



# ZF STEERING GEAR (INDIA) LIMITED

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



*Steering Towards Future*



**38<sup>th</sup>**

Annual Report  
2017-2018



The Chief Executive Officer (C.E.O.) handing over the Company's Contribution towards the Prime Minister Relief Fund



Every year the Company organises Blood- Donation Camp.



Staff Motivation and Team Spirit event initiated by Human Resources Department.

## BOARD OF DIRECTORS

### Chairman & Managing Director

Mr. Dinesh Munot

### Jt. Managing Director

Mr. Jinendra Munot

(Up to 31.03.2018)

### Chief Executive Officer

Mr. Utkarsh Munot

### Non-Executive Directors

Mr. Manish Motwani

Mr. M. L. Rath

Mr. Shridhar S. Kalmadi

Mr. Ajinkya Arun Firodia

Mr. Jitendra A. Pandit

Mr. S. A. Gundecha

Mrs. Eitika Munot

Mr. Soumitra Bhattacharya

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Jinendra Jain

### COMPANY SECRETARY

Mr. Satish Mehta

### Audit Committee

Mr. S. A. Gundecha - Chairman

Mr. M. L. Rath

Mr. Jitendra A. Pandit

### Stakeholders Relationship Committee

Mr. Jitendra A. Pandit - Chairman

Mr. M. L. Rath

Mrs. Eitika Munot

### Nomination and Remuneration Committee

Mr. M. L. Rath - Chairman

Mr. Jitendra A. Pandit

Mr. Manish Motwani

### Corporate Social Responsibility Committee

Mr. Dinesh Munot - Chairman

Mr. Jinendra Munot

(Up to 31.03.2018)

Mr. Utkarsh Munot

Mr. M. L. Rath

Mrs. Eitika Munot

### AUDITORS

M/s. MGM & Co.  
Chartered Accountants

### INTERNAL AUDITORS

M/s. Udyen Jain & Associates  
Chartered Accountants

### SECRETARIAL AUDITOR

Mr. I. U. Thakur  
Company Secretary

### REGISTERED OFFICE & WORKS

Gat Nos. 1242 & 1244,

Village Vadu Budruk,

Tal. Shirur, Dist. Pune – 412 216

Maharashtra

**CIN: L29130PN1981PLC023734**

Tel: 02137-305100

Fax: 02137- 305302

E-mail Id: [enquiry@zfindia.com](mailto:enquiry@zfindia.com)

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

### BANKERS

Kotak Mahindra Bank

Deutsche Bank AG

HDFC Bank

Bank of Maharashtra

Canara Bank

Yes Bank

### SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.

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@linkintime.co.in](mailto:pune@linkintime.co.in)

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## NOTICE

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

Day : Monday  
Date : August 27, 2018  
Time : 3.00 p.m.  
Place : Registered Office of the Company,  
Gat Nos. 1242/ 44, Village Vadu Budruk,  
Tal. Shirur, Dist. Pune-412 216.

to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt
  - a. the Audited (Standalone) Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Directors and the Auditors thereon, and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Report of the Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mrs. Eitika Munot (DIN: 01396661), who retires by rotation and, being eligible, offers herself for re-appointment.
4. To re-appoint M/s. MGM & Company, Chartered Accountants (Firm Registration Number: 117963W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 700,000 plus taxes and out of pocket expenses.

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

**Satish Mehta**  
Company Secretary  
Membership No. : F3219

**May 30, 2018**

Registered Office:  
Gat No. 1242/44, Village Vadu Budruk,  
Tal. Shirur, Dist. Pune - 412 216  
CIN: L29130PN1981PLC023734

## Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Profile of the Director being re-appointed, as required by the Corporate Governance Code under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015), are annexed to the Notice.
3. Members/ Proxies/ Representatives should bring the enclosed duly filled attendance slip, for attending the Meeting. Copies of the Annual Report or Attendance Slip will not be distributed at the Meeting.
4. **Voting through electronic means:**

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 (**the Act**), Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with 'Central Depository Services (India) Limited' (CDSL) to facilitate remote e-voting.

Remote E-voting is optional and members shall have the option to vote either through remote e-voting or by way of poll-paper at the Annual General Meeting. Members who have cast their votes by remote e-voting prior to Meeting, may attend the Meeting, but shall not be entitled to cast their votes again.

The Board of Directors have appointed Mr. I. U. Thakur, Practicing Company Secretary (C. P. No. 1402), who in the opinion of the Company, is a duly qualified person, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.



**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on August 24, 2018 (9 a.m.) and ends on August 26, 2018 (5 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 20, 2018 (End of Day) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders/ Members.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen.
 

However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) **For Members holding shares in physical form**, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **<ZF Steering Gear (India) Limited>** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their votes using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non-Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- b.** In the event, the draft resolution is assented to by the requisite majority of Shareholders by means of electronic voting, the date of declaration of result shall be deemed to be the date of passing of the said resolution at the Annual General Meeting.
- c.** The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e August 20, 2018. Shareholders are requested to notify the change in the address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of Physical shares to the Registrar and Transfer Agent.
- d.** The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting, in the presence of at least two witnesses, not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's 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 results of the voting forthwith.
- The Results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www.zfindia.com](http://www.zfindia.com) and on the website of CDSL. The results shall simultaneously be communicated to the BSE Limited.
5. A copy of this notice has been placed on the website of the Company and on the website of CDSL.
  6. The Register of Members and Share Transfer Books of the Company will be closed from August 21, 2018 to August 27, 2018 (both days inclusive).
  7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
  8. The Register of Contracts or Arrangement in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
  9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company, so as to reach it at least ten days before the date of the Meeting, so that information can be made available at the Meeting.
  10. Members holding shares in physical form are requested to intimate the changes, if any, in their registered addresses, to the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd., Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune- 411 001.
  11. Members are advised that respective bank details and address as furnished by them or by NSDL/ CDSL to the Company, for shares held in physical form and in the dematerialized form respectively, will be printed on their dividend warrants so as to protect against fraudulent encashment.
  12. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with 'Link Intime India Pvt. Ltd.', 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.
  13. The route map showing directions to reach venue of the thirty-eighth AGM is annexed.
  14. 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 2010-11 (Interim) have been transferred to the IEPF. Unclaimed final dividend for

F. Y. 2010-11 is due for transfer in August 2018. Shareholders who have not yet encashed the dividend warrants for financial years 2010-11 (final) and thereafter are requested to contact the Company at the earliest.

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.**

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](http://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.

**It is in the Members' interest to claim any un-encashed 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.**

Members are requested to the Company for claiming the dividend for the aforesaid years.

The details of unclaimed dividends of the aforesaid years are available on the Ministry of Corporate Affairs website at [www.mca.gov.in](http://www.mca.gov.in) and on the website of the Company viz. [www.zfindia.com](http://www.zfindia.com).

15. The Annual Report 2017-18 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.zfindia.com](http://www.zfindia.com) and also on the website of the BSE Ltd. (Bombay Stock Exchange) at [www.bseindia.com](http://www.bseindia.com).
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, Link Intime India Pvt. Ltd.
17. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, during business hours up to the date of the 38th Annual General Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
18. In this Notice and Annexure thereto, the terms 'Shareholders' and 'Members' are used interchangeably.

## Important Communication to Members

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

### Open Demat Account and Dematerialize your shares

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

### Consolidate Multiple Folios

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

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

Investors holding the shares in physical form should provide the National Electronic Clearing Services (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from Companies and avoid postal delays and loss in transit.

Investors must update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.

### Submit Nomination Form

As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in case of physical shares with the Company and in case of dematerialized shares with their DP. Nomination would help the nominees to get the shares transmitted in their favour. Investors must ensure that nomination made is in the prescribed Form and must be witnessed by two witnesses in order to be effective. The Form may be downloaded from the Company's website [www.zfindia.com](http://www.zfindia.com) under the section 'Investor'.

Profile of the Director being re-appointed as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India.

Particulars	Mrs. Eitika Munot
DIN	01396661
Type	Non-Executive Non-Independent
Age	37 years
Date of Appointment	September 15, 2014
Qualification	Master of Business Administration (Human Resources) from Punjab University
Expertise in Specific Functional areas	Mrs. Eitika Munot was working as Manager-Coordination (S.A.P & H.R.) with the Company. The S.A.P was successfully installed in the Company under her guidance and supervision. Under her direction, the Company has initiated various motivational, health and safety awareness initiative. She has resigned from the services of the Company with effect from September 1, 2014.
Other Directorships held in India	Nil
Membership of Committees (in the Company)	Stakeholders' Relationship Committee and Corporate Social Responsibility Committee
Membership of Committees (Others)	Nil
No. of Equity Shares held in the Company	Nil
Relationship between directors/ KMP inter-se	Mrs. Eitika Munot is wife of Mr. Utkarsh Munot and daughter in-law of Mr. Dinesh Munot.
Number of Board Meetings attended during the financial year 2017-18.	Four out of Four

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

**Satish Mehta**  
Company Secretary  
Membership No. : F3219

**May 30, 2018**

Registered Office:  
Gat No. 1242/44, Village Vadu Budruk,  
Tal. Shirur, Dist. Pune - 412 216  
CIN: L29130PN1981PLC023734



## Directors' Report

To the Members,

The Directors have pleasure in presenting the 38th Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the financial year (F.Y.) ended March 31, 2018.

### Financial Results

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017, pursuant to the Government of India, Ministry of Corporate Affairs' Notification dated February 16, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the Financial Statements for the F.Y. ended March 31, 2018 of the Company and its associate company have been prepared in compliance with Ind AS. Consequently, the financial statements for the previous year (F.Y. 2016-17) have also been reinstated as per Ind AS to facilitate comparison.

(Rs. In million)

Particulars	Standalone		Consolidated (after taking into account 26% share in JV Company named 'Robert Bosch Automotive Steering Pvt. Ltd.')	
	2017-18	2016-17	2017-18	2016-17
Sales (net) and other Income	4359.28	4104.09	4359.28	4104.09
Profit/ (Loss) before depreciation and tax	946.77	910.37	946.77	910.37
Depreciation and amortization expenses	333.03	278.51	333.03	278.51
Share of Net Profit/ (Loss) of Joint Venture	-	-	(38.37)	(184.00)
Profit/ (Loss) before Tax (PBT)	613.74	631.86	575.37	447.86
Tax Expense	143.07	134.70	143.07	134.70
Profit/ (Loss) for the year	470.67	497.16	432.30	313.16
Other comprehensive income	17.24	(7.40)	17.30	(7.76)
Total comprehensive income for the year	487.91	489.76	449.60	305.40
Balance Brought Forward from Previous year	918.14	428.38	175.75	(129.65)
Dividend & Dividend Tax thereon (F.Y. 2016-17)	(87.36)	-	(87.36)	-
Transfer to General Reserve	Nil	Nil	Nil	Nil
Closing Balance under Profit and Loss Statement c/f	1318.69	918.14	537.99	175.75
Earnings Per Share Basic/ Diluted	51.87	54.79	47.65	34.51

### Dividend

Your Directors are pleased to recommend a dividend of Rs.8/- per share for the financial year ended March 31, 2018.

### Management Discussion and Analysis

International Monetary Fund (IMF) has recently indicated that with a growth rate of 6.6 per cent for the financial year 2017-18, which may rise to 7.5 per cent in F.Y. 2018-19, the prospects for Indian economy are bright. A revival of the economy post-demonetization and enforcement of Goods and Services Tax are putting the Country back on track, giving a leg up to the industry and manufacturing activities. The Indian economy is now 2.5 trillion dollar economy - seventh largest in the world.

### Industry structure and developments

The overall Commercial Vehicles segment registered a growth of 15.9 per cent in April-March 2018 as compared to 4 per cent growth in F.Y. 2016-17. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 11.0 per cent and Light Commercial Vehicles grew by 19.5 per cent during April-March 2018 over the same period of last year.

Tractor manufacturers have notched up their highest-ever sales in F.Y. 2017-18. At 7.11 lakh units, sales are significantly higher than the 5.83 lakh units recorded in F.Y. 2016-17, on back of subsidy and other support facilities extended for tractor purchase by several States, good crop output owing to good monsoon and the availability of retail finance.

## Financial Performance and state of the Company's affairs

### Auto Components

(Numbers)

Type	2017-18	2016-17	Growth
Power Steering	268,818	253,363	6.1%
Mechanical Steering	117,644	111,742	5.3%

Sales, in value terms, were up by 6.8% for F.Y. 2017-18, compared to F.Y.2016-17.

### Renewable Energy-

#### Solar Energy

Your Company's 5 MW Solar Power Project at Gujarat Solar Park, Charnka Village, District Patan (Kutch) Gujarat generated 7.84 million Units of Electricity with sales-revenue of Rs.87.71 million in the F.Y. 2017-18. The entire electricity is purchased by Gujarat Urja Vikas Nigam Limited (GUVNL), a Government of Gujarat Company.

During the year, the Company successfully completed its rooftop solar project at its Vadu Budruk plant. This should generate approximately 6 to 7 lakh units per annum, which will be captively consumed in the said plant.

#### Wind Energy

Seven Wind Turbine Machines, owned and operated by the Company, located in districts of Satara and Ahmednagar, having aggregate capacity of 6.7 MW, generated a total of 7.92 million units in the F.Y. 2017-18. All the units generated were used as captive consumption, which accounted for approximately 52.9% of the energy-consumption of the Company's factory at Village Vadu Budruk.

### Investment in the Joint Venture Company & other Investments

Rs. 98.8 million were invested as additional investment in the equity capital of the Joint Venture Company, during the F.Y. 2017-18. The Company has so far invested Rs. 1293.5 million in the Joint Venture Company. The Company also has other financial investments. In accordance with Ind AS provisions, financial instruments, except the investment in the Joint-Venture and the Bonds, have been recognised at fair value. For additional disclosures on financial investments and fair value, please refer to Note 6(a) of the standalone financial statement.

Other Income includes dividend income, interest income and realised gains of Rs. 34.98 million and unrealised gains of Rs. 47.24 million as at March 31, 2018, from the financial investments held by the Company.

### Finance cost

Finance cost of the Company was Rs. 32.2 million against Rs. 24.9 million, in view of higher working capital requirements.

### Credit Rating

ICRA, the Credit Rating Agency, has reaffirmed the A+ and A1+ rating for long and short term borrowings of the Company.

### Profitability

Profit for the year was Rs. 470.67 million as compared to Rs. 497.16 million for the F.Y. 2016-17. Earnings Per Share (EPS), as per the Standalone results, is Rs. 51.87 for the year ended March 31, 2018.

After adjusting the Company's 26% share of loss of the Joint-Venture Company, the EPS works out to Rs. 47.65, as per the Consolidated Financial Results.

### Segment wise Profitability

Profits (after-tax), after adjusting for investments income, for the Auto-components segment, are Rs. 305 million (7.1% of the segment revenue) vis-a-vis Rs. 81.87 million (56.9% of the segment revenue) for the Renewable Energy segment.

### Outlook, Opportunities and Threat

India tops the list of the fastest growing economies in the world for the coming decade and is projected to grow at 7.9 per cent annually, ahead of China and the US, according to a Harvard University report.

The automobile industry is supported by various factors such as availability of skilled labour at low cost, robust R&D centres and low cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

The auto industry is set to witness major changes in the form of electric vehicles (EVs), shared mobility, accelerated transition from Bharat Stage (BS) IV to BS VI emission, stringent vehicle standards and safety norms.

Society of Indian Automobile Manufacturers (SIAM) has forecasted that Commercial Vehicles should continue their growth momentum in double-digits at 10 to 12 per cent, with M&HCVs up by 9 to 11 per cent and light commercial vehicles growing at 10 to 12 per cent. More infrastructure development will spike up this business.

In view of the two major changes in the proposed vehicle scrap policy, for mandatory disposal of more than 20 years old commercial vehicles (previously 15 years) and the proposed implementation date being deferred to April 1, 2020, according to the rating agencies, it is unlikely to have any significant impact on the automobile industry in terms of increased demand.

The rural economy is also looking brighter and the sales of farm equipment and tractors is seeing a good growth. Tractor sales may further improve by 11-13% in F.Y. 2018-19 over the high base this fiscal, with assumptions of a normal monsoon and increased government support.

As per a recent report by 'CARE Ratings', headline inflation, lending rates, fiscal prudence, current account deficit (CAD) and exchange rates, however, are the areas of concern for the Indian economy. These national challenges will have its effect on the automobile industry as well.

### Subsidiaries, Associates and Joint Ventures

#### Consolidated Financial Statements

The Company does not have any subsidiary. However, the Company has a Joint Venture with 'Robert Bosch Automotive Steering GmbH', Germany in the name of 'Robert Bosch Automotive Steering Private Limited.