



**ZF STEERING GEAR (INDIA) LIMITED**  
Regd. Office: Village Vadubudruk, Tal: Shirur, Dist. Pune 412 216

**CHAIRMAN'S SPEECH**

(at the 35th Annual General Meeting of the Company held on September 23, 2015)

Dear Members,

I have great pleasure in welcoming you all, at the 35th Annual General Meeting of 'ZF Steering Gear (India) Limited'. I would like to thank you all, for your presence here today, and I appreciate your interest in the Company.

I trust, the Notice convening the Meeting and other documents forming part of the Annual Report for the financial year 2014-15 have reached you in time. With your kind permission, we take them as read.

**Changes in the Board**

Before proceeding further, I would like to inform you about the changes in the Board of Directors of your Company.

Mr. Carl Magnus Backlund stepped down as Director w.e.f. January 1, 2015. Consequently, Mr. Klaus Traeder – his Alternate Director ceased to be Director of your Company. I wish to place on record, sincere appreciation for the contribution of Mr. Backlund and Mr. Traeder as Directors of your Company.

During the year, Mr. S A Gundecha and Mrs. Eitika Munot have joined the Board. I extend a warm welcome to them.

**Foreign Promoter – Robert Bosch Automotive Steering GmbH**

As reported in the Directors' Report, -\*\*\*\*\*during the year, there was a change in the Shareholding/ Ownership pattern of 'ZF Lenksysteme, GmbH' (ZFLS), the foreign-promoter of your Company. Previously, entire share-capital of ZFLS was held between ZF Friedrichshafen AG and Robert Bosch GmbH in the ratio of 50:50. In January 2015, Robert Bosch GmbH agreed to buy the shares held by ZF Friedrichshafen AG in ZFLS and became 100% owner of ZFLS. Consequent upon this change, name of ZFLS has been changed to 'Robert Bosch Automotive Steering GmbH'.

With the above development, the provisions relating to indirect acquisition of shares/ voting rights, contained in the (SEBI) Takeover Code 2011, got invoked and necessitated **Robert Bosch** GmbH to make an Open Offer to the Members of your Company to acquire 26% shares of your Company.



## Financial Performance of the Company for the year 2014-15

Though the commercial vehicle industry had not fully recovered from the preceding years of slow down, Your Company posted commendable performance. Sales were up by 13.7%. Profit after Tax has shown impressive recovery from Rs. 141 million to Rs. 356.million. Earnings per Share jumped from Rs. 15.55 to Rs. 39.20.

### Dividend

The Board is glad to recommend a Dividend of Rs. 10 per share against Rs. 7 paid earlier year.

### Joint Venture (JV)

Name of the Joint Venture Company, which is a subsidiary of 'Robert Bosch Automotive Steering GmbH' has also been changed from 'ZF Lenksysteme India Private Limited', to '**Robert Bosch Automotive Steering Private Limited**'. Your Company has so far invested Rs. 97.89 crore (Rs. 978.90 million) and holds 26% equity capital of the JV Company. Your Company will be investing further in the current financial year.

The JV Company was established in the year 2007, with a vision to cater to the Indian Automotive steering systems market with new generations of steering systems made by its Holding Company. The JV Company has started regular supplies of electric steering systems for passenger- cars to Tata Motors and Ford.

As we are aware, India is a key pillar of the Robert Bosch Group's global growth strategy for Asia Pacific, we believe, JV Company has a great future ahead.

### Economic Scenario and outlook for future

Though we see signs of recovery in commercial vehicle segment, the prospects for the tractor segment are not very encouraging. The deficit monsoon which is currently more than 10% below normal will continue to exert pressure on the economy and more particularly on the tractors segment.

Your Company continues to be optimistic on medium and long term prospects of the Company.

Your Company anticipates good opportunities in the Renewable Energy Sector and will consider adding investments in that sector at opportune time.

### Performance - First Five Months of the Current-year

Your Company's Sales figures are as under:



(Quantity in Numbers)

Particulars	April to August 2015	April to August 2014	% of (+ or -) over April to August 2014
Power Steering Gears – CV/ MU / BUS	94,383	84,945	11.11
Mechanical Steering Gear- Tractors	52,949	63,213	(16.24)
<b>Total Qty (Nos.)</b>	<b>147,332</b>	<b>148,158</b>	

#### Acknowledgements

To conclude, I would take this opportunity to thank the government authorities, shareholders, bankers, suppliers and customers for their consistent and resolute support.

I thank all my colleagues on the Board for their solid support and encouragement.

Finally, I would like to specially acknowledge the commitment and dedication of all the employees of your Company.

Thank you for your kind attention.

September 23, 2015

**Dinesh Munot**  
**Chairman & Managing Director**