4.00	6.88	0.04	-	-	10.92
(ii) Others	5.30	12.48	16.39	0.36	0.05	-	34.58
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	5.30	16.48	23.27	0.40	0.05	-	45.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

Ageing of Trade Payables as on 31 March, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Payable	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small Enterprises	-	4.47	0.04	-	-	-	4.51
(ii) Others	6.37	18.94	12.76	0.05	-	-	38.12
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	6.37	23.41	12.80	0.05	-	-	42.63

*Disclosure related to supplier financing agreement

The Company has entered into supplier finance arrangements with RXIL. Under these arrangements, the financial institution pays eligible suppliers on behalf of the Company, and the Company repays the financial institution on respective due date, thereby obtaining extended credit terms.

Terms and Conditions: The arrangements carry applicable interest rate on the outstanding balance. Payment to suppliers by the financial institution is made as per the credit terms. The Company repays the financial institution on the due date of invoice date. No collateral or security has been provided by the Company under these arrangements.

	31-Mar-26
Carrying amount of financial liabilities that are part of supplier finance agreement	
Presented in trade and other payable	24.05
Of which suppliers have received payment from the finance provider	24.05
Range of payment due dates	
Liabilities that are part of the arrangements	39 to 42 Days
Comparable trade payables that are not part of the arrangements	0 to 45 Days

Liquidity Risk (Ind AS 107, para B11F): The Company considers its supplier finance arrangements while assessing and managing its liquidity risk. These arrangements provide the Company with extended payment terms of up to 180 days and represent a concentration of liquidity risk to the extent that a termination of such arrangements could result in accelerated cash outflows.

12 [c] LEASE LIABILITY

	31-Mar-26	31-Mar-25
Non-current		
Lease liability	0.89	1.91
	0.89	1.91
Current		
Lease liability	1.02	1.21
	1.02	1.21

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

The following is the movement in lease liability during the year ended 31 March, 2026:-

	Amount
Balance as of 01 April 2025	3.12
Addition	-
Finance cost accrued during the period	0.21
Payment of Lease Liability	(1.42)
Balance as on 31 March 2026	1.91
Balance as of 01 April 2024	4.24
Addition	-
Finance cost accrued during the period	0.30
Payment of Lease Liability	(1.42)
Balance as on 31 March 2025	3.12

The table below provides details regarding the contractual maturities of lease liabilities as of March 2026 on an undiscounted basis:

	31-Mar-26	31-Mar-25
Less than 1 year	1.12	1.42
One to five year	0.44	1.48
More than 5 year	1.17	1.26
Total	2.73	4.16

12[d] OTHERS

	31-Mar-26	31-Mar-25
Current		
Payable for capital goods	6.61	6.73
Unpaid dividends	0.11	0.19
	6.72	6.92

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

13 PROVISIONS

	31-Mar-26	31-Mar-25
Non-current		
Provision for leave encashment	1.24	1.02
	1.24	1.02
Current		
Provision for leave encashment	0.72	1.11
Warranty provision [See note (i) below]	2.29	2.09
	3.01	3.20

Note (i) - Warranty provision

The Company generally offers a warranty for a period of 3 years or 3,00,000 km whichever is earlier for its products. Warranty costs are determined as a percentage of sales based on the past trends of the costs required to be incurred for repairs, replacements, material costs and servicing cost. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past information may differ from future claims. As the time value of money is not considered to be material, warranty provisions are not discounted.

Movement in warranty provision

	For the year ended	
	31-Mar-26	31-Mar-25
Carrying amount in the beginning of the year	2.09	1.61
Additional provision made	0.85	1.57
Amount used	(0.65)	(1.09)
Carrying amount at the end of the year	2.29	2.09

14 OTHER LIABILITIES

	31-Mar-26	31-Mar-25
Non Current		
Deferred Income	-	0.01
Security Deposit	0.47	0.47
	0.47	0.48
Current		
Advance from customers	1.48	1.61
Deferred revenue	0.68	0.76
Statutory liabilities	1.69	4.26
Others	2.68	2.69
	6.53	9.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

15 REVENUE FROM OPERATIONS

	For the year ended	
	31-Mar-26	31-Mar-25
Revenue from sale of products		
-Sale of Products	548.84	484.63
	548.84	484.63
Revenue from rendering services		
- Domestic services	1.59	1.55
	1.59	1.55
Other operating income		
- Solar power income	4.35	4.50
- Windmill income	0.66	0.54
- Sale of scrap	1.30	1.64
	6.31	6.68
	556.74	492.86

Reconciliation of the amount of revenue recognised in the statement of Profit and Loss

	For the year ended	
	31-Mar-26	31-Mar-25
Gross Revenue from operations	583.11	517.35
Adjustments		
Discounts	(19.82)	(20.33)
Price changes	(0.98)	(0.68)
Others	(5.57)	(3.48)
Revenue with customers	556.74	492.86

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

Contracts with customer

	For the year ended	
	31-Mar-26	31-Mar-25
Revenue recognised from contracts with customers	556.74	492.86
Disaggregation of revenue		
Based on type of goods		
- Sale of Auto component	551.73	487.82
- Sale of Renewable energy	5.01	5.04
Geographical disclosure		
- India	555.14	483.23
- Out of India	1.60	9.63

The above table shows disaggregated revenues from contract with customers by segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

16 OTHER INCOME

	For the year ended	
	31-Mar-26	31-Mar-25
Dividend income	0.46	0.49
Interest income from financial assets measured at amortized cost	11.18	7.07
Realised gains on Financial assets Investment measured at FVTPL ¹	2.92	8.12
Unrealised gain/ (loss) on Financial assets Investment measured at FVTPL	-	4.76
Profit on sale/ discard of assets	0.13	0.07
Foreign exchange gain ³	-	0.08
Government grants ²	4.17	4.64
Export incentive	0.01	0.20
Other non-operating income	1.45	1.74
Rental Income from Investment Property	0.82	1.04
	21.14	28.21

1. The realised gain of FY 2024-25 includes Rs.3.28 Crores received from Reliance Capital Limited of NCD under insolvency resolution plan as per NCLT guideline.
2. Government Grants include subsidy due / received from Madhya Pradesh State Government Rs. 4.17 Crores (For 31 March 2025 Rs.4.16 Crores).
3. Amount of foreign exchange gain is Rs. 10,645/-.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

17 COST OF RAW MATERIAL CONSUMED

	For the year ended	
	31-Mar-26	31-Mar-25
Raw material consumed	361.88	312.11
Packing material consumed	2.75	2.22
Fabrication and processing charges	3.56	3.62
	368.19	317.95

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

	For the year ended	
	31-Mar-26	31-Mar-25
Opening stock		
Work in progress	28.30	30.32
Finish goods (Includes Goods-in-transit/ at godown)	23.76	23.34
	52.06	53.66
Less: Closing stock		
Work in progress	36.23	28.30
Finish goods (Includes Goods-in-transit/ at godown)	14.64	23.76
	50.87	52.06
	1.19	1.60

19 EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	31-Mar-26	31-Mar-25
Salaries, wages, bonus etc.	36.93	34.54
Contribution to provident and other funds (Refer Note No 29)	1.72	1.63
Staff welfare expenses	5.04	4.91
Contract Labour Expenses	27.19	25.06
	70.88	66.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

20 OTHER EXPENSES

	For the year ended	
	31-Mar-26	31-Mar-25
Power and fuel	15.27	14.28
[Net of credit of windmill and solar income for year ended 31 March 2026 Rs. 8.15 Crore, (31 March 2025: Rs. 7.93 Crore)]		
Repairs and maintenance		
-Buildings	0.85	2.97
-Machinery	4.31	5.38
-Others	1.97	1.41
Rent	0.05	0.09
Insurance	0.95	0.71
Rates and taxes	0.24	0.56
Selling and distribution expenses	9.29	9.07
Solar energy generation expenses	0.79	0.77
Windmill energy generation expenses	1.45	1.21
Unrealised loss/ (gain) on Financial assets Investment measured at FVTPL	4.85	-
Corporate social responsibility expenditure (refer note 20(B) below)	0.82	0.56
Audit fees (refer note 20(A) below)	0.15	0.15
Legal & Professional expenses	3.64	4.33
Travelling & Conveyance expenses	2.04	4.47
Other miscellaneous expenses	4.99	4.70
	51.66	50.66

A. AUDITORS' REMUNERATION

	31-Mar-26	31-Mar-25
Audit fees	0.11	0.10
Limited review	0.02	0.02
Tax audit fees	0.02	0.02
For Certification and other related work	-	0.01
	0.15	0.15

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

B. Expenditure incurred on corporate social responsibility activities

The Expenditure incurred for complying with provisions for the CSR expenditure required under section 135 of Companies Act, 2013 has been done through contribution for skill development of apprentices.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	31-Mar-26	31-Mar-25
Gross amount required to be spent by the Company during the year	0.82	0.56
Amount spent during the year on :		
Construction/Acquisition of any asset	-	-
On purpose other than above	0.82	0.56

21 FINANCE COSTS

	For the year ended	
	31-Mar-26	31-Mar-25
Interest expenses	3.28	2.80
Other borrowing cost	0.08	0.06
	3.36	2.86

22 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended	
	31-Mar-26	31-Mar-25
Depreciation on property, plant and equipment*	27.56	29.41
Depreciation on investment property	0.03	0.03
Amortisation of intangible assets	0.31	0.50
Amortisation of right of use assets	1.47	1.48
	29.37	31.42

* During the year, based on the opinion of internal technical experts, the Company revised the estimated useful life of 32 machines from 15 years to 10 years. This change has been applied prospectively and has resulted in an additional depreciation charge of Rs. 1.13 Crores for the current year.

23 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended	
	31-Mar-26	31-Mar-25
Statement of profit and loss		
Current tax		
Current tax on profits for the year	20.91	13.94
Total current tax expense	20.91	13.94
Deferred tax		
Deferred tax expense/ (income)	(0.13)	2.61
Total deferred tax expense/ (benefit)	(0.13)	2.61
Income tax expense	20.78	16.55
Other comprehensive income		
Deferred tax related to OCI items		
- On loss/ (gain) on remeasurements of defined benefit plans	(0.04)	(0.05)
	(0.04)	(0.05)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

	For the year ended	
	31-Mar-26	31-Mar-25
Profit before tax	52.56	50.44
Tax at the Indian tax rate of 34.944% (2024-25: 34.944%)	18.37	17.63
Deductible/non-deductible/income/expenses items	(0.13)	2.61
Minimum Alternative Tax (MAT) credit entitlement	-	-
Others	2.54	(3.69)
Income tax expense	20.78	16.55

24 EARNINGS PER SHARE

	For the year ended	
	31-Mar-26	31-Mar-25
Basic and diluted earnings per share (face value of Rs. 10 each)		
- Profit attributable to the equity share holders of the Company (Rs. In Crores)	31.78	33.89
- Weighted average number of shares (in Nos.)	90,73,300	90,73,300
Basic and diluted earnings per share (in Rs.)	35.03	37.35

25 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, viz liquidity risk, market risk and credit risk. The Management of the Company has the overall responsibility for establishing and governing the Company's risk policy framework. The risk management policies are formulated after the identification and analysis of the risks and suitable risk limits and controls are set which are monitored & reviewed periodically. The changes in the market conditions and allied areas are accordingly reflected in the changes of the policy. The key risks and mitigating actions are placed before the Audit Committee of the Company who then evaluates and takes the necessary corrective action. The sources of risk, which the Company is exposed to and how the Company manages these risks with their impact on the Financial Statements is given below:

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables, Cash and cash equivalents	Aging analysis, Credit ratings	Credit limits
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow budgeted Vs actuals	Availability of committed credit lines and borrowing facilities
Market risk - Foreign Currency	Foreign currency receivables and payables; Forecasted foreign currency transactions	Cash flow forecasting and Sensitivity analysis	Insignificant foreign currency exposure
Market risk - Interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	The Company has an insignificant finance cost. Moreover the Company keeps looking for low interest rate opinion from time to time.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

[A] Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Company holds all the balances with approved bankers only.

Trade receivables

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer are reputed and having good credit credentials as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a fortnightly basis.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31-Mar-26	31-Mar-25
Not past due	86.20	98.88
Past due but not impaired		
- Past due 0 to 180 days	9.76	12.31
- Past due more than 180 days	0.22	0.54
	96.18	111.73

[B] Liquidity risk

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

Maturities of financial liabilities

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

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-26					
Non-derivatives					
Borrowings	43.05	43.05	-	-	43.05
Lease Liability	2.73	1.12	0.44	1.17	2.73
Trade payables	45.50	45.50	-	-	45.50
Capital creditors	6.61	6.61	-	-	6.61
Other financial liabilities	0.11	0.11	-	-	0.11
Total	98.00	96.39	0.44	1.17	98.00

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

[C] Market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk; and
- Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments.

(i) Foreign currency risk

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material. The risk exposure is with respect to various currencies viz. USD, EURO and YEN. The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	USD	EUR	YEN	Total
31-Mar-26				
Financial assets				
Trade receivables*	-	-	-	-
Net exposure to foreign currency risk (assets)	-	-	-	-
Financial liabilities				
Trade payables	0.06	0.87	0.95	1.88
Net exposure to foreign currency risk (liabilities)	0.06	0.87	0.95	1.88

* The amount of exposure is Rs. 13,803/-

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(b) Foreign currency sensitivity analysis

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and YEN exchange rates, with all other variables held constant:

	Impact on profit after tax	
	31-Mar-26	31-Mar-25
USD		
- Increase by 10%	-	0.06
- Decrease by 10%	-	(0.06)
EUR		
- Increase by 10%	(0.07)	(0.02)
- Decrease by 10%	0.07	0.02
YEN		
- Increase by 10%	(0.07)	(0.04)
- Decrease by 10%	0.07	0.04

ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Interest rate risk exposure

the exposure of the Company to change in interest rate at end of the reporting periods are as follows:

	31-Mar-26		31-Mar-25	
	Amount	% of total borrowings	Amount	% of total borrowings
Variable rate borrowings - Overdraft facility average borrowing rate 7.50% (P.Y. 8.70%)	4.93	11%	3.85	10%
Variable rate borrowings - Bill discounting average borrowing rate 6.50% (P.Y. 7.75%)	11.52	27%	33.89	90%
Other borrowings at variable rate	26.60	62%	-	-
Total Borrowing	43.05		37.74	

Sensitivity

Profit and loss is sensitive to higher/ lower interest expenses from borrowing as a result of change in interest rate.

	Impact on profit after tax	
	31-Mar-26	31-Mar-25
Interest rate increase by 100 basis points	(0.18)	(0.24)
Interest rate decrease by 100 basis points	0.18	0.24

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

26 FAIR VALUE MEASUREMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(A) Financial instruments by category

	31-Mar-26							31-Mar-25						
	Carrying amount				Fair value			Carrying amount				Fair value		
	FVTPL	Amor- tised Cost	Cost	FVTOCI	Level 1	Level 2	Level 3	FVTPL	Amor- tised Cost	Cost	FVTOCI	Level 1	Level 2	Level 3
[i] Financial assets														
Non Current														
Investment														
Investment in equity quoted	23.07	-	-	-	23.07	-	-	31.22	-	-	-	31.22	-	-
Investment in mutual fund	107.97	-	-	-	107.97	-	-	119.94	-	-	-	119.94	-	-
Investment in bond	-	4.40	-	-	-	-	-	-	4.40	-	-	-	-	-
Investment in subsidiaries	-	-	12.97	-	-	-	-	-	-	12.97	-	-	-	-
Loans														
Security deposit	-	0.92	-	-	-	-	-	-	2.07	-	-	-	-	-
Loan to subsidiaries	-	186.31	-	-	-	-	-	-	90.23	-	-	-	-	-
Other financial assets	-	1.48	-	-	-	-	-	-	1.98	-	-	-	-	-
Current														
Trade receivables	-	96.18	-	-	-	-	-	-	111.73	-	-	-	-	-
Cash and cash equivalents	-	4.05	-	-	-	-	-	-	0.74	-	-	-	-	-
Other bank balances	-	0.11	-	-	-	-	-	-	0.19	-	-	-	-	-
Other financial assets	-	4.45	-	-	-	-	-	-	4.47	-	-	-	-	-
	131.04	297.90	12.97	-	131.04	-	-	151.16	215.81	12.97	-	151.16	-	-
[ii] Financial liabilities														
Non Current														
Lease Liability	-	0.89	-	-	-	-	-	-	1.91	-	-	-	-	-
Current														
Short term borrowings	-	43.05	-	-	-	-	-	-	37.74	-	-	-	-	-
Trade payables	-	45.50	-	-	-	-	-	-	42.63	-	-	-	-	-
Lease Liability	-	1.02	-	-	-	-	-	-	1.21	-	-	-	-	-
Capital creditor	-	6.61	-	-	-	-	-	-	6.73	-	-	-	-	-
Other financial liabilities	-	0.11	-	-	-	-	-	-	0.19	-	-	-	-	-
	-	97.18	-	-	-	-	-	-	90.41	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(B) FAIR VALUE HIERARCHY

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company has made certain judgements and estimates in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 hierarchy.

(C) VALUATION TECHNIQUES

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices for mutual funds
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which required level 3 valuation.

27 CAPITAL MANAGEMENT

(a) Risk management

The Company's objective when managing capital are to:

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

Maintain an optimal capital structure to reduce the cost of equity

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

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

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

The Capital Gearing Ratio for 31 March, 2026 and 31 March, 2025 are as follows:

	31-Mar-26	31-Mar-25
Net Debt	41.73	41.16
Total Equity	521.74	489.86
Net Debt to equity ratio	0.08	0.08

(b) Dividends

	31-Mar-26	31-Mar-25
(i) Equity shares		
Final dividend for the year ended 31 March 2025 of Rs. NIL per fully paid equity share (31 March 2024 of Rs.8 per fully paid equity share)	-	7.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

28 SEGMENT INFORMATION

[A] Description of segment and principal activities

The Company's Operating Segments are established on the basis of those components of the Company that are evaluated regularly by the CODM (the 'Chief Operating Decision Maker' as defined in Ind AS 108- 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and internal business reporting systems.

The Company has two reportable segments :

A)Auto component :- This is related to auto component manufacturing.

B)Renewable energy:-This is related to electricity generation through solar and windmill.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with one additional policies for segment reporting. That Segment Assets and segment liability represent assets and liabilities in respective segments. Tax related assets/ liabilities and other assets/ liability that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocable".

[B] Information about reportable segments

	31-Mar-26				31-Mar-25			
	Auto component	Renewable energy	Unallocable	Total	Auto component	Renewable energy	Unallocable	Total
Segment revenue:								
External revenue*	557.49	13.16	15.38	586.03	494.55	12.97	21.48	529.00
Less: inter segment revenue	-	(8.15)	-	(8.15)	-	(7.93)	-	(7.93)
Total segment revenue	557.49	5.01	15.38	577.88	494.55	5.04	21.48	521.07
Segment profit before tax	33.25	8.81	10.50	52.56	20.43	8.55	21.46	50.44
Segment results	33.25	8.81	(10.28)	31.78	20.43	8.55	4.91	33.89
Segment results includes :								
Interest expenses	3.36	-	-	3.36	2.86	-	-	2.86
Interest income	-	-	11.18	11.18	-	-	7.07	7.07
Depreciation	27.28	2.09	-	29.37	29.00	2.42	-	31.42
Tax expenses	-	-	20.78	20.78	-	-	16.55	16.55
Segment assets	385.96	70.24	175.20	631.40	346.95	61.86	185.48	594.29
Segment assets includes:								
Capital expenditure (net)	15.63	0.02	-	15.65	29.49	-	-	29.49
Addition to other non-current asset	0.25	-	-	0.25	-	-	-	-
Segment liabilities	109.50	0.16	-	109.66	104.26	0.17	-	104.43

* External Revenue - Auto Components - Rs. 557.49 Crores includes Revenue from sale of products - Rs. 548.84 Crores; Revenue from rendering services - Rs. 1.59 Crores; Revenue from Sale Of Scrap - Rs. 1.30 Crores; Government Grants - Rs. 4.17 Crores; Other Non-Operating Income - Rs. 1.45 Crores, Profit on sale of asset Rs. 0.13 Crores and Export incentives Rs. 0.01 Crores.

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the related asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

[C] Information about geographical areas

Revenue from external customers

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table.

	31-Mar-26	31-Mar-25
India	555.14	483.23
Overseas	1.60	9.63
	556.74	492.86

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

	31-Mar-26	31-Mar-25
India	125.35	142.43
	125.35	142.43

[D] Major customers

Revenue of approximately Rs. 371.80 Crore (31 March 2025 Rs. 317.14 Crore) are derived from three major external customers of the Company. This revenue is attributed to auto component manufacturing segment.

29 EMPLOYEE BENEFIT OBLIGATIONS

29(a) Defined Contribution plans

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Amount recognised as expenses in the profit and loss statement in respect of defined contribution plan is Rs. 0.98 Crore (Previous year - Rs. 0.99 Crore).

29(b) Defined Benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company, is deducted from the gross obligation, and Assumptions used in valuation are discount rate, escalation, mortality rate, etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(i) Movement of defined benefit obligation and plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
As at 01 April 2025	10.63	12.04	(1.41)
Current service cost	0.73	-	0.73
Past service cost*	0.67	-	0.67
Interest expenses/ income	0.70	0.79	(0.09)
Total amount recognised in profit and loss	2.10	0.79	1.31
Remeasurements			
Gain/ loss from change in demographic assumption	0.88	-	0.88
Gain/ loss from change in financial assumption	(0.56)	(0.07)	(0.49)
Experience Gain/ loss	(0.40)	0.14	(0.54)
Total amount recognised in other comprehensive income	(0.08)	0.07	(0.15)
Employer contributions	-	0.10	(0.10)
Benefit payments	(0.15)	(0.15)	-
Mortality charges and taxes	-	(0.02)	0.02
As at 31 March 2026	12.50	12.83	(0.33)

* The Government of India has notified on 21 November, 2025 four labour codes, consolidating 29 existing labour laws. Based on relevant publications including the Institute of Chartered Accountants of India (ICAI)'s guidance note considering non-recurring nature, the Company has presented incremental gratuity expenses of Rs. 0.67 Crores under "Exceptional items", even though it has no material impact on financials of the Company. The Company continue to monitor the finalisation of Central / State Rules and clarifications from the Government on the Labour Codes and would provide appropriate accounting effect on the basis of such developments as needed.

	Present value of obligation	Fair value of plan assets	Net Amount
As at 01 April 2024	10.02	11.27	(1.25)
Current service cost	0.63	-	0.63
Interest expenses/ income	0.70	0.81	(0.10)
Total amount recognised in profit and loss	1.33	0.81	0.52
Remeasurements			
Gain/ loss from change in demographic assumption	-	-	-
Gain/ loss from change in financial assumption	0.20	(0.01)	0.21
Experience gain/ loss	(0.36)	(0.01)	(0.35)
Total amount recognised in other comprehensive income	(0.16)	(0.02)	(0.14)
Employer contributions	-	0.56	(0.56)
Benefit payments	(0.56)	(0.56)	-
Mortality charges and taxes	-	(0.02)	0.02
As at 31 March 2025	10.63	12.04	(1.41)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(ii) Net assets/ liabilities

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

	31-Mar-26	31-Mar-25
Present value of funded obligations	12.50	10.63
Fair value of plan assets	12.83	12.04
Net Surplus/(Deficit) for funded schemes	0.33	1.41

(iii) Analysis of plan assets is as follows:

	31-Mar-26	31-Mar-25
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
Total	100%	100%

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-26	31-Mar-25
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.40%	6.60%
Rate of increase in compensation levels		
For First year	10.00%	10.00%
Thereafter	10.00%	10.00%
Expected rate of return on plan assets	6.60%	7.20%
"Expected average remaining working lives of employees (in years)"	12.56	6.09
Withdrawal Rate	5.00%	15.00%

Notes:

- Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is

	Impact on present benefit obligation	
	31-Mar-26	31-Mar-25
Discount rate - Increase by 1%	(0.62)	(0.32)
Discount rate - Decrease by 1%	0.71	0.36
Salary increment rate - Increase by 1%	0.61	0.28
Salary increment rate - Decrease by 1%	(0.55)	(0.26)
Withdrawal rate - Increase by 1%	(0.09)	(0.05)
Withdrawal rate - Decrease by 1%	0.10	0.05

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(v) Expected future benefits payments

The Company monitors the funding levels on annual basis and accordingly decides upon the contribution to the fund. Expected contributions to post-employment benefit plans for the year ending 31 March 2026 are Rs. 0.82 Crores . The expected maturity analysis of undiscounted post employment benefit is as follows:

	Less than 1 year	1 to 2 years	2-5 Years	More than 5 years
As at 31-Mar-2026				
Defined benefit obligation - Gratuity	5.22	0.86	2.16	4.59
As at 31-Mar-2025				
Defined benefit obligation - Gratuity	5.30	0.94	2.88	4.34

30 MICRO, SMALL AND MEDIUM ENTERPRISES

i)

	31-Mar-26	31-Mar-25
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period - - Principal amount outstanding - Interest thereon	10.92	4.51
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period - - Interest paid in terms of Section 16 - Interest payable on delayed principal payments	- -	- -
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 - - Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms and not as payable under the Act - Normal Interest payable during the year, for the period of delay in making payment, as per the agreed terms and not as payable under the Act.	- -	- -
The amount of interest accrued and remaining unpaid at the end of each accounting period - - Total interest accrued during the period - Total Interest remaining unpaid out of the above as at the balance sheet date	- -	- -
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. - Outstanding interest at the end of previous year - Outstanding interest at the end of current year	- -	- -

ii) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

31 a) CONTINGENT LIABILITIES

		31-Mar-25	31-Mar-24
A	Taxation Matters		
A-1	Income tax		
	Dispute in respect of penalty matters pending before CIT (Appeal), Delhi	3.26	3.26
	Dispute in respect of Assessment dues (A.Y.2015-16) before CIT (Appeal), Delhi	1.80	1.80
	Dispute in respect of Assessment dues (A.Y.2016-17) before CIT (Appeal), Delhi	4.40	4.40
	Dispute in respect of Assessment dues (A.Y.2017-18) before CIT (Appeal), Delhi	0.92	0.92
	Dispute in respect of Assessment dues (A.Y.2018-19) before CIT (Appeal), Delhi	0.80	0.80
	Dispute in respect of Assessment dues (A.Y.2019-20) before CIT (Appeal), Delhi	2.88	2.88
	Demand for A.Y. 2003-04 adjusted by Assessing Officer against refund order for A.Y. 2015-16. Appeal for the AY 2003-04 is already pending before CIT(Appeal), Delhi.	0.11	0.11
	TDS Matter pertaining to F.Y. 2012-13 pending with CIT(A) Delhi	0.03	0.03
A-2	Sales Tax/Excise		
	Dispute before Joint Commissioner of Sales Tax for F.Y. 2016-17	0.34	0.34
	Central Excise Liability under dispute before CESTAT Mumbai	0.11	0.11
A-3	Goods and Service tax		
	Dispute in respect of Assessment dues (F.Y. 2017-18 to F.Y. 2021-2022) before AC, CGST, Ujjain	-	0.06
	Dispute in respect of Assessment dues (F.Y. 2019-20) before Superintendent, CGST, Pithampur-I	0.01	0.01
	Dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Authority, Rudrapur	0.11	0.11
	Dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Vijayapura, Karnataka.	0.05	0.05
	Dispute in respect of Assessment dues (F.Y. 2022-23) before Adjudication Officer, Pithampur	0.02	-
B	Other		
	Bank Guarantees issued by the Company	2.50	2.56
	Comfort letter in lieu of Corporate Guarantee (issued on behalf of Drivesys to their banker towards credit facilities)	17.62	26.43
	Comfort letter in lieu of Corporate Guarantee (issued on behalf of Metacast to their banker towards credit facilities)	14.55	14.67
	Dispute in respect of Mathadi dues, pending before Pune Mathadi, Hamal and Other Manual Workers Board.	0.58	-

Note:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

- b) As reported earlier, certain employees, who were employed in supervisory category, remained absent from work during the Financial Year 2018-19 and also submitted the alleged charter of demand. The Company, after taking precautionary steps and in exercise of its rights as the employer, terminated services of 236 such employees and also denied their claim of salary / remuneration for the period of absence, before termination of their services. As per legal obligation, the company had filed 236 approval applications by way of abandoned cautions. Before the Industrial Tribunal, Pune out of which 231 approvals are granted by the Tribunal, and 5 cases are pending in court in approval application. Further, out of 236 dismissal cases, 139 employees have settled their all cases and remaining 97 cases are pending before Pune courts. The Company has been advised that, these individuals or any other person have no valid claims, in respect of any of their demands including but not limited to the demand related to salary / remuneration for unauthorized absenteeism during the course of their employment with the Company. This disclosure is being made as a matter of caution and without prejudice to the legal position of the Company before any Judicial Forum or Statutory Authority.
- c) The last Wage Settlement dated 01.03.2015, with the workmen of the Company, employed at the Vadu Budruk factory, expired on 31.08.2018. Thereafter, based on the Charter of Demands submitted by ZF Steering Gear Kamgar Sangathana, dated 18.03.2018, the conciliation proceedings were initiated before the Assistant Labour Commissioner (Labour Office, Pune), the Conciliation Officer. The said Officer submitted the Failure Report to the Government and the matter is referred to the Hon'ble Member, Industrial Tribunal, Pune, which Reference is pending consideration of the Hon'ble Member, Industrial Tribunal, Pune. Considering the pendency of the said Reference and though strictly not required, the Company, as a matter of caution, submitted the Approval Applications, in respect of dismissal of 74 workmen of the Company, working at the Vadu Budruk factory, to whom punishment for misconduct was awarded, after conducting enquiries.

The Approval for action of termination of the workmen was granted by the Hon'ble Member, Industrial Tribunal, Pune and the matter was referred for adjudication before the Labour Court, Pune, in respect of 74 cases. Out of 74 cases, in case of 44 workmen, the Hon'ble Labour Court, Pune passed the order dated 12.03.2024 on the preliminary issues that the enquiry conducted against these workmen is legal, fair and proper. On challenge the said order dated 12.03.2024 by these 44 workmen in writ petition, the Hon'ble Bombay High Court vide its order dated 05.12.2024 has rejected the said writ petition and upheld the findings of the Enquiry Officer as legal, fair and proper. Now these 44 workmen are in the process of filing evidences before the Hon'ble Labour Court, Pune. In case of 16 workmen, the Company has filed writ petition on 08.11.2025 before the Hon'ble Bombay High Court challenging the order dated 08.07.2025 passed by the Labour Court, Pune, wherein the Labour Court has held that the enquiry conducted against these 16 workmen is not proper, legal & fair. The said writ petition is pending before the Hon'ble High Court for consideration at interim stage.

In case of balance 14 workmen, the matter is pending consideration of the Hon'ble Labour Court, Pune. This disclosure is being made as a matter of caution and without prejudice to the legal position of the Company before any Judicial Forum or Statutory Authority.

32 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 10.31 Crore (31 March 2025 - Rs.18.82 Crore).
- b) Out of total 8 EPCG licenses, 3 licenses were discharged resulting total export obligation under the EPCG Scheme stood at Rs. 30.39 Crores (31 March 2025 is Rs. 33.64 Crores) and obligation payable reduced to Rs.5.06 Crore (31 March 2025 Rs.5.61 Crore).
- 33 There are no transactions and / or disputed balance outstanding with companies struck off under section 248 of the Companies Act, 2013.
- 34 The Company does not have any charges or satisfaction of charges pending for registration with the ROC beyond the statutory period, other than one charge where the satisfaction is currently under process with the ROC.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

35 RELATED PARTY DISCLOSURES

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

No.	Nature of relationship	Name of related party
1	Wholly Owned Subsidiaries	Drivesys Systems Private Limited
		Nexsteer Systems Private Limited
	Subsidiary	Metacast Auto Private Limited

B Names of related parties and related party relationship with whom transactions have taken place:

2	Key managerial personnel	Mr. Dinesh Munot - Chairman
		Mr. Utkarsh Munot - Managing Director
		Mr. Jinendra Jain - Chief Financial Officer
		Mr. Satish Mehta - Company Secretary
3	Non-executive directors	Mrs. Smita Lahoti (Independent)
		Mr. Rohit Rathi (Independent)
		Mr. Shrenik Gandhi (Independent) - Chairman of the Audit Committee
		Mr. Bharat Agarwal (Independent)
		Dr. Dinesh Bothra (Non-independent)
4	Entities over which key managerial personnel able to exercise significant influence	Varsha Forging Pvt. Ltd.
		Emtech Solutions Pvt Ltd.
		Deva Autotronics Pvt. Ltd.

C Key managerial personnel compensation

	31-Mar-26	31-Mar-25
a. Short term employee benefits (Salary paid during the year)	15.15	13.46
b. Post-employment benefits (cumulative)	4.88	3.19
	20.03	16.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

D Details of transactions

	For the year ended	
	31-Mar-26	31-Mar-25
Purchase of goods & Services		
Varsha Forging Pvt Ltd	13.42	17.90
Drivesys Systems Private Limited	74.57	23.82
Sale of goods & services		
Deva Autotronics Pvt. Ltd.	0.95	0.88
Sale of Assets		
Drivesys System Private Limited	1.27	1.85
Lease Rental Payment		
Emtech Solutions Pvt Ltd.	1.19	1.14
Sitting fees to Non Executive & Independent directors	0.19	0.17
Interest Income on Loan given		
Drivesys Systems Private Limited	6.84	3.37
Nexsteer Systems Private Limited	2.15	1.26
Metacast Auto Private Limited	1.57	1.78
Services rendered		
Drivesys Systems Private Limited	0.52	0.71
Nexsteer Systems Private Limited	0.01	0.06
Metacast Auto Private Limited	0.30	0.31
Loan or advances given		
Drivesys Systems Private Limited	137.41	42.08
Nexsteer Systems Private Limited	12.97	6.64
Metacast Auto Private Limited	4.23	14.60
Loan or advances received back		
Drivesys Systems Private Limited	18.30	13.00
Nexsteer Systems Private Limited	31.95	-
Metacast Auto Private Limited	8.29	7.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

E Outstanding balances

	31-Mar-26	31-Mar-25
Trade payables		
Domestic supplier of raw material & components		
Varsha Forging Pvt Ltd	1.83	4.32
Drivesys Systems Private Limited	1.75	7.69
Lease Rental Payment		
Emtech Solutions Pvt Ltd.	0.11	0.10
Key managerial personnel	1.73	1.74
Loan receivable		
Drivesys Systems Private Limited	167.36	48.25
Nexsteer Systems Private Limited	0.70	19.68
Metacast Auto Private Limited	18.25	22.30
Trade Receivables		
Drivesys Systems Private Limited	0.70	0.86
Nexsteer Systems Private Limited	0.01	0.08
Metacast Auto Private Limited	0.19	0.37
Deva Autotronics Pvt. Ltd.	0.43	0.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

36 Additional Regulatory Information

RATIO ANALYSIS

Ratio	Numerator	Denominator	Current year	Previous year	% Change	Remark
Current ratio (in times)	Total current assets	Total current liabilities	1.60	1.82	-12%	N.A.
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.09	0.08	8%	N.A.
Debt service coverage ratio (in times)	"Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments"	Debt service = Interest and lease payments + Principal repayments + Short Term Borrowings	13.05	17.28	-24%	N.A.
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	6.28	7.11	-12%	N.A.
Inventory turnover ratio (in times)	Sales	Average Inventory	9.12	7.57	21%	N.A.
Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	5.36	4.71	14%	N.A.
Trade payables turnover ratio (in times)	(Cost of raw material consumed + Other expenses)	Average Trade Payables	9.55	9.95	4%	N.A.
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	8.82	6.06	46%	An increase in net capital turnover ratio indicates that Company is more efficiently using its net working capital to generate sales.
Net profit ratio (in %)	Net profit ratio	Revenue from operations	5.7%	6.9%	-17%	N.A.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total Debt + Deferred tax liabilities - Deferred Tax Assets	9.85%	10.21%	-4%	N.A.
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	-0.58%	9.69%	-106%	Economic downturns of general market condition reflecting negatively on investment of Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

37 As reported earlier, the Company had received a communication dated 19 October 2022, from ZF Friedrichshafen AG ('ZF AG'), regarding alleged infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and amongst other alleged demands, ZF Friedrichshafen AG, has claimed a sum of Rs.100 crores in damages from the Company. The Company continues to be of the opinion that, it has not committed any act of infringement and/or passing off, in any manner whatsoever. The Company vide communication dated 12 April 2023, had sent a detailed reply to ZF Friedrichshafen AG. The allegations of ZF Friedrichshafen AG and/or ZF India Private Limited are neither accepted nor acceptable to the Company. The Company has also sent a letter to certain affiliates of ZF Friedrichshafen AG, to cease and desist the use of the name "ZF" and/or "ZF India", in relation to certain products, as per the terms of the No-Objection Letter dated 28 July 2006, issued by the Company to ZF Friedrichshafen AG. In addition to the same, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending consideration of the Hon'ble District Court, Pune.

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

38 The ministry of corporate Affairs (MCA) vide its notification No. GSR206 (E) dated 24th March 24, 2021 has issued Companies (Audit and Auditors) Amendment Rules, 2021' read with sub-section 3 of section 143 of Companies Act, 2013 introducing new Rule 11(g) which is effective from 1st April, 2023.

Rule 11(g) states that every company which uses the accounting software for maintaining its books of accounts shall use only the accounting software where there is a feature of recording audit trail for each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that, the audit trail cannot be disabled.

The ZF India uses SAP HANA as a primary accounting software for maintaining the books of account, which has features of recording audit trail facility and that has been operative and maintained/preserved throughout the financial year for the transactions recorded in the software impacting books of account at application level.

39 Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 1st April 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

In August 2025, MCA notified the following amendments to:

IndAS 1, Presentation of Financial Statements, applicable w.e.f. 1st April 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments – Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation and made appropriate disclosures in the financial statement.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

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

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

As per our report of even date

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

Kaustubh Deshpande
 Partner
 Membership No. : 131090

Place: Pune
Date: 12 May, 2026

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

Dinesh Munot
 Chairman
DIN : 00049801

Utkarsh Munot
 Managing Director
DIN : 00049903

Shrenik Gandhi
 Director
DIN :10929891

Satish Mehta
 Company Secretary

Jinendra Jain
 Chief Financial Officer

Place: Pune
Date: 12 May, 2026

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ZF STEERING GEAR (INDIA) LIMITED, PUNE
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **ZF Steering Gear (India) Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred as "the Group") as listed in Annexure A, which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2026, and its Consolidated profit, Consolidated total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence, we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters –

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Revenue recognition- Rebates, Discounts and Price Variations The Holding Company measures revenue net of any trade discounts, volume rebates and price variations. Material estimation by the Holding Company is involved in recognition and measurement of rebates and discounts. This includes establishing an accrual at the year end, particularly in arrangements with varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. We identified the evaluation of accrual for rebates, discounts and price variations as a key audit matter	Principal Audit Procedures - We tested the effectiveness of controls over design, implementation and operating effectiveness of, key manual and application controls. They cover control over computation of discounts and rebates and rebate and discount accruals; - Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to rebates, discounts and price variations, we evaluated the Company's revenue recognition policies with reference to the requirements of Indian Accounting Standard-115 (Revenue from contracts with customers); - Substantive testing performed by selecting samples of rebate and discount transactions recorded during the year and verifying the computation with the relevant source documents; - Understanding the process followed by the Company to determine the amount of accrual of rebates and discounts. Testing samples of rebate accruals and comparing to underlying documentation; - Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items; Checking completeness and accuracy of the data used by the Company for accrual of rebates, discounts and price variations.

Sr. No.	Key Audit Matter	Auditor's Response
2	Litigation with regard to Trade Mark disclosed in note 37 of Consolidated Financial Statements The Holding Company had received a communication which alleges an infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and a claim of Rs.100 Crores as damages. In addition to the same, the Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending for adjudication before the Hon'ble District Court, Pune. In September 2024, ZF Friedrichshafen AG and ZF India Private Limited have filed a Commercial IP Suit along with Interim Application before the Hon'ble High Court of Judicature at Bombay and have allegedly demanded a sum of Rs.200 crore in alleged damages. Refer Note No. 37 of Standalone Financial Statements.	Principal Audit Procedures: Our procedures included, but were not limited to, the following: • Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof. • Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. • Assessed management's discussions held with their legal consultants and understanding precedents in similar cases;

Sr. No.	Key Audit Matter	Auditor's Response
	Whether a liability is to be recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgement in respect to this claim against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, this litigation amount is considered to be a key audit matter.	• Obtained and evaluated the managements representation from the company's internal dedicated team and consultant opinion wherever required representing the Company before the various authorities. Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.

The Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

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

The accompanying Consolidated Financial Statements have been approved by the Holding Company's Board of Directors. The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, including other comprehensive income, Consolidated changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian accounting standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Ind AS financial statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/ Consolidated Financial Statements of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the audit of Consolidated Financial Statements of such entities included in the Consolidated Financial Statements, of which we are independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance

of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 260.96 Crores as at March 31, 2026, total income of Rs. 148.28 Crores, total net loss after tax Rs. 15.86 total comprehensive loss of Rs. 15.92 crores and net cash inflow amounting to Rs. 0.73 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion above on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B."
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

Further, we report that, regarding the provisions of section 197, no managerial remuneration has been paid, hence reporting is not applicable to three subsidiary companies covered under the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
 - i. The Group has disclosed the impact of pending litigations as at March 31, 2026 on its Consolidated financial position in its Consolidated Financial Statements. Refer Note 31 and 37 in Consolidated Financial Statements.

- ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended March 31, 2026; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year ended March 31, 2026.
 - iv. a. The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The Company has not proposed, declared and paid any Interim or Final Dividend during the year. Therefore, clause (v) is not applicable.
 - vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which is conducted on test check basis and information and explanation provided by the management of the Holding company and two subsidiaries, the Holding Company and two subsidiaries have used accounting software (SAP HANA) for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. However, one subsidiary has used accounting software (Tally Prime Edit Log) for maintaining its books of account and has maintained the feature of audit trail (edit log) facility from April 1, 2025 to March 31, 2026 for all transactions recorded in the software. Furthermore, the audit trail has been preserved by the Holding Company and above referred subsidiaries as per the statutory requirements for record retention.
2. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued, of companies included in the Consolidated Financial Statements and covered under the Act we report that there is remark on cash losses incurred by the subsidiaries during the year. The aggregate cash losses of the three subsidiaries in current and previous year are Rs. 1.51 Crore and Rs. 12.34 Crore respectively.

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

Per Kaustubh Deshpande
Partner
Membership No.: 131090
UDIN: 26131090PNLIXD4998
Pune, May 12, 2026

Annexure “A” to the Independent Auditor’s Report

List of Entities Included

Sr. No.	Name of Entity	Relationship
1	ZF Steering Gear (India) Limited	Holding Company
2	DriveSys Systems Private Limited	Wholly Owned Subsidiary of ZF Steering Gear (India) Ltd.
3	NexSteer Systems Private Limited	Wholly Owned Subsidiary of ZF Steering Gear (India) Ltd.
4	Metacast Auto Private Limited	Subsidiary of ZF Steering Gear (India) Ltd.

Annexure ‘B’ to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of ZF Steering Gear (India) Limited for the year ended March 31, 2026.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of The Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ZF Steering Gear (India) Limited (the “Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) as of March 31, 2026 in conjunction with our audit of the financial statements of the Holding Company for the year ended on that date.

Management’s and Board of Directors’ Responsibility and Those Charged with Governance for Internal Financial Controls

The Management and Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under The Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of The Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated financials statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls of the subsidiary companies, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI").

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

Per Kaustubh Deshpande
Partner
Membership No.: 131090
UDIN: 26131090PNLIXD4998
Pune, May 12, 2026

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	Notes	As at 31 March, 2026	As at 31 March, 2025
ASSETS			
Non-current assets			
Property, Plant and Equipment	3[a]	195.81	213.32
Right of use asset	3[b]	32.48	30.30
Capital work-in-progress	3[c]	68.11	14.85
Investment Property	4[b]	0.68	0.71
Other Intangible assets	4[a]	0.68	0.87
Financial assets			
(i) Investments	5[a]	135.45	155.58
(ii) Loans	5[e]	1.48	1.98
(iii) Other non-current financial assets	5[f]	4.26	4.51
Other non-current assets	6	34.98	3.77
Income Tax Assets (Net)	7	3.02	3.29
Deferred Tax Assets (Net)	8	7.65	13.61
Total non-current assets		484.60	442.79
Current assets			
Inventories	9	67.26	67.32
Financial assets			
(i) Trade receivables	5[b]	100.74	110.64
(ii) Cash and cash equivalents	5[c]	4.98	0.95
(iii) Bank Balances other than Cash and cash equivalents	5[d]	0.11	0.19
(iv) Loans	5[e]	0.08	0.08
(v) Others	5[f]	4.37	4.39
Other current assets	6	10.42	9.63
Total current assets		187.96	193.20
TOTAL ASSETS		672.56	635.99
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	9.07	9.07
Other equity	11	472.27	456.84
Non-Controlling Interest	11	(1.00)	2.35
Total Equity		480.34	468.26

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	Notes	As at 31 March, 2026	As at 31 March, 2025
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12[a]	35.44	41.47
(ii) Lease Liability	12[d]	4.17	1.91
Provisions	13	1.42	1.11
Other non current liabilities	14	0.47	0.48
Total non-current liabilities		41.50	44.97
Current liabilities			
Financial liabilities			
(i) Borrowings	12[b]	65.42	55.74
(ii) Trade payables			
A) Total outstanding dues of Micro and Small Enterprises	12[c]	15.13	5.69
B) Total outstanding dues of creditors other than Micro and Small Enterprises	12[c]	40.77	34.63
(iii) Lease Liability	12[d]	1.40	1.21
(iv) Others	12[e]	17.16	13.95
Provisions	13	3.04	3.22
Other current liabilities	14	7.80	8.32
Total current liabilities		150.72	122.76
Total liabilities		192.22	167.73
TOTAL EQUITY AND LIABILITIES		672.56	635.99

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Material Accounting Policies

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

As per our report of even date

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

Kaustubh Deshpande
Partner
Membership No. : 131090

Place: Pune
Date: 12 May, 2026

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Director
DIN :10929891

Satish Mehta
Company Secretary

Jinendra Jain
Chief Financial Officer

Place: Pune
Date: 12 May, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

	Note	For the year ended 31 March, 2026	For the year ended 31 March, 2025
INCOME			
Revenue from operations	15	571.06	493.87
Other income	16	9.86	20.72
Total Income		580.92	514.59
EXPENSES			
Cost of raw material consumed	17	344.68	313.85
Change in Inventory of finished goods and work in progress	18	0.88	(0.78)
Employee benefits expense	19	82.74	71.39
Other expenses	20	67.85	56.29
Total Expenses		496.15	440.75
Profit before interest, tax, depreciation, amortisation expenses and exceptional items (EBITDA)		84.77	73.84
Finance costs	21	8.04	6.56
Depreciation and amortisation expense	22	47.31	42.78
Profit before exceptional items and tax		29.42	24.50
Exceptional items (Refer note No.29)		0.67	-
Profit before tax		28.75	24.50
Tax Expense	23		
Current tax		20.91	13.94
Deferred tax		(4.20)	(2.03)
Total tax expense		16.71	11.91
Net Profit for the year after tax		12.04	12.59
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		0.06	0.07
- Income tax relating to the above items	23	(0.02)	(0.03)
Other comprehensive income for the year (net of tax)		0.04	0.04
Total comprehensive income for the year		12.08	12.63
Profit for the year attributable to:			
Owners of the Company		15.39	14.92
Non-controlling interests		(3.35)	(2.33)
Total comprehensive income for the year attributable to:			
Owners of the Company		15.42	14.96
Non-controlling interests		(3.34)	(2.33)
Earnings per equity share of Rs 10 each	24		
Basic and diluted earnings per share		16.96	16.44

Material Accounting Policies

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

As per our report of even date

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

Kaustubh Deshpande
Partner
Membership No. : 131090

Place: Pune
Date: 12 May, 2026

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Director
DIN : 10929891

Satish Mehta
Company Secretary

Jinendra Jain
Chief Financial Officer

Place: Pune
Date: 12 May, 2026

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amount in Rs. Crores unless otherwise stated)

	For the year ended 31 March, 2026	For the year ended 31 March, 2025
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/ (Loss) before exceptional items and tax	29.42	24.50
Adjustments for:		
Depreciation and amortisation expense	47.31	42.78
Interest paid	8.04	6.56
Fair value change in investment	4.85	(4.76)
(Profit) / Loss on sale of PPE	(0.01)	(0.07)
(Profit) / Loss on sale of investment	(2.92)	(8.12)
Interest Income	(0.83)	(0.66)
Exchange variation	0.21	(0.08)
Dividend received	(0.46)	(0.49)
Exceptional Items (Gratuity impact)	(0.67)	-
Rental Income from Investment Property	(0.82)	(1.04)
Operating profit before working capital changes	84.12	58.62
Adjustments for changes in working capital:		
(Increase) / Decrease in inventory	0.06	(0.17)
(Increase) / Decrease in trade receivables and financial asset	10.27	(13.03)
(Increase) / Decrease in other current assets and non-current assets	(0.79)	6.96
(Increase) / Decrease in trade payable and financial liabilities	15.32	9.29
(Increase) / Decrease in other liabilities and provisions	(0.40)	(14.49)
Cash generated from operations	108.58	47.18
Income tax paid - Net	(10.43)	(7.55)
Net cash generated from operating activities	98.15	39.63
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(109.76)	(59.03)
Sale proceed from property, plant and equipment	0.34	0.30
Interest received	0.81	0.65
Dividend received	0.46	0.49
Purchase of Investment	(43.18)	(59.50)
Sale proceed from Investment	61.36	51.06
Loan Given to Others (net)	0.50	0.56
Rental Income from Investment Property	0.82	1.04
Net cash used in investing activities	(88.65)	(64.43)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amount in Rs. Crores unless otherwise stated)

	For the year ended 31 March, 2026	For the year ended 31 March, 2025
CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of equity shares to non controlling interest	-	4.70
Proceeds from borrowings	14.56	57.62
Repayment of borrowings	(12.59)	(37.61)
Proceeds from bill discounting (net)	1.68	4.80
Dividend paid	(0.08)	(7.23)
Interest paid	(7.83)	(6.56)
Payment of lease liability (net)	(1.21)	(1.42)
Net cash used in financing activities	(5.47)	14.30
Net Increase / (Decrease) in cash and cash equivalents	4.03	(10.50)
Cash and cash equivalents as at the beginning of the year	0.95	11.45
Cash and cash equivalents as at the end of the year	4.98	0.95
Cash and cash equivalents comprise of the following:		
Cash on hand	0.01	0.01
Balances with banks	4.97	0.94
	4.98	0.95

Material Accounting Policies

2

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

As per our report of even date

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

Kaustubh Deshpande
 Partner
 Membership No. : 131090

Place: Pune
Date: 12 May, 2026

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

Dinesh Munot
 Chairman
DIN : 00049801

Utkarsh Munot
 Managing Director
DIN : 00049903

Shrenik Gandhi
 Director
DIN : 10929891

Satish Mehta
 Company Secretary

Jinendra Jain
 Chief Financial Officer

Place: Pune
Date: 12 May, 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2026

(All amount in Rs. Crores unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at 01 April 2025		9.07
Changes in equity share capital due to prior period errors		-
Restated balance as at 01 April 2025		9.07
Changes in equity share capital during the current year	10	-
As at 31 March 2026		9.07

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

B. Other Equity

Particulars	Attributable to owners Reserves and Surplus				Total attributable to Equity Shareholders of company	Non-controlling interest	Total Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at 01 April 2025	0.35	2.32	235.00	219.17	456.84	2.35	459.19
Profit for the year	-	-	-	15.39	15.39	(3.35)	12.04
Other comprehensive income for the year net of tax	-	-	-	0.04	0.04	-	0.04
Total comprehensive income for the year	-	-	-	15.43	15.43	(3.35)	12.08
Impact of increase in investment						-	-
Dividend paid	-	-	-	-	-	-	-
Balance at 31 March 2026	0.35	2.32	235.00	234.60	472.27	(1.00)	471.27

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2026

(All amount in Rs. Crores unless otherwise stated)

Particulars	Attributable to owners Reserves and Surplus				Total attributable to Equity Shareholders of company	Non-controlling interest	Total Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at 01 April 2024	0.35	2.32	235.00	211.47	449.14	0.01	449.15
Profit for the year	-	-	-	14.92	14.92	(2.33)	12.59
Other comprehensive income for the year net of tax	-	-	-	0.04	0.04	-	0.04
Total comprehensive income for the year	-	-	-	14.96	14.96	(2.33)	12.63
Impact of increase in investment						4.67	4.67
Dividend paid	-	-	-	(7.26)	(7.26)	-	(7.26)
Balance at 31 March 2025	0.35	2.32	235.00	219.17	456.84	2.35	459.19

Material Accounting Policies

2

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

As per our report of even date

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

Kaustubh Deshpande
Partner
Membership No. : 131090

Place: Pune
Date: 12 May, 2026

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

Dinesh Munot
Chairman
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Director
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Satish Mehta
Company Secretary

Jinendra Jain
Chief Financial Officer

Place: Pune
Date: 12 May, 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

1 Corporate overview

The consolidated financial statements comprise financial statements of ZF Steering Gear (India) Limited ('ZF India' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group'). ZF Steering Gear (India) Limited is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange in India. The registered office of the Holding Company is situated at 1242/44, Village Vadu Budruk, Tal. Shirur, Dist. Pune- 412216.

The Group is engaged in the business of production & assembling of steering systems for vehicles, buses and tractors. The Group is in process of setting up of plants for carrying out business of Aluminium extrusion and Electric components.

2 Material accounting policies

2.1 Basis of preparation

(i) Statement of compliance

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

These Consolidated financial statements were authorised for issue by the Company's Board of Directors on 12 May, 2026.

(ii) Basis of measurement

The Consolidated financial statements have been prepared on a historical cost basis except for following items:

- Certain financial assets and liabilities which are measured at fair value; and
- Defined benefit plans - plan assets measured at fair value
- The financial statements are presented in Indian Rupee (INR), which also the Holding Company's functional currency and all values are rounded off to nearest crores, except when otherwise indicated. Whenever, an amount is presented as INR "0"(Zero) in crores it construct value is less than Rs.1,00,000.

(iii) Basis of consolidation

The consolidated financial statements for the year ended 31 March 2026 comprise the financial statements of ZF Steering Gear (India) Limited and its subsidiaries (collectively referred to as "the Group").

Following subsidiaries have been considered in the preparation of the consolidated financial statements:

Name of Company	Relationship	Country of Incorporation	% of Ownership interest as on 31 March 2026
Drivesys Systems Private Limited	Subsidiary	India	100%
Nexsteer Systems Private Limited	Subsidiary	India	100%
Metacast Auto Private Limited	Subsidiary	India	51%

All the above subsidiaries are under the same management.

Control exists when the parent has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

Exposure or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on 31 March.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

Consolidation procedure:

- (i) Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (iii) Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant & equipment are eliminated in full).
- (iv) Use of estimates
In preparing these Consolidated financial statements, the management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and accompanying disclosure of contingent liability. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2026 is included in the following notes:

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

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

Note 13 - Provision for warranty.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which estimates are revised and in future years.

2.2 Segment reporting

Based on the "management approach" as defined in IndAS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting

principles used in the preparation of the Consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Corporate assets and liabilities, income and expenses which relate to the Group as a whole and are not allocable to segments, have been included under unallocated items. Refer Note 28 for segment information presented.

2.3 Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

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

2.4 Foreign currencies

(i) Functional and presentation currency

The Consolidated financial statements are presented and accounted for in Indian Rupees (INR), which is the Group's functional and presentation currency. The Group determines its own functional currency (the currency of the primary economic environment in which the Holding Company operates) and items included in the Consolidated financial statements of the Holding Company are measured using that functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(ii) Transactions and balances

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company in the group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

2.5 Revenue

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

Use of significant judgements in revenue recognition

- The Companies in the Group contracts with customers could include promises to transfer multiple products and services to a customer. The Companies in the Group assesses the products/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the

transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Companies in the Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Companies in the Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Companies in the Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Companies in the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Companies in the Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Companies in the Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.6 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss in proportion to export sale.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

2.7 Income Tax

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

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

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

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

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

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

2.8 Leases

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

Group company as a lessee:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

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

Group company as a lessor:

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

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

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

2.8 A Impairment of non-financial assets

Property, plant and equipment (PPE) and Intangible assets (IA) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is

recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.8 B Impairment of Investment

The carrying value of assets/ cash generating units at each Balance Sheet date are reviewed for impairment. If any such indication exists, the Group estimates their recoverable amount and impairment is recognised, if the carrying amount of these assets/ cash generating units exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit & Loss.

2.9 Inventories

Inventories are valued at the lower of cost (Value of cost is computed on a weighted average basis) and estimated net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Goods-in-transit are stated at actual cost incurred upto the date of balance sheet. Scrap is valued at net realisable value.

2.10 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

(a) Non derivative financial instruments consist of:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

- financial liabilities, which include borrowings, trade payables and eligible current and noncurrent liabilities.

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

Investments

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

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

Other financial assets

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

(b) Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Group retains substantially all the risks and rewards of a transferred financial asset, the Group continues to recognise the financial asset and recognises a borrowing for the

proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Consolidated balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting

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

2.11 Property, plant and equipment (PPE)

Property, plant and equipment excluding land are measured at cost/ deemed cost, less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Depreciation methods, estimated useful lives and residual value

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

- Plant & machinery depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on internal technical evaluations, taking in to the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc. Tangible assets residual value is kept at 5% of cost of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

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

2.12 Investment Property

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Consolidated Statement of Profit and Loss.

2.13 Intangible assets

(i) Recognition and measurement

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

(ii) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the following method and useful life:

Class of asset	Method	Life of the asset
SAP /Tally related Software	Straight Line Method	3 years
Other Computer Software	Written Down Method	6 years
Patent	Straight Line Method	15 years

2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Consolidated Statement of Profit and Loss as other income.

2.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.16 Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the such obligation.

The expenses relating to a provision is presented in the Consolidated Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Consolidated financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Contingent liabilities and Capital Commitments disclosed are in respect of items which in each case are above the threshold limit.

2.17 Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities

are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

Leave encashment Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the Consolidated Statement of Profit and Loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Defined Benefit Plans - Gratuity obligations

The liability or asset recognised in the Consolidated Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement of Profit and Loss as past service cost.

Defined contribution plan

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

2.18 Asset classified as held for sale

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

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

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

2.19 Earnings per share

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

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

	Gross Block			Accumulated Depreciation			Net Block	
	Carrying amount as at 1 April 2025	Additions	Deletions / Disposals	Balance as at 31 March 2026	Balance as at 1 April 2025	Depreciation for the year	Balance as at 31 March 2026	As at 31 March 2025
Property, Plant and Equipment (PPE)								
Land*	1.09	-	-	1.09	-	-	-	1.09
Buildings	103.01	2.38	-	105.39	29.65	7.31	36.96	73.36
Plant & Equipment	272.41	20.65	(1.78)	291.28	160.50	31.45	190.22	111.91
Plant & Equipment (R & D)	1.17	-	-	1.17	0.98	-	0.98	0.19
Furniture & Fixtures*	4.69	-	-	4.69	2.90	0.45	3.35	1.79
Vehicles	10.64	2.78	(0.99)	12.43	7.98	1.27	8.37	2.66
Office Equipment	8.49	0.61	(0.59)	8.51	6.26	1.12	6.82	2.23
Electrical Installation	16.35	1.28	(0.11)	17.52	8.83	1.81	10.55	7.52
ETP/STP Plant	0.46	0.22	-	0.68	0.30	0.07	0.37	0.16
Wind Mills	15.31	-	-	15.31	7.39	0.92	8.31	7.92
Solar Power Plant	26.92	0.02	-	26.94	22.43	0.84	23.27	4.49
Total property, plant and equipment	460.54	27.94	(3.47)	485.01	247.22	45.24	289.20	213.32

* Amount of addition in Furniture & fixture is Rs. 42,195/-

	Gross Block			Accumulated Depreciation			Net Block	
	Carrying amount as at 1 April 2024	Additions	Deletions / Disposals	Balance as at 31 March 2025	Balance as at 1 April 2024	Depreciation for the year	Balance as at 31 March 2025	As at 31 March 2024
Property, Plant and Equipment (PPE)								
Land*	1.09	-	-	1.09	-	-	-	1.09
Buildings	82.16	20.85	-	103.01	23.07	6.58	29.65	59.09
Plant & Equipment	236.05	56.11	(19.75)	272.41	152.42	27.66	160.50	83.63
Plant & Equipment (R & D)	1.17	-	-	1.17	0.98	-	0.98	0.19
Furniture & Fixtures	4.02	0.67	-	4.69	2.42	0.48	2.90	1.60
Vehicles	10.78	-	(0.14)	10.64	6.96	1.14	7.98	3.82
Office Equipment	7.24	1.57	(0.32)	8.49	5.51	1.05	6.26	1.73
Electrical Installation	12.37	3.98	-	16.35	7.17	1.66	8.83	5.21
ETP/STP Plant	0.36	0.10	-	0.46	0.27	0.03	0.30	0.09
Wind Mills	15.31	-	-	15.31	6.35	1.04	7.39	8.96
Solar Power Plant	26.92	-	-	26.92	21.41	1.02	22.43	5.51
Total property, plant and equipment	397.48	83.28	(20.21)	460.54	226.56	40.66	247.22	170.93

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

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FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

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

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

2. Refer Note 2.11 for policy on depreciation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

3 [b] Right of Use Asset

	Category of Right of Use asset		
	Leasehold land	Office Premises	Total
Balance as at 01 April 2025	28.52	1.78	30.30
Additions	0.12	3.70	3.82
Amortisation	0.62	1.02	1.64
Balance as at 31 March 2026	28.02	4.46	32.48
Balance as at 01 April 2024	29.28	2.79	32.07
Additions	-	-	-
Amortisation	0.76	1.01	1.77
Balance as At March 31, 2025	28.52	1.78	30.30

Refer Note 2.11 for policy on amortization.

Breakup and details of right of use Assets

	31-Mar-26	31-Mar-25
Interest expenses (included in finance cost)	0.21	0.30
Expenses relating to short term expenses	0.05	0.09

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

	31-Mar-26	31-Mar-25
Projects in progress	68.11	14.85
Projects temporarily suspended	-	-

* During the year, after getting necessary approval from Maharashtra Industrial Development Corporation(MIDC), the leasehold land of Nexsteer Systems Private Limited (Nexsteer) (wholly Owned subsidiary company) alongwith factory premises were assigned to another wholly owned subsidiary company i.e. DriveSys Systems Private Limited.

Capital Work-in-Progress ageing schedule

Particulars	As on 31 March, 2026				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	67.46	0.65	-	-	68.11
Projects temporarily suspended	-	-	-	-	-

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

Note:

There was no overdue completion for any of the projects and there was no cost overrun for any project in FY 2025-26 and FY 2024-25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

There were no material projects which have exceeded their original plan cost as at 31st March, 2026.

4 a) INTANGIBLE ASSETS

	Computer software	Technical know how	Patent	Total
Gross Carrying Amount				
Carrying amount as at 01 April 2025	5.36	0.01	0.05	5.42
Additions	0.21	-	-	0.21
Disposals / adjustments	-	-	-	-
As at 31 March 2026	5.57	0.01	0.05	5.63
Accumulated amortization and impairment, if any				
Carrying amount as at 01 April 2025	4.52	-	0.03	4.55
Charge for the year	0.40	-	-	0.40
Disposals / adjustments	-	-	-	-
As at 31 March 2026	4.92	-	0.03	4.95
Net Block as at 31 March 2026	0.65	0.01	0.02	0.68

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

Amount of depreciation pertaining to patent as on 31 March 2026 is Rs. 27,250 (31 March 2025 Rs. 29,702)

Refer Note 2.13 for policy on depreciation.

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(All amounts in Rs. Crores unless otherwise stated)

4 b) INVESTMENT PROPERTY

	Amount
Gross Carrying Amount	
Carrying amount as at 01 April 2025	1.82
Additions	-
Disposals / adjustments	-
As at 31 March 2026	1.82
Accumulated amortization and impairment, if any	
Carrying amount as at 01 April 2025	1.11
Charge for the year	0.03
Disposals / adjustments	-
As at 31 March 2026	1.14
Net Block as at 31 March 2026	0.68

	Amount
Gross Carrying Amount	
Carrying amount as at 01 April 2024	1.82
Additions	-
Disposals / adjustments	-
As at 31 March 2025	1.82
Accumulated amortization and impairment, if any	
Carrying amount as at 01 April 2024	1.08
Charge for the year	0.03
Disposals / adjustments	-
As at 31 March 2025	1.11
Net Block as at 31 March 2025	0.71

Fair Market Value of investment property at ICC Tower, Pune as on 31 March 2026 Rs. 8.28 Crores (31 March 2025 Rs. 8.28 Crores).

Refer Note 2.12 for policy on investment properties.

The Group has earned rental income and incurred direct operating expense on the above properties. Details as below :

- Rental and incidental income earned of Rs. 0.82 Crores (31 March 2025 - Rs. 1.04 Crores). The tenant has vacated premises w.e.f. 01 January, 2026.
- Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income is NIL as all the expenses were born by tenant.
- Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income Rs. 0.03 Crores (31 March 2025 - NIL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

5 FINANCIAL ASSETS

5 (a) INVESTMENTS

	Notes	31-Mar-26	31-Mar-25
Non-Current			
Investment in equity instruments			
Equity shares (quoted, fully paid-up, at FVTPL)	See note (i)	23.07	31.22
Investment in bonds			
Redeemable Non-Convertible Bonds (quoted, fully paid-up, at amortised cost)	See note (ii)	4.40	4.40
Investment in Mutual Fund			
Investments in Mutual Funds (quoted, at FVTPL)	See note (iii)	107.98	119.96
		135.45	155.58

	31-Mar-26	31-Mar-25
Aggregate amount of quoted investments and market value thereof	131.05	151.18
Aggregate amount of quoted investments (at amortized cost)	4.40	4.40

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

	31-Mar-26		31-Mar-25	
	Nos	Amount	Nos	Amount
ICICI Bank Limited (Face value of Rs. 2 each)	78,424	9.45	78,424	10.58
Tata Consultancy Services Limited (Face value of Re. 1 each)*	24,432	5.76	24,432	8.81
KPIT Technologies Limited (Face value of Rs. 10 each)	60,000	3.81	60,000	7.85
Birlasoft Limited (Face value of Rs. 2 each)	38,011	1.26	38,011	1.47
Borosil Renewables Limited (Face value of Re. 1 each)	8,000	0.30	8,000	0.38
National Securities Depository Limited (Face value of Rs. 2 each)	1,500	0.12	-	-
Mahindra & Mahindra Limited (Face value of Rs. 5 each)	8,000	2.37	8,000	2.13
		23.07		31.22

* Equity shares of TCS Ltd. (Nos.5,000) having a market value of Rs 1.18 Crores as at 31 March 2026 (31 March 2025 Rs.1.80 Crores) are pledged in favour of Prabhudas Lilladher Pvt. Ltd. (A stock broker) as Margin.

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

	31-Mar-26		31-Mar-25	
	Nos	Amount	Nos	Amount
National Highway Authority of India (NHAI) (Maturity date is 25 January 2027)	24,724	2.44	24,724	2.44
Power Finance Corporation Limited (PFC) (Maturity date is 01 February 2027)	19,935	1.96	19,935	1.96
		4.40		4.40

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

Nature	31-Mar-26		31-Mar-25	
	Nos	Amount	Nos	Amount
HDFC Banking and PSU Debt Fund - Direct- Growth ¹	89,41,614	22.11	1,19,34,999	27.94
Kotak banking and PSU debt fund - Direct - Growth ²	42,00,467	29.70	42,00,467	27.97
Kotak Nifty SDL July 2033 Index Fund - Direct - Growth ³	49,66,723	6.22	49,66,723	6.03
HDFC Credit Risk Debt Fund - Growth ³	49,63,912	13.51	49,63,912	12.59
Tata Nifty G-Sec Dec 2029 Index Fund - Direct Plan - Growth ³	49,17,388	6.26	49,17,388	5.89
Invesco India Arbitrage Fund - Direct - Growth	-	-	38,63,519	13.11
Mirae Asset Nifty 8-13 Year G-SEC ETF	21,02,677	6.19	21,02,677	5.95
360 One special opportunities fund	-	-	20,20,047	0.15
Bajaj Finserv Flexi Cap Fund - Direct- Growth	20,00,000	2.73	20,00,000	2.66
HDFC Manufacturing Fund - Direct - Growth	20,00,000	2.02	20,00,000	1.97
Kotak Multi Asset Allocation Fund Direct Plan Growth	18,60,686	2.81	-	-
Tata India Innovation Fund- Direct Growth	-	-	14,97,181	1.35
Mirae Asset Nifty 200 Alpha 30 ETF	5,85,151	1.33	585,151	1.31
IRB Invit fund	-	-	1,00,000	0.50
ICICI Prudential Multi Asset Fund - Direct Growth	76,366	6.39	54,120	4.28
Invesco India Corporate bond Fund - Direct - Growth	24,770	8.70	24,770	8.25
Nippon India Money Market Fund - Direct Growth ²	28.92	0.01	28.92	0.01
		107.98		119.96

Note:

- During the FY 2024-25, total 1,19,34,999 units are pledged against overdraft facility which is utilised by the Group Company. In current year there is no pledged against these units.
- Total 20,00,467 units (FY 2024-25 - 20,00,467 units) are pledged against overdraft facility utilised by the Group Company and 22,00,000 units (FY 2024-25 - 22,00,000 units) are pledged against Term Loan facility used by Drivesys Systems Private Limited (Wholly Owned Subsidiary) to Kotak Mahindra Bank Ltd. Further the mutual fund owned by Drivesys Systems Private Limited are also pledged against same loan.
- Total 1,48,48,023 units (FY 2024-25 - 1,48,48,023 units) are pledged against Term loan facility used by Drivesys Sysytems Private Limited (Wholly owned Subsidiary) to Kotak Mahindra Bank Ltd.
- Refer Note 26 (A) for fair value measurements of financial assets and liabilities and Note 26 (B) for fair value hierarchy disclosures of financial assets and liabilities.

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(All amounts in Rs. Crores unless otherwise stated)

5 (b) TRADE RECEIVABLES

	31-Mar-26	31-Mar-25
Trade receivables	100.74	110.64
Less: Allowance for doubtful debts		
Total receivables	100.74	110.64
Current portion	100.74	110.64
Non-current portion	-	-

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

Break-up of security details

	31-Mar-26	31-Mar-25
Trade receivables		
Unsecured, considered good	100.74	110.64
Sub-total	100.74	110.64
Less: Impairment allowance	-	-
Total	100.74	110.64

Note:

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

Ageing of Trade Receivables as on 31 March 2026

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	91.88	8.62	0.06	0.17	0.01	-	100.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

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(All amounts in Rs. Crores unless otherwise stated)

Ageing of Trade Receivables as on 31 March 2025

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	96.29	13.81	0.53	0.01	-	-	110.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-

5 (c) CASH AND CASH EQUIVALENTS

	31-Mar-26	31-Mar-25
Cash on hand	0.01	0.01
Balances with banks - Current accounts	2.99	0.94
Balances with banks - Overdraft accounts	1.98	-
	4.98	0.95

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

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

	31-Mar-26	31-Mar-25
Balances with banks in - on account of unpaid dividends	0.11	0.19
	0.11	0.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

5 (e) LOANS

	31-Mar-26	31-Mar-25
Non Current (Unsecured, considered good)		
Loan to Others*	1.37	1.87
Loan to employees	0.11	0.11
	1.48	1.98
Current (Unsecured, considered good)		
Loan to employees	0.08	0.08
	0.08	0.08

* The Holding Company has provided loan to Supreme Autocast a vendor for the purpose of Capital Expenditure

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

5 (f) OTHERS FINANCIAL ASSETS

	31-Mar-26	31-Mar-25
Non-Current (Unsecured, considered good)		
Security Deposits	4.21	3.17
Gratuity (net) (Refer note 29)	0.05	1.34
	4.26	4.51
Current		
Incentives under Government schemes/ Grant	4.17	4.21
Interest on bonds / others	0.20	0.18
	4.37	4.39

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

6 OTHER ASSETS

	31-Mar-26	31-Mar-25
Non-Current		
Capital Advances	34.98	3.77
	34.98	3.77
Current		
Balances with Government authorities*	5.49	6.85
Prepaid expenses	2.28	2.06
Advances to suppliers	2.56	0.72
Others	0.09	-
	10.42	9.63

* Balance with Government authorities includes tax paid under protest amounting to Rs. 0.38 Crores.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

7 NON-CURRENT TAX ASSETS

	31-Mar-26	31-Mar-25
Non Current		
Opening balance	3.29	4.49
Add: Taxes paid during the year	10.38	7.55
Less: Tax expenses pertaining to current year	(20.91)	(8.75)
Add: MAT credit utilized during the year	10.26	-
Closing balance	3.02	3.29

8 DEFERRED TAX ASSETS (Net)

	31-Mar-26	31-Mar-25
Deferred tax (liabilities)/ assets		
Minimum Alternative Tax (MAT) credit	-	10.13
Property, plant and equipment	6.00	6.02
Provision for expenses to be claimed on payment basis	0.63	(0.04)
Financial asset at fair value through profit and loss (FVTPL)	(6.90)	(7.52)
Business Loss	7.45	4.00
Others	0.47	1.02
Deferred tax (liabilities)/ assets net	7.65	13.61

	01-Apr-25	Recognised in			31-Mar-26
		Profit or loss	OCI	Equity	
Property, plant and equipment	6.02	(0.02)	-	-	6.00
Provision for expenses to be claimed on payment basis	(0.04)	0.71	(0.04)	-	0.63
Financial asset at fair value through profit and loss (FVTPL)	(7.52)	0.62	-	-	(6.90)
Business Loss ²	4.00	3.45	-	-	7.45
Others	1.02	(0.56)	-	-	0.47
Deferred tax (liabilities)/ assets net	3.48	4.20	(0.04)	-	7.65

1. Impact in Profit & Loss due to change in tax rate applicability amount to Rs.2.20 Crores, which is covered in above net amount of Rs.4.20 Crores.
2. Based on future taxable profit deferred tax asset has been recognised on business loss incurred by Group Companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

9 INVENTORIES

	31-Mar-26	31-Mar-25
(at lower of cost or net realisable value)		
Raw materials	13.67	12.85
Work - in - Progress	38.31	30.40
Finished Goods	15.28	24.07
Total	67.26	67.32
Included in inventories goods in transit/ at godown as follows:		
Raw materials	-	-
Finished goods	6.40	12.52
Total	6.40	12.52

* Refer note 2.9 for policy on Valuation of Inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

10 SHARE CAPITAL

[a] Authorised share capital

	31-Mar-26	31-Mar-25
2,00,00,000 Equity shares of Rs.10/- each	20.00	20.00
(31 March 2025: 2,00,00,000 Equity shares of Rs.10/- each)		
	20.00	20.00

[b] Issued, subscribed and fully paidup share capital

	31-Mar-26	31-Mar-25
90,73,300 Equity shares of Rs.10/- each	9.07	9.07
(31 March 2025: 90,73,300 Equity shares of Rs.10/- each)		
	9.07	9.07

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

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

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

In the event of liquidation of the Holding Company, the holders of each equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

[c] Details of shareholders holding more than 5% of the aggregate shares in the Company:

(i) Equity shares of (face value: Rs.10 each)

	31-Mar-26		31-Mar-25	
	No. of shares	% of total equity shares	No. of shares	% of total equity shares
Mr. Utkarsh Munot	25,91,494	28.56	25,91,494	28.56
Mr. Dinesh Munot	18,89,445	20.82	18,89,445	20.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

[d] Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as on 31st March, 2026 is as follows

Shares held by Promoters					% Change during the year
Promoter Name	As on 31st March, 2026		As on 31st March, 2025		
	No. of shares	% of total shares	No. of shares	% of total shares	
Mr. Utkarsh Munot	25,91,494	28.56	25,91,494	28.56	-
Mr. Dinesh Munot	18,89,445	20.82	18,89,445	20.82	-
Mrs. Nandini Munot	3,21,474	3.54	3,21,474	3.54	-
Munot Harishkumar Amolchand (HUF)	2,69,500	2.97	2,69,500	2.97	-
Mr. Jinendra Hirachand Munot	2,24,059	2.47	2,24,059	2.47	-
Mrs. Pramila Amolchand Munot	1,22,111	1.35	1,30,616	1.44	6.51
Mrs. Trupti Sushen Gupta	1,23,496	1.36	1,23,496	1.36	-
Mrs. Pragati Dinesh Bothra	1,17,102	1.29	1,17,102	1.29	-
Munot Jinendrakumar Hirachand (HUF)	30,400	0.34	30,400	0.34	-
Mrs. Eitika Utkarsh Munot	2,712	0.03	2,712	0.03	-
Ms. Prerna Bothra	1,886	0.02	1,886	0.02	-
Mrs. Amita Jinendra Munot*	-	-	1,47,215	1.62	100.00
Mr. Piyush Jinendra Munot*	-	-	1,16,235	1.28	100.00
Mr. Yash Munot*	-	-	1,13,427	1.25	100.00
Robert Bosch Automotive Steering GmbH**	-	-	-	-	-
	56,93,679	62.75	60,79,061	66.99	

* During the year, these shareholder have been reclassified from Promoter to Public Shareholder.

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

11 OTHER EQUITY

	31-Mar-26	31-Mar-25
General Reserve	235.00	235.00
Securities Premium	2.32	2.32
Capital Reserve	0.35	0.35
Retained Earnings	234.60	219.17
	472.27	456.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(i) General Reserve

	31-Mar-26	31-Mar-25
Balance at the beginning of the year	235.00	235.00
Movement during the year	-	-
Balance at the end of the year	235.00	235.00

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

(ii) Securities Premium

	31-Mar-26	31-Mar-25
Balance at the beginning of the year	2.32	2.32
Movement during the year	-	-
Balance at the end of the year	2.32	2.32

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

(iii) Capital Reserve

	31-Mar-26	31-Mar-25
Balance at the beginning of the year	0.35	0.35
Movement during the year	-	-
Balance at the end of the year	0.35	0.35

Capital reserve is created from special capital incentive received from SICOM and MEDA and this amount not required to be repaid. These reserves will be utilised in accordance with the provision of Companies Act 2013.

(iv) Retained Earnings

	31-Mar-26	31-Mar-25
Balance at the beginning of the year	219.17	211.47
Net profit for the year	15.39	14.92
Dividend Paid	-	(7.26)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	0.04	0.04
Balance at the end of the year	234.60	219.17

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/ (gain) on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(v) Non-controlling interest

	31-Mar-26	31-Mar-25
Balance as on 01 April 2025	2.35	0.01
Profit for the year attributable to non controlling interest	(3.35)	(2.33)
Impact of increase in investment	-	4.67
Balance as on 31 March 2026	(1.00)	2.35

12 FINANCIAL LIABILITIES

12 [a] NON-CURRENT BORROWINGS

	Security	31-Mar-26	31-Mar-25
Secured			
From Banks - Term Loan	Pledge of Mutual Fund units belonging to the ZF Steering Gear (India) Ltd and Drivesys Systems Pvt. Ltd (Refer Note 5a)	8.81	17.62
From Banks - Term Loan	First and exclusive hypothecation charge on all existing and future current assets, movable and fixed assets of Metacast Auto Pvt Ltd and first and exclusive mortgage on immovable property being a leasehold land and building belonging to the company.	21.65	20.02
Unsecured			
Credit card facility	Loan from Supreme Iron (India) Pvt. Ltd	4.98	3.83
		35.44	41.47

1. The subsidiary company Metacast Auto Pvt. Ltd. has received Term Loan from Kotak Mahindra Bank Ltd at interest of Repo rate plus 2.20% / 2.40% for the purpose of Capital expenditure. The loan repayment has commenced from April, 2025 in accordance with repayment schedule.
2. The subsidiary company Metacast Auto Pvt. Ltd. has received unsecured loan from Promoter Company viz. Suprem Iron India Private Limited for the purpose of Capital Expenditure and also to meet the working capital requirement of such business exclusively. Considering additional investment to increase production capacity moratorium period of loan has been extended to April 2028. The repayment of loan starts from April 2028 to March 2035.
3. The wholly owned subsidiary company Drivesys Systems Pvt. Ltd. has taken Term Loan from Kotak Mahindra Bank Ltd. at interest of Repo rate plus 2.20% For the purpose of Capital expenditure. The loan repayment has commenced from April, 2024 in accordance with repayment schedule.
4. The Group companies has registered all the required charges with Registrar of Company within the Statutory period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

12 [b] CURRENT BORROWINGS

	Security	31-Mar-26	31-Mar-25
Secured			
From banks			
Overdraft Facilities ³	These facilities are secured against pledge of certain financial asset of the Holding Company (refer note 5a).	11.62	4.30
Bill discounting with banks	Secured against trade receivables of Tata Motors	11.52	33.89
Current maturities of long-term debt		15.68	13.77
Cash credit	First charge on Stock and book debts (except Tata Motors)	-	3.78
Unsecured			
From banks			
Credit card facility		2.55	-
From other			
Supplier financing arrangement (RXIL)*		24.05	-
		65.42	55.74

1. The Group exposure to Liquidity risk, market risk and credit risk related to borrowings are stated in Note 25.
2. The Group Companies have registered all the required charges with Registrar of Companies within the statutory period.
3. Overdraft facility is availed by Drivesys Systems Private Limited to shore up working capital of the Company, it has been secured against book net receivables and inventory.

12 [c] TRADE PAYABLES

	31-Mar-26	31-Mar-25
Current		
Total outstanding dues of Micro and Small Enterprises (Refer note -30)	15.13	5.69
Total outstanding dues of creditors other than Micro and Small Enterprises	40.77	34.63
	55.90	40.32

- (i) Details of trade payables to related parties are disclosed as part of note 35 - Related party disclosures.
- (ii) The Group exposure to Liquidity risk, currency risk related to trade Payables are discussed in Note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

Ageing of Trade Payables as on 31 March, 2026

Particulars	Unbilled Payable	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	4.00	11.05	0.08	-	-	15.13
(ii)Others	6.53	12.61	21.18	0.40	0.05	-	40.77
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	6.53	16.61	32.23	0.48	0.05	-	55.90

Ageing of Trade Payables as on 31st March 2025

Particulars	Unbilled Payable	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	5.13	0.56	-	-	-	5.69
(ii)Others	6.38	12.88	15.31	0.06	-	-	34.63
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	6.38	18.01	15.87	0.06	-	-	40.32

*Disclosure related to supplier financing agreement

The Holding Company has entered into supplier finance arrangements with RXIL. Under these arrangements, the financial institution pays eligible suppliers on behalf of the Company, and the Holding Company repays the financial institution on respective due date, thereby obtaining extended credit terms.

Terms and Conditions: The arrangements carry applicable interest rate on the outstanding balance. Payment to suppliers by the financial institution is made as per the credit terms. The Holding Company repays the financial institution on the due date of invoice date. No collateral or security has been provided by the Company under these arrangements.

	31-Mar-26
Carrying amount of financial liabilities that are part of supplier finance agreement	
Presented in trade and other payable	24.05
Of which suppliers have received payment from the finance provider	24.05
Range of payment due dates	
Liabilities that are part of the arrangements	39 to 42 Days
Comparable trade payables that are not part of the arrangements	0 to 45 Days

Liquidity Risk (Ind AS 107, para B11F): The Holding Company considers its supplier finance arrangements while assessing and managing its liquidity risk. These arrangements provide the Company with extended payment terms of up to 180 days and represent a concentration of liquidity risk to the extent that a termination of such arrangements could result in accelerated cash outflows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

12 [d] LEASE LIABILITY

	31-Mar-26	31-Mar-25
Non-current		
lease liability	4.17	1.91
	4.17	1.91
Current		
lease liability	1.40	1.21
	1.40	1.21

The following is the movement in lease liability during the year ended 31 March 2026:-

	Amount
Balance as of 01 April 2025	3.12
Addition	3.66
Finance cost accrued during the period	0.21
Payment of Lease Liability	(1.42)
Balance as on 31 March 2026	5.57
Balance as of 01 April 2024	4.24
Addition	-
Finance cost accrued during the period	0.30
Payment of Lease Liability	(1.42)
Balance as on 31 March 2025	3.12

The table below provides details regarding the contractual maturities of lease liabilities as of March 2026 on an undiscounted basis:

	31-Mar-26	31-Mar-25
Less than 1 year	1.50	1.42
One to five year	2.22	1.48
More than 5 year	5.53	1.26
Total	9.25	4.16

12[e] OTHERS

	31-Mar-26	31-Mar-25
Current		
Payable for capital goods	16.86	13.73
Unpaid dividends	0.11	0.19
Others	0.19	0.03
	17.16	13.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

13 PROVISIONS

	31-Mar-26	31-Mar-25
Non-current		
Provision for leave encashment	1.42	1.11
	1.42	1.11
Current		
Provision for leave encashment	0.75	1.13
Warranty provision [See note (i) below]	2.29	2.09
	3.04	3.22

Note (i) - Warranty provision

The Holding Company generally offers a warranty for a period of 3 years or 3,00,000 km whichever is earlier for its products. Warranty costs are determined as a percentage of sales based on the past trends of the costs required to be incurred for repairs, replacements, material costs and servicing cost. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past information may differ from future claims. As the time value of money is not considered to be material, warranty provisions are not discounted.

Movement in warranty provision

	For the year ended	
	31-Mar-26	31-Mar-25
Carrying amount in the beginning of the year	2.09	1.61
Additional provision made	0.85	1.57
Amount used	(0.65)	(1.09)
Carrying amount at the end of the year	2.29	2.09

14 OTHER LIABILITIES

	31-Mar-26	31-Mar-25
Non Current		
Deferred Income	-	0.01
Security Deposit	0.47	0.47
	0.47	0.48
Current		
Balances with Government authorities	-	-
Advance from customers	1.51	2.93
Deferred revenue	0.68	0.76
Statutory liabilities	1.91	1.63
Others	3.70	3.00
	7.80	8.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

15 REVENUE FROM OPERATIONS

	For the year ended	
	31-Mar-26	31-Mar-25
Revenue from sale of products		
-Sale of Products	561.47	485.13
	561.47	485.13
Revenue from rendering services		
- Domestic services	1.59	1.42
	1.59	1.42
Other operating income		
- Solar power income	4.35	4.50
- Windmill income	0.66	0.54
- Sale of scrap	2.99	2.28
	8.00	7.32
	571.06	493.87

Contracts with customer

	For the year ended	
	31-Mar-26	31-Mar-25
Revenue recognised from contracts with customers	571.06	493.87
Disaggregation of revenue		
Based on type of goods		
- Sale of Auto component	566.05	488.83
- Sale of Renewable energy	5.01	5.04
Geographical disclosure		
- India	569.46	484.24
- Out of India	1.60	9.63

The above table shows disaggregated revenues from contract with customers by segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

16 OTHER INCOME

	For the year ended	
	31-Mar-26	31-Mar-25
Dividend income	0.46	0.49
Interest income from financial assets measured at amortized cost	0.83	0.66
Realised gains on Financial assets Investment measured at FVTPL ¹	2.92	8.12
Unrealised gain/ (loss) on Financial assets Investment measured at FVTPL	-	4.76
Profit on sale/ discard of assets	0.01	0.07
Foreign exchange gain	-	0.08
Government grants ²	4.17	4.64
Export incentive	0.01	0.20
Other non-operating income	0.64	0.66
Rental Income from Investment Property	0.82	1.04
	9.86	20.72

1. The realised gain of FY 2024-25 includes Rs.3.28 Crores received from Reliance Capital Limited of NCD under insolvency resolution plan as per NCLT guideline.
2. Government Grants include subsidy due / received from Madhya Pradesh State Government Rs. 4.17 Crores (For 31 March 2025 Rs.4.16 Crores).

17 COST OF RAW MATERIAL CONSUMED

	For the year ended	
	31-Mar-26	31-Mar-25
Raw material consumed	334.73	307.76
Packing material consumed	3.09	2.42
Fabrication and processing charges	6.86	3.67
	344.68	313.85

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

	For the year ended	
	31-Mar-26	31-Mar-25
Opening stock		
Work in progress	30.40	30.35
Finish goods (Includes Goods in transit/ at godown)	24.07	23.34
	54.47	53.69
Less: Closing stock		
Work in progress	38.31	30.40
Finish goods (Includes Goods in transit/ at godown)	15.28	24.07
	53.59	54.47
	0.88	(0.78)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

19 EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	31-Mar-26	31-Mar-25
Salaries, wages, bonus etc.	40.68	36.87
Contribution to provident and other funds (Refer Note No 29)	2.02	1.70
Staff welfare expenses	5.47	5.26
Contract Labour Expenses	34.57	27.56
	82.74	71.39

20 OTHER EXPENSES

	For the year ended	
	31-Mar-26	31-Mar-25
Power and fuel	27.57	18.18
[Net of credit of windmill and solar income for year ended 31 March 2026 Rs. 8.15 Crore, (31 March 2025: Rs. 7.93 Crore)]		
Repairs and maintenance		
-Buildings	0.93	3.13
-Machinery	5.23	5.86
-Others	2.20	1.49
Rent	0.05	0.09
Insurance	1.01	0.73
Rates and taxes	0.35	0.83
Selling and distribution expenses	10.63	9.28
Solar energy generation expenses	0.79	0.77
Windmill energy generation expenses	1.45	1.21
Foreign exchange loss	0.21	-
Unrealised loss/ (gain) on Financial assets Investment measured at FVTPL	4.85	-
Corporate social responsibility expenditure (refer note 20(B) below)	0.82	0.56
Audit fees (refer note 20(A) below)	0.23	0.19
Legal & Professional expenses	4.14	4.53
Travelling & Conveyance expenses	2.07	4.49
Other miscellaneous expenses	5.32	4.95
	67.85	56.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

A. AUDITORS' REMUNERATION

	31-Mar-26	31-Mar-25
Audit fees	0.17	0.14
Limited review	0.02	0.02
Tax audit fees	0.04	0.02
For Certification and other related work	-	0.01
	0.23	0.19

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

B. Expenditure incurred on corporate social responsibility activities

The Expenditure incurred for complying with provisions for the CSR expenditure required under section 135 of Companies Act, 2013 has been done for skill development of apprentices.

	31-Mar-26	31-Mar-25
Gross amount required to be spent by the Holding Company during the year	0.82	0.56
Amount spent during the year on :		
Construction/Acquisition of any asset	-	-
On purpose other than above	0.82	0.56

21 FINANCE COSTS

	For the year ended	
	31-Mar-26	31-Mar-25
Interest expenses	7.95	6.48
Other borrowing cost	0.09	0.08
	8.04	6.56

22 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended	
	31-Mar-26	31-Mar-25
Depreciation on property, plant and equipment	45.24	40.66
Depreciation on investment property	0.03	0.03
Amortisation of intangible assets	0.40	0.54
Amortisation of right of use assets*	1.64	1.55
	47.31	42.78

* Amortization expenses on right of use of assets of Rs.0.06 Crores (31 March 2024 Rs.0.13 Crores) was included under capital work-in-progress and has been capitalized when commercial operation started.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

23 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended	
	31-Mar-26	31-Mar-25
Statement of profit and loss		
Current tax		
Current tax on profits for the year	20.91	13.94
Total current tax expense	20.91	13.94
Deferred tax		
Deferred tax expense/ (income)	(4.20)	(2.03)
Total deferred tax expense/ (benefit)	(4.20)	(2.03)
Income tax expense	16.71	11.91
Other comprehensive income		
Deferred tax related to OCI items		
- On loss/ (gain) on remeasurements of defined benefit plans	(0.02)	(0.03)
	(0.02)	(0.03)

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

	For the year ended	
	31-Mar-26	31-Mar-25
Profit before tax	28.75	24.50
Tax at the Indian tax rate of 34.944% (2024-25: 34.944%)	10.05	8.56
Deductible/non-deductible/income/expenses items	(4.20)	(2.03)
Tax rate differences of subsidiaries	5.56	6.80
Others	9.50	(1.43)
Income tax expense	20.91	11.91

24 EARNINGS PER SHARE

	For the year ended	
	31-Mar-26	31-Mar-25
Basic and diluted earnings per share (face value of Rs. 10 each)		
- Profit attributable to the equity shareholders of the Parent Company (Rs. In Crores)	15.39	14.92
- Weighted average number of shares (in Nos.)	9,073,300	9,073,300
Basic and diluted earnings per share (in Rs.)	16.96	16.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

25 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, viz liquidity risk, market risk and credit risk. The Management of the Company has the overall responsibility for establishing and governing the Company's risk policy framework. The risk management policies are formulated after the identification and analysis of the risks and suitable risk limits and controls are set which are monitored & reviewed periodically. The changes in the market conditions and allied areas are accordingly reflected in the changes of the policy. The key risks and mitigating actions are placed before the Audit Committee of the Company who then evaluates and takes the necessary corrective action. The sources of risk, which the Company is exposed to and how the Company manages these risks with their impact on the Financial Statements is given below:

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables, Cash and cash equivalents	Aging analysis, Credit ratings	Credit limits
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow budgeted Vs actuals	Availability of committed credit lines and borrowing facilities
Market risk - Foreign Currency	Foreign currency receivables and payables; Forecasted foreign currency transactions	Cash flow forecasting and Sensitivity analysis	Insignificant foreign currency exposure
Market risk - Interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	The Group has an insignificant finance cost. Moreover the Group keeps looking for low interest rate opinion from time to time.

[A] Credit risk

Credit risk is the risk of financial loss to the Group if the counterparty fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Group holds all the balances with approved bankers only.

Trade receivables

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer are reputed and having good credit credentials as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a fortnightly basis.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

	31-Mar-26	31-Mar-25
Not past due	91.88	96.29
Past due but not impaired		
- Past due 0 to 180 days	8.62	13.81
- Past due more than 180 days	0.24	0.54
	100.74	110.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

[B] Liquidity risk

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

Maturities of financial liabilities

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

	Carrying amount	Upto 1 year	Between 2 and 5 years	More than 5 years	Total
31-Mar-26					
Non-derivatives					
Borrowings	100.86	65.42	35.44	-	100.86
Lease Liability	9.25	1.50	2.22	5.53	9.25
Trade payables	55.90	55.90	-	-	55.90
Capital creditors	16.86	16.86	-	-	16.86
Other financial liabilities	0.11	0.11	-	-	0.11
Total	182.98	139.79	37.66	5.53	182.98

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

[C] Market risk

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk; and
- Interest rate risk

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

(i) Foreign currency risk

The Group is subject to the risk that changes in foreign currency values impact the Group's exports revenue and imports of raw material. The risk exposure is with respect to various currencies viz. USD, EURO and YEN. The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	USD	EUR	YEN	Total
31-Mar-26				
Financial assets				
Trade receivables	-	-	-	-
Net exposure to foreign currency risk (assets)	-	-	-	-
Financial liabilities				
Trade payables	0.06	0.87	0.95	1.88
Net exposure to foreign currency risk (liabilities)	0.06	0.87	0.95	1.88

* The amount of exposure is Rs. 13,803/-

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

(b) Foreign currency sensitivity analysis

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and YEN exchange rates, with all other variables held constant:

	Impact on profit after tax	
	31-Mar-26	31-Mar-25
USD		
- Increase by 10%	-	0.06
- Decrease by 10%	-	(0.06)
EUR		
- Increase by 10%	(0.06)	(0.02)
- Decrease by 10%	0.06	0.02
YEN		
- Increase by 10%	(0.07)	(0.04)
- Decrease by 10%	0.07	0.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

ii) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Interest rate risk exposure

the exposure of the Group to change in interest rate at end of the reporting periods are as follows:

	31-Mar-26		31-Mar-25	
	Amount	% of total borrowings	Amount	% of total borrowings
Variable rate borrowings - Overdraft facility average borrowing rate 7.50% (P.Y. 8.70%)	62.74	62.21%	63.32	65.14%
Variable rate borrowings - Bill discounting average borrowing rate 6.50% (P.Y. 7.75%)	11.52	11.42%	33.89	34.86%
Other borrowings at variable rate	26.60	26.37%	-	-
Total Borrowing	100.86		97.21	

Sensitivity

Profit and loss is sensitive to higher/ lower interest expenses from borrowing as a result of change in interest rate.

	Impact on profit after tax	
	31-Mar-26	31-Mar-25
Interest rate increase by 100 basis points	(0.64)	(0.60)
Interest rate decrease by 100 basis points	0.64	0.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

26 FAIR VALUE MEASUREMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(A) Financial instruments by category

	31-Mar-26							31-Mar-25						
	Carrying amount				Fair value			Carrying amount				Fair value		
	FVTPL	Amor- tised Cost	Cost	FVTOCI	Level 1	Level 2	Level 3	FVTPL	Amor- tised Cost	Cost	FVTOCI	Level 1	Level 2	Level 3
Non Current														
Investment														
Investment in equity quoted	23.07	-	-	-	23.07	-	-	31.22	-	-	-	31.22	-	-
Investment in mutual fund	107.98	-	-	-	107.98	-	-	119.96	-	-	-	119.96	-	-
Investment in bond	-	4.40	-	-	-	-	-	-	4.40	-	-	-	-	-
Loans														
Security deposit	-	4.26	-	-	-	-	-	-	4.51	-	-	-	-	-
Other financial assets	-	1.48	-	-	-	-	-	-	1.98	-	-	-	-	-
Current														
Trade receivables	-	100.74	-	-	-	-	-	-	110.64	-	-	-	-	-
Cash and cash equivalents	-	4.98	-	-	-	-	-	-	0.95	-	-	-	-	-
Other bank balances	-	0.11	-	-	-	-	-	-	0.19	-	-	-	-	-
Other financial assets	-	4.45	-	-	-	-	-	-	4.47	-	-	-	-	-
	131.05	120.42	-	-	131.05	-	-	151.18	127.14	-	-	151.18	-	-
[ii] Financial liabilities														
Non Current														
Long term borrowings	-	35.44	-	-	-	-	-	-	41.47	-	-	-	-	-
Lease Liability	-	4.17	-	-	-	-	-	-	1.91	-	-	-	-	-
Current														
Short term borrowings	-	65.42	-	-	-	-	-	-	55.74	-	-	-	-	-
Trade payables	-	55.90	-	-	-	-	-	-	40.32	-	-	-	-	-
Lease Liability	-	1.40	-	-	-	-	-	-	1.21	-	-	-	-	-
Capital creditor	-	16.86	-	-	-	-	-	-	13.73	-	-	-	-	-
Other financial liabilities	-	0.30	-	-	-	-	-	-	0.22	-	-	-	-	-
	-	179.49	-	-	-	-	-	-	154.60	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(B) FAIR VALUE HIERARCHY

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Group has made certain judgements and estimates in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group as classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 hierarchy.

(C) VALUATION TECHNIQUES

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices for mutual funds
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which required level 3 valuation.

27 CAPITAL MANAGEMENT

(a) Risk management

The Group's objective when managing capital are to:

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

Maintain an optimal capital structure to reduce the cost of equity

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

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

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

The Capital Gearing Ratio for 31 March, 2026 and 31 March, 2025 are as follows:

	31-Mar-26	31-Mar-25
Net Debt	105.13	100.42
Total Equity	480.34	468.26
Net Debt to equity ratio	0.22	0.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

28 SEGMENT INFORMATION

[A] Description of segment and principal activities

The Group's Operating Segments are established on the basis of those components of the Group that are evaluated regularly by the CODM (the 'Chief Operating Decision Maker' as defined in Ind AS 108- 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and internal business reporting systems.

The Group has four reportable segments :

- A) Auto component :- This is related to auto component manufacturing.
- B) Renewable energy:-This is related to electricity generation through solar and windmill.
- C) Aluminium Division:- This is related to aluminium extrusion profiles components.
- D) Electric Division:- This is related to electric components.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Group with one additional policies for segment reporting. That Segment Assets and segment liability represent assets and liabilities in respective segments. Tax related assets/ liabilities and other assets/ liability that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocable".

[B] Information about reportable segments

	31-Mar-26						31-Mar-25					
	Auto component	Renewable energy	Aluminium	Electrical	Unallocable	Total	Auto component	Renewable energy	Aluminium	Electrical	Unallocable	Total
Segment revenue:												
External revenue*	570.88	13.16	-	-	5.03	589.07	494.48	12.97	-	-	15.07	522.52
Less: inter segment revenue		(8.15)	-	-	-	(8.15)		(7.93)	-	-	-	(7.93)
Total segment revenue	570.88	5.01	-	-	5.03	580.92	494.48	5.04	-	-	15.07	514.59
Segment profit before tax	19.79	8.81	-	-	0.15	28.75	0.90	8.55	-	-	15.05	24.50
Segment results	19.79	8.81			(16.56)	12.04	0.90	8.55	-	-	3.14	12.59
Segment results includes :												
Interest expenses	8.04	-	-	-	-	8.04	6.56	-	-	-	-	6.56
Interest income	-	-	-	-	0.83	0.83	-	-	-	-	0.66	0.66
Depreciation	45.22	2.09	-	-	-	49.40	40.36	2.42	-	-	-	42.78
Tax expenses	-	-	-	-	16.71	16.71	-	-	-	-	11.91	11.91
Segment assets	379.19	70.24	47.98	11.06	164.09	672.56	393.48	61.86	-	-	180.65	635.99
Segment assets includes:												
Capital expenditure incurred during the year	26.46	0.02	1.45	-	-	27.94	83.91	-	-	-	-	83.91
Segment liabilities	132.80	0.16	48.20	11.06	-	192.22	167.56	0.17	-	-	-	167.73

* External Revenue - Auto Components - Rs. 570.88 Crores includes Revenue from sale of products - Rs. 561.47 Crores; Revenue from rendering services - Rs. 1.59 Crores; Revenue from Sale Of Scrap - Rs. 2.99 Crores; Government Grants - Rs. 4.17 Crores; Export Incentive - Rs. 0.01 Crores; Other Non-Operating Income - Rs. 0.64 Crores, and Foreign Exchange gain - Rs. 0.01 Crores.

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the related asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

[C] Information about geographical areas

Revenue from external customers

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table.

	31-Mar-26	31-Mar-25
India	569.46	484.24
Overseas	1.60	9.63
	571.06	493.87

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

	31-Mar-26	31-Mar-25
India	335.76	267.11
	335.76	267.11

[D] Major customers

Revenue of approximately Rs. 371.80 Crore (31 March 2025 Rs. 317.14 Crore) is derived from three major external customers of the Group. This revenue is attributed to auto component manufacturing segment.

29 EMPLOYEE BENEFIT OBLIGATIONS

29(a) Defined Contribution plans

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as defined contribution schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis. Amount recognised as expenses in the profit and loss statement in respect of defined contribution plan is Rs. 1.15 Crore (Previous year - Rs. 1.06 Crore).

29(b) Defined Benefit plans

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Group, is deducted from the gross obligation, and Assumptions used in valuation are discount rate, escalation, mortality rate, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

(i) Movement of defined benefit obligation and plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
As at 01-Apr-2025	10.60	12.04	(1.44)
Current service cost	0.84	-	0.84
Past service cost*	0.67	-	0.67
Interest expenses/ income	0.70	0.79	(0.09)
Total amount recognised in profit and loss	2.21	0.79	1.42
Remeasurements			
Gain/ loss from change in demographic assumption	0.93	-	0.93
Gain/ loss from change in financial assumption	(0.47)	(0.07)	(0.40)
Experience Gain/ loss	(0.34)	0.14	(0.48)
Total amount recognised in other comprehensive income	0.12	0.07	0.05
Employer contributions	-	0.10	(0.10)
Benefit payments	(0.15)	(0.15)	-
Mortality charges and taxes	-	(0.02)	0.02
As at 31-Mar-2026	12.78	12.83	(0.05)

	Present value of obligation	Fair value of plan assets	Net Amount
As at 01-Apr-2024	10.02	11.27	(1.25)
Current service cost	0.63	-	0.63
Interest expenses/ income	0.70	0.81	(0.10)
Total amount recognised in profit and loss	1.33	0.81	0.52
Remeasurements			
Gain/ loss from change in demographic assumption	-	-	-
Gain/ loss from change in financial assumption	0.17	(0.01)	0.18
Experience gain/ loss	(0.36)	(0.01)	(0.35)
Total amount recognised in other comprehensive income	(0.19)	(0.02)	(0.17)
Employer contributions	-	0.56	(0.56)
Benefit payments	(0.56)	(0.56)	-
Mortality charges and taxes	-	(0.02)	0.02
As at 31-Mar-2025	10.60	12.04	(1.45)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

(ii) Net assets/ liabilities

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

	31-Mar-26	31-Mar-25
Present value of funded obligations	12.78	10.60
Fair value of plan assets	12.83	12.04
Net deficit for funded schemes	0.05	1.44

(iii) Analysis of plan assets is as follows:

	31-Mar-26	31-Mar-25
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
Total	100%	100%

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-26	31-Mar-25
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.40%	6.60%
Rate of increase in compensation levels		
For First year	10.00%	10.00%
Thereafter	10.00%	10.00%
Expected rate of return on plan assets	6.60%	7.20%
"Expected average remaining working lives of employees (in years)"	12.56	6.09
Withdrawal Rate	5.00%	15.00%

Notes:

- Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.
Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is

	Impact on present benefit obligation	
	31-Mar-26	31-Mar-25
Discount rate - Increase by 1%	(0.86)	(0.39)
Discount rate - Decrease by 1%	1.02	0.43
Salary increment rate - Increase by 1%	0.91	0.35
Salary increment rate - Decrease by 1%	(0.80)	(0.33)
Withdrawal rate - Increase by 1%	0.18	(0.12)
Withdrawal rate - Decrease by 1%	(0.18)	0.12

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in Rs. Crores unless otherwise stated)

(v) Expected future benefits payments

The Group monitors the funding levels on annual basis and accordingly decides upon the contribution to the fund. Expected contributions to post-employment benefit plans for the year ending 31 March 2026 are Rs.0.82 Crore . The expected maturity analysis of undiscounted post employment benefit is as follows :

	Less than 1 year	1 to 2 years	2-5 Years	More than 5 years
As at 31-Mar-2026				
Defined benefit obligation - Gratuity	5.22	1.59	1.51	5.87
As at 31-Mar-2025				
Defined benefit obligation - Gratuity	5.30	0.95	2.90	4.64

30 MICRO, SMALL AND MEDIUM ENTERPRISES

i)

	31-Mar-26	31-Mar-25
The principal amount and the interest due there on remaining unpaid to any supplier as at the end of the accounting period -		
- Principal amount outstanding	15.13	5.69
- Interest thereon		
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period -		
- Interest paid in terms of Section 16	-	-
- Interest payable on delayed principal payments	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 -		
- Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms and not as payable under the Act.	-	-
- Normal Interest payable during the year, for the period of delay in making payment, as per the agreed terms and not as payable under the Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period -		
- Total interest accrued during the period	-	-
- Total Interest remaining unpaid out of the above as at the balance sheet date	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		
- Outstanding interest at the end of previous year	-	-
- Outstanding interest at the end of current year	-	-

ii) The above information has been determined to the extent such parties could be identified on the basis of the information available with the Group regarding the status of suppliers under the MSMED.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

31 a) CONTINGENT LIABILITIES

		31-Mar-26	31-Mar-25
A	Taxation Matters		
A-1	Income tax		
	Dispute in respect of penalty matters pending before CIT (Appeal), Delhi	3.26	3.26
	Dispute in respect of Assessment dues (A.Y.2015-16) before CIT (Appeal), Delhi	1.80	1.80
	Dispute in respect of Assessment dues (A.Y.2016-17) before CIT (Appeal), Delhi	4.40	4.40
	Dispute in respect of Assessment dues (A.Y.2017-18) before CIT (Appeal), Delhi	0.92	0.92
	Dispute in respect of Assessment dues (A.Y.2018-19) before CIT (Appeal), Delhi	0.80	0.80
	Dispute in respect of Assessment dues (A.Y.2019-20) before CIT (Appeal), Delhi	2.88	2.88
	Demand for A.Y. 2003-04 adjusted by Assessing Officer against refund order for A.Y. 2015-16. Appeal for the AY 2003-04 is already pending before CIT(Appeal), Pune.	0.11	0.11
	TDS Matter pertaining to F.Y. 2012-13 pending with CIT(A) Pune	0.03	0.03
A-2	Sales Tax/Excise		
	Dispute before Joint Commissioner of Sales Tax for F.Y. 2016-17	0.34	0.34
	Central Excise Liability under dispute before CESTAT Mumbai	0.11	0.11
A-3	Goods and Service tax		
	Dispute in respect of Assessment dues (F.Y. 2017-18 to F.Y. 2021-2022) before AC,CGST,Ujjain	-	0.06
	Dispute in respect of Assessment dues (F.Y. 2019-20) before Superintendent, CGST, Pithampur-I	0.01	0.01
	Dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Authority, Rudrapur	0.11	0.11
	Dispute in respect of Assessment dues (F.Y. 2023-24) before GST Appellate Vijayapura, Karnataka.	0.05	0.05
	Dispute in respect of Assessment dues (F.Y. 2022-23) before Adjudication Officer, Pithampur	0.02	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

		31-Mar-26	31-Mar-25
B	Other		
	Bank Guarantees issued by the Company	2.50	2.56
	Comfort letter in lieu of Corporate Guarantee (issued on behalf of Drivesys to their banker towards credit facilities)	17.62	26.43
	Comfort letter in lieu of Corporate Guarantee (issued on behalf of Metacast to their banker towards credit facilities)	14.55	14.67
	Dispute in respect of Mathadi dues, pending before Pune Mathadi, Hamal and Other Manual Workers Board.	0.58	-

Note:

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

- b) As reported earlier, certain employees, who were employed in supervisory category, remained absent from work during the Financial Year 2018-19 and also submitted the alleged charter of demand. The Holding Company, after taking precautionary steps and in exercise of its rights as the employer, terminated services of 236 such employees and also denied their claim of salary / remuneration for the period of absence, before termination of their services. As per legal obligation, the Holding Company had filed 236 approval applications by way of abandoned cautions. Before the Industrial Tribunal, Pune out of which 231 approvals are granted by the Tribunal, and 5 cases are pending in court in approval application. Further, out of 236 dismissal cases, 139 employees have settled their all cases and remaining 97 cases are pending before Pune courts. The Holding Company has been advised that, these individuals or any other person have no valid claims, in respect of any of their demands including but not limited to the demand related to salary / remuneration for unauthorized absenteeism during the course of their employment with the Holding Company. This disclosure is being made as a matter of caution and without prejudice to the legal position of the Holding Company before any Judicial Forum or Statutory Authority.
- c) The last Wage Settlement dated 01.03.2015, with the workmen of the Holding Company, employed at the Vadu Budruk factory, expired on 31.08.2018. Thereafter, based on the Charter of Demands submitted by ZF Steering Gear Kamgar Sangathana, dated 18.03.2018, the conciliation proceedings were initiated before the Assistant Labour Commissioner (Labour Office, Pune), the Conciliation Officer. The said Officer submitted the Failure Report to the Government and the matter is referred to the Hon'ble Member, Industrial Tribunal, Pune, which Reference is pending consideration of the Hon'ble Member, Industrial Tribunal, Pune. Considering the pendency of the said Reference and though strictly not required, the Holding Company, as a matter of caution, submitted the Approval Applications, in respect of dismissal of 74 workmen of the Holding Company, working at the Vadu Budruk factory, to whom punishment for misconduct was awarded, after conducting enquiries.

The Approval for action of termination of the workmen was granted by the Hon'ble Member, Industrial Tribunal, Pune and the matter was referred for adjudication before the Labour Court, Pune, in respect of 74 cases. Out of 74 cases, in case of 44 workmen, the Hon'ble Labour Court, Pune passed the order dated 12.03.2024 on the preliminary issues that the enquiry conducted against these workmen is legal, fair and proper. On challenge the said order dated 12.03.2024 by these 44 workmen in writ petition, the Hon'ble Bombay High Court vide its order dated 05.12.2024 has rejected the said writ petition and upheld the findings of the Enquiry Officer as legal, fair and proper. Now these 44 workmen are in the process of filing evidences before the Hon'ble Labour Court, Pune. In case of 16 workmen, the Holding Company has filed writ petition on 08.11.2025 before the Hon'ble Bombay High Court challenging the order dated 08.07.2025 passed by the Labour Court, Pune, wherein the Labour Court has held that the enquiry conducted against these 16 workmen is not proper, legal & fair. The said writ petition is pending before the Hon'ble High Court for consideration at interim stage.

In case of balance 14 workmen, the matter is pending consideration of the Hon'ble Labour Court, Pune. This disclosure is being made as a matter of caution and without prejudice to the legal position of the Holding Company before any Judicial Forum or Statutory Authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

- 32** Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

As on 31-March-2026

Name of the Company	Share in Net Assets		Share in Profit / (loss)		Share in OCI		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Net Profit/ (Loss)	Amount	As a % of Consolidated Net OCI	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company								
ZF Steering Gear (India) Ltd.	103.73	521.74	199.00	31.88	250.00	0.10	199.13	31.98
Subsidiary Company								
Drivesys Systems Private Limited	(3.26)	(16.38)	(56.24)	(9.01)	(200.00)	(0.08)	(56.59)	(9.09)
Nexsteer Systems Private Limited	(0.07)	(0.37)	(0.12)	(0.02)	-	-	(0.12)	(0.02)
Metacast Auto Private Limited	(0.40)	(2.01)	(42.63)	(6.83)	50.00	0.02	(42.40)	(6.81)
SUBTOTAL	100.00	502.98	100.00	16.02	100.00	0.04	100.00	16.06
Consolidation Adjustment		(22.64)		(3.98)		-		(0.67)
TOTAL		480.34		12.04		0.04		15.39

As on 31-March-2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

33 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed at group level on capital account and not provided for Rs. 60.48 Crore (31 March, 2025 - Rs. 36.26 Crore).
- b) Out of total 8 EPCG licenses, 3 licenses were discharged resulting total export obligation under the EPCG Scheme stood at Rs. 30.39 Crores (31 March 2025 is Rs. 33.64 Crores) and obligation payable reduced to Rs.5.06 Crore (31 March 2025 Rs.5.61 Crore).
- 34** There are no transactions and / or disputed balance outstanding with companies struck off under section 248 of the Companies Act, 2013.
- 35** The Holding Company does not have any charges or satisfaction of charges pending for registration with the ROC beyond the statutory period, other than one charge where the satisfaction is currently under process with the ROC.

36 RELATED PARTY DISCLOSURES

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

No.	Nature of relationship	Name of related party
1	Wholly Owned Subsidiaries	Drivesys Systems Private Limited
		Nexsteer Systems Private Limited
	Subsidiary	Metacast Auto Private Limited

B Names of related parties and related party relationship with whom transactions have taken place:

1	Key managerial personnel	Mr. Dinesh Munot - Chairman
		Mr. Utkarsh Munot - Managing Director
		Mr. Jinendra Jain - Chief Financial Officer
		Mr. Satish Mehta - Company Secretary
2	Non-executive directors	Mrs. Smita Lahoti (Independent)
		Mr. Rohit Rathi (Independent)
		Mr. Shrenik Gandhi (Independent) - Chairman of the Audit Committee
		Mr. Bharat Agarwal (Independent)
		Dr. Dinesh Bothra (Non-independent)
3	Entities over which key managerial personnel able to exercise significant influence	Varsha Forging Pvt. Ltd.
		Emtech Solutions Pvt Ltd.
		Deva Autotronics Pvt. Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

C Key managerial personnel compensation

	31-Mar-26	31-Mar-25
a. Short term employee benefits (Salary paid during the year)	15.15	13.46
b. Post-employment benefits (cumulative)	4.88	3.19
	20.03	16.65

D Details of transactions

	For the year ended	
	31-Mar-26	31-Mar-25
Purchase of goods & Services		
Varsha Forging Pvt Ltd	13.42	17.90
Sale of goods & services		
Deva Autotronics Pvt. Ltd.	0.95	0.88
Lease Rental Payment		
Emtech Solutions Pvt Ltd.	1.19	1.14
Sitting fees to Non Executive & Independent directors	0.19	0.17

E Outstanding balances

	31-Mar-26	31-Mar-25
Trade payables		
Domestic supplier of raXxw material & components		
Varsha Forging Pvt Ltd	1.83	4.32
Lease Rental Payment		
Emtech Solutions Pvt Ltd.	0.11	0.10
Key managerial personnel	1.73	1.74
Trade Receivables		
Deva Autotronics Pvt. Ltd.	0.43	0.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

37 As reported earlier, the Holding Company had received a communication dated 19 October 2022, from ZF Friedrichshafen AG ('ZF AG'), regarding alleged infringement and passing off, of the trademark/mark "ZF" and/or "ZF India" and amongst other alleged demands, ZF Friedrichshafen AG, has claimed a sum of Rs.100 crores in damages from the Holding Company. The Holding Company continues to be of the opinion that, it has not committed any act of infringement and/or passing off, in any manner whatsoever. The Holding Company vide communication dated 12 April 2023, had sent a detailed reply to ZF Friedrichshafen AG. The allegations of ZF Friedrichshafen AG and/or ZF India Private Limited are neither accepted nor acceptable to the Holding Company. The Holding Company has also sent a letter to certain affiliates of ZF Friedrichshafen AG, to cease and desist the use of the name "ZF" and/or "ZF India", in relation to certain products, as per the terms of the No-Objection Letter dated 28 July 2006, issued by the Company to ZF Friedrichshafen AG. In addition to the same, the Holding Company has filed 2 (two) commercial suits against ZF Friedrichshafen AG and others, before the Hon'ble District Court, Pune and the same are pending consideration of the Hon'ble District Court, Pune.

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

38 The ministry of corporate Affairs (MCA) vide its notification No. GSR206 (E) dated 24th March 24, 2021 has issued Companies (Audit and Auditors) Amendment Rules, 2021' read with sub-section 3 of section 143 of Companies Act, 2013 introducing new Rule 11(g) which is effective from 1st April, 2023.

Rule 11(g) states that every company which uses the accounting software for maintaining its books of accounts shall use only the accounting software where there is a feature of recording audit trail for each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that, the audit trail cannot be disabled.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

- 39** Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f. April 1, 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation and made appropriate disclosures in the financial statement

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

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

As per our report of even date

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

Kaustubh Deshpande
 Partner
 Membership No. : 131090

Place: Pune
Date: 12 May, 2026

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

Dinesh Munot
 Chairman
DIN : 00049801

Utkarsh Munot
 Managing Director
DIN : 00049903

Shrenik Gandhi
 Director
DIN :10929891

Satish Mehta
 Company Secretary

Jinendra Jain
 Chief Financial Officer

Place: Pune
Date: 12 May, 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2026

(All amounts in Rs. Crores unless otherwise stated)

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

Sr No	Particular	Subsidiary		
		Drivesys Systems Private Limited	Nexsteer Systems Private Limited	Metacast Auto Private Limited
1	Reporting period for the subsidiary concerned if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable
2	Reporting currency and exchange rate as on the last date of the relevance financial year in the case of foreign subsidiaries	INR	INR	INR
3	% of shareholding	100%	100%	51%
4	Share Capital	8.00	0.08	8.00
5	Reserves and Surplus	(24.38)	(0.45)	(10.01)
6	Total Assets	197.91	0.36	62.69
7	Total liabilities	214.29	0.73	64.7
8	Investments	0.01	-	-
9	Turnover	88.88	-	59.05
10	Profit before Taxation	(10.86)	(0.02)	(9.05)
11	Provision for Taxation	(1.85)	-	(2.22)
12	Profit After Taxation	(9.01)	(0.02)	(6.86)
13	Proposed Dividend	-	-	-

As per our report of even date

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

Kaustubh Deshpande
Partner
Membership No. : 131090

Place: Pune
Date: 12 May, 2026

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

Dinesh Munot
Chairman
DIN : 00049801

Utkarsh Munot
Managing Director
DIN : 00049903

Shrenik Gandhi
Director
DIN :10929891

Satish Mehta
Company Secretary

Jinendra Jain
Chief Financial Officer

Place: Pune
Date: 12 May, 2026

PLANTS OF SUBSIDIARIES OF THE COMPANY



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



Metacast, Kolhapur
Casting Foundry Plant

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



ZF STEERING GEAR (INDIA) LIMITED

REGD. OFFICE & PLANT

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

CIN No. L29130PN1981PLC023734

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