



# ZF STEERING GEAR (INDIA) LIMITED

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

*Steering Towards Future*



# 39<sup>th</sup>

Annual Report  
2018-2019

## BOARD OF DIRECTORS

### Chairman

Mr. Dinesh Munot

### Managing Director

Mr. Utkarsh Munot

### Non-Executive Directors

Mr. Manish Motwani

Mr. M. L. Rath  
(Up to 23.11.2018)

Mr. Shridhar S. Kalmadi

Mr. Ajinkya Arun Firodia

Mr. Jitendra A. Pandit

Mr. S. A. Gundecha

Mrs. Eitika Munot

Mr. Soumitra Bhattacharya

## BOARD COMMITTEES

### Audit Committee

Mr. S. A. Gundecha - Chairman

Mr. M. L. Rath  
(Up to 23.11.2018)

Mr. Jitendra A. Pandit

Mr. Manish Motwani  
(From 15.01.2019)

### Stakeholders' Relationship Committee

Mr. Jitendra A. Pandit – Chairman

Mr. M. L. Rath  
(Up to 23.11.2018)

Mrs. Eitika Munot

Mr. S. A. Gundecha  
(From 15.01.2019)

### Nomination and Remuneration Committee

Mr. S. A. Gundecha – Chairman  
(From 15.01.2019)

Mr. M. L. Rath - Chairman  
(Up to 23.11.2018)

Mr. Jitendra A. Pandit

Mr. Manish Motwani

### Corporate Social Responsibility Committee

Mr. Dinesh Munot - Chairman

Mr. Utkarsh Munot

Mr. M. L. Rath  
(Up to 23.11.2018)

Mrs. Eitika Munot

Mr. Shridhar S Kalmadi  
(From 15.01.2019)

## 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

Deutsche Bank AG

HDFC Bank

Bank of Maharashtra

Yes Bank

## REGISTRARS & 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)

## AUDITORS

M/s. MGM & Co.  
Chartered Accountants

## INTERNAL AUDITORS

M/s. Udyen Jain & Associates  
Chartered Accountants

## SECRETARIAL AUDITOR

Mr. I. U. Thakur  
Company Secretary

## CHIEF FINANCIAL OFFICER (CFO)

Mr. Jinendra Jain

## COMPANY SECRETARY

Mr. Satish Mehta

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## NOTICE

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

Day : Friday  
Date : September 20, 2019  
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

- the Audited (Standalone) Financial Statements of the Company, for the Financial Year ended March 31, 2019, together with the Reports of the Directors and the Auditors thereon, and
- the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of the Auditors thereon.

#### 2. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, the vacancy on the Board of the Company, caused due to retirement by rotation of Mr. Soumitra Bhattacharya (DIN: 02783243), Non-Executive retiring Director, who has intimated to the Company that he does not wish to be re-appointed as a Director of the Company, be not filled-up.”

#### 3. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s Joshi Apte & Co., Chartered Accountants (Firm Registration No. 104370W), be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. MGM & Company, Chartered Accountants (Firm Registration No. 117963W), for a period of 5 (five) consecutive years, to hold office from the conclusion of this 39th Annual General Meeting until the conclusion of the 44th Annual General Meeting, on a remuneration of

Rs. 7.30 Lakh as statutory audit fees for the financial year 2019-20, which will increase by 5% per annum, from next financial year, during their tenure, plus applicable taxes and out of pocket expenses, and fees for other work as may be decided by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

#### 4. Re-appointment of Mr. Shridhar S Kalmadi (DIN 00044301) as an Independent Director of the Company.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**the Act**) and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Shridhar S. Kalmadi (DIN 00044301), who holds office as an Independent Director up to March 31, 2020 and being eligible for re-appointment, and in respect of whom the Company has received Notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Act, as an Independent Director of the Company, for a second term, not liable to retire by rotation, to hold office of a Director for 5 (five) consecutive years on the Board of the Company for a term, with effect from April 1, 2020 up to March 31, 2025.”

#### 5. Re-appointment of Mr. Jitendra A. Pandit (DIN 05359478) as an Independent Director of the Company.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**the Act**) and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Jitendra A. Pandit (DIN 05359478), who holds office as an Independent Director up to March 31, 2020, and being eligible for re-appointment, and in respect of whom the Company has received Notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Act, as an Independent Director of the Company, for a second term, not liable to retire by rotation, to hold office of a Director for 5 (five) consecutive years on the Board of the Company for a term, with effect from April 1, 2020 up to March 31, 2025.”

**6. Appointment of Mr. Sandeep Nelamangala (DIN 08264554) as Non-Executive Director of the Company.**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 160 and other applicable sections, if any, of the Companies Act, 2013 **(the Act)**, and the rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable regulations, if any, Mr. Sandeep Nelamangala (DIN 08264554), in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act, proposing his candidature for the office of Non-Executive Director, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation, from date of this Meeting.”

**7. Appointment of Mr. Adit Rathi (DIN 00084380) as an Independent Director of the Company.**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 **(the Act)** and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for appointment of Mr. Adit Rathi (DIN 00084380), in respect of whom the Company has received Notice in writing from a Member proposing his candidature for the office of Director under Section 160 of the Act, as an Independent Director of the Company, not liable to retire by rotation, to hold office of a Director for 5 (five) consecutive years on the Board of the Company, from the date of this Meeting .”

**8. Re-classification of some of the Promoters of the Company.**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable and subject to receipt of necessary approval of BSE Limited, the stock exchange on which the shares of the Company are quoted, and other appropriate statutory authorities, as may be necessary; approval of the Company, be and is hereby accorded, to reclassify the following Promoters and currently forming part of the “Promoter and Promoter Group” holding 396,823 Equity Shares, aggregating to 4.37% of the paid up share capital

of the Company, from “Promoter & Promoter Group” shareholding of the Company to the ‘Public’ shareholding of the Company:

| Sr. No. | Name of the Promoters     | No. of Equity Shares held | % of total Share- capital of the Company |
|---------|---------------------------|---------------------------|--|
| 1       | Mrs. Amita Jinendra Munot | 1,52,457                  | 1.68                                     |
| 2       | Mr. Piyush Jinendra Munot | 1,21,813                  | 1.34                                     |
| 3       | Mr. Yash Munot            | 1,22,553                  | 1.35                                     |
|         | <b>Total</b>              | <b>3,96,823</b>           | <b>4.37%</b>                             |

**“RESOLVED FURTHER THAT** on receipt of approval from BSE Limited for the proposed re-classification of the aforementioned Promoters, the Company shall effect such re-classification in the Statement of Shareholding Pattern from immediate succeeding quarter as per the provisions of Regulation 31 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance of the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions, if any, in respect of the disclosures.”

**“RESOLVED FURTHER THAT** Mr. Dinesh Munot – Chairman & Managing Director, Mr. Utkarsh Munot – Chief Executive Officer and Mr. Satish Mehta - Company Secretary of the Company, be and are hereby severally authorized to file the necessary applications with BSE Limited or any other regulatory authority, as may be required or necessary and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution and to execute all such documents, instruments, undertakings, papers and/or writings, for and on behalf of the Company, as may be required in respect of the aforesaid matter.”

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

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

**July 31, 2019**

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 per cent 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.

Proxies submitted on behalf of limited companies, Societies, etc., must be supported by appropriate resolutions/ authority, as applicable, issued on behalf of the nominating organisation.

2. Profile of the Directors being appointed/ re-appointed, as required by the Corporate Governance Code under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015 entered into with the Stock Exchange), 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:

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, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (**AGM**) by electronic means. The Company has engaged the services of Link Intime India Private Limited (**LIPL**) for facilitating remote e-voting for the AGM. Procedure and instructions for Remote e-voting are given hereunder. All members are requested to read those instructions carefully before casting their e-vote.

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 AGM. 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.

5. The e-voting period commences on **September 16, 2019** (9.00 a.m.) and ends on **September 19, 2019** (5.00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date of September 12, 2019 (End of Day) may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

#### Instructions for shareholders to vote electronically:

##### 6. Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on “Login” tab, available under ‘Shareholders’ section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

|                     | <b>For Shareholders holding shares in Demat Form or 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 depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>                                      |
| DOB/ DOI            | <p>Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p>   |
| Bank Account Number | <p>Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul> |

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

#### **If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

#### **Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.  
  
Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.  
  
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

#### **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.  
  
They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 – 49186000.

- A copy of this notice has been placed on the website of the Company and on the website of <https://instavote.linkintime.co.in>.
- The Register of Members and Share Transfer Books of the Company will be closed from September 13, 2019 to September 20, 2019 (both days inclusive).
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- The route map showing directions to reach venue of the thirty-ninth AGM is annexed.

- 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 2011-12 (Interim) have been transferred to the IEPF. Unclaimed final dividend for F.Y. 2011-12 (Final) is due for transfer in September 2019. Shareholders who have not yet encashed the dividend warrants for financial years 2011-12 (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 Member's 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 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 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)

- The Annual Report 2018-19 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).
- 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.
- 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 39th Annual General Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.

20. In this Notice and Annexure thereto, the terms 'Shareholders' and 'Members' are used interchangeably.

21. **Green Initiative**

The Members can receive various notices and documents through electronic mode by registering their e-mail addresses with the Company.

Even after registering for E-communication, the Members are entitled to receive such communication in physical form.

In accordance with the provisions of Section 101 of the Act, read with Rule 18 of the Companies (Management and Administration) Rules, 2014, copy of the Annual Report of the Company for the Financial Year 2018-19 and this Notice inter-alia indicating the process and manner of remote e-voting along with Attendance Slip and proxy form are being sent by e-mail, unless any member has requested for a physical copy of the same, to those Members, who have registered their email address with the Company (in respect of shares held in physical form) or with their DP (in 'ESDGC' of shares held in electronic form) and made available to the Company by the Depositories.

In case you wish to get a physical copy of the Annual Report, you may send your request to ravi.raai@zfindia.com mentioning your Folio No. / DP ID and Client ID or write to us.

## Annexure to the Notice of the Annual General Meeting

### Statement as Required by Section 102 of the Companies Act, 2013.

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as '**the Act**') the following Statement setting out the material facts relating to the business mentioned under item Nos. 3 and after of the accompanying Notice is annexed herewith.

#### Item No. 3:

Though not mandatory, this statement is provided for reference.

M/s. MGM & Company, Chartered Accountants (Firm Registration No. 117963W) have been Statutory Auditors of the Company, since the financial year 2009-10. In terms of provisions of Section 139 of the Act, a listed company cannot appoint an audit firm as Auditors for more than two terms of five

consecutive years. M/s. MGM & Company will be completing, 10 years as Auditors of the Company, at the conclusion of the forthcoming 39th AGM and would retire therefrom.

M/s. Joshi Apte & Co., Chartered Accountants (Firm Registration No. 104370W) is proposed to be appointed as Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 39<sup>th</sup> AGM till the conclusion of the 44th AGM. M/s. Joshi Apte & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits Specified under Section 141(3) (g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

#### Brief Profile of M/s. Joshi Apte & Co.

M/s. Joshi Apte & Co., Chartered Accountants, is a Partnership Firm established in the year 1981. The Firm has carried out assignments such as Statutory Audit, Internal Audit, Process Mapping for Internal Financial Controls, Direct Tax Consultation/ Representation and Tax Audit, Transfer Pricing Audit, Due diligence Audit for Mergers & Acquisition, Finance Syndication and Capital Structuring, VAT/ GST Consultation, Representation and VAT/ GST Audit etc.

None of the Directors/ Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at item No. 3 of the notice.

The Board recommends the Resolution at Item No. 3 to be passed as an Ordinary Resolution.

#### Item No. 4 and 5:

The Members of the Company, at their Extraordinary General Meeting held on March 27, 2015, had appointed Mr. Shridhar S. Kalmadi (DIN 00044301) and Mr. Jitendra A. Pandit (DIN 05359478) as Independent Directors of the Company, for a period of 5 (five) consecutive years, with effect from April 1, 2015, pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('**the Act**') and Rules framed thereunder.

The term of Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit as Independent Directors shall, thus, expire on March 31, 2020.

A brief resume of Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit form part of this Notice.

The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors evaluated performance of Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit; and rated their performance satisfactory on all parameters and recommended their re-appointments as Independent Directors of the Company, since they possess the requisite qualifications and attributes for re-appointment.



As per the provisions of Section 149 of the Act, the Independent Director becomes eligible for re-appointment on passing of Special Resolution by the Members of the Company.

As per the provisions of the Regulation 17 of the Listing Regulations, Special Resolution is also required to be passed by the Members for appointment or continuation of any person as Non-executive Director who has attained the age of 75 years. Mr. Kalmadi is presently of 71 years of age; however, during his second term as Independent Director, he will be crossing the age of 75 years. Mr. Kalmadi's technical knowledge and his long experience in Automobile industry has helped the Company in many ways and will be useful in future, the Board feels.

The Members are, therefore, requested to consider these proposals and grant their approval by way of Special Resolution for the re-appointment of Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit as Independent Directors of the Company, to hold office for a further term of 5 years from April 1, 2020 to March 31, 2025, not liable to retire by rotation.

None of the Directors/ Key Managerial Personnel of the Company and their relatives, except Mr. Shridhar S. Kalmadi and Mr. Jitendra A. Pandit, in their respective Resolutions, is in any way, concerned or interested, financially or otherwise, in the aforementioned Resolutions.

The Board recommends the Special Resolutions set forth at Item No. 4 and 5 for approval of the Members.

#### Item No. 6:

The Company received a notice dated July 24, 2019 from a member, under the provisions of Section 160 of the Companies Act, 2013 (**the Act**), stating his intention to propose the candidature of Mr. Sandeep Nelamangala (DIN 08264554) (**Mr. Sandeep N.**), for the office of Non-Executive Director of the Company.

The Company has received, from Mr. Sandeep N., his consent in writing to act as Director in Form DIR 2, his intimation in DIR 8 to the effect that he is not disqualified under the provisions of Section 164 of the Act and Notice of Interest in Form MBP 1.

Mr. Sandeep N is presently Executive Vice President, OE Sales India at Bosch Limited. A brief resume of Mr. Sandeep N. forms part of this Notice.

The above proposal along with resume of Mr. Sandeep N. was considered, by the Nomination and Remuneration Committee of the Board and the Board of Directors, at their respective meetings, and have recommended appointment of Mr. Sandeep N. as Non-Executive Director of the Company.

None of the Directors/ Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise, in the aforementioned Resolutions.

The Board recommends that the proposal under the Ordinary Resolution set forth at Item No. 6, be considered for approval by the Members.

#### Item No. 7:

The Company received a notice dated July 30, 2019 from a member, under the provisions of Section 160 of the Companies Act, 2013 (**the Act**), stating his intention to propose the candidature of Mr. Adit Rath (DIN 00084380), for the office of Independent Director of the Company. The Company has received, from Mr. Adit Rath, his consent in writing to act as Director in Form DIR 2, his intimation in DIR 8 to the effect that he is not disqualified under the provisions of Section 164 of the Act, Notice of Interest in Form MBP 1 and a declaration to the effect that he meets the criteria of independence as provided in the provisions of Section 149 of the Act.

Mr. Adit Rath possesses the requisite qualifications and attributes for the appointment as Independent Director of the Company. Mr. Adit Rath is industrialist and has business interests in mechanical power transmission products and automotive components. A brief resume of Mr. Adit Rath forms part of this Notice.

The above proposal along with resume and other documents of Mr. Adit Rath were considered, by the Nomination and Remuneration Committee of the Board and the Board of Directors, at their respective meetings, and have recommended appointment of Mr. Adit Rath as Non-Executive Independent Director of the Company, effective from the date of the 39th Annual General Meeting.

In the opinion of the Board of Directors, Mr. Adit Rath fulfils the conditions specified in the provisions of the Act and the rules made thereunder and he is independent of the Management.

None of the Directors/ Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise, in the aforementioned Resolution.

The Board recommends the Ordinary Resolution set forth at Item No. 7 for approval of the Members.

#### Item No. 8:

Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'the Listing Regulations'**) provides a regulatory mechanism for re-classification of Promoters & Promoter group as Public Shareholders, subject to fulfilment of conditions as provided therein.

In this regard, the Company received request letters from some members of the Promoter Group (as set out below), pursuant to Regulation 31A of the Listing Regulations for classifying them under the Public Category since their names have been included as a part of the Promoter and Promoter group.

They are or any of them is financially independent persons, who take independent investment decisions. Further they along with their relatives together do not hold more than ten per cent of the total voting rights in the Company. They or any of them neither exercise, directly or indirectly, control over the affairs of the Company nor any of them has held nor holds any key managerial position or position as a Director (including nominee

director) on the Board of Directors in the Company nor they or any of them have/ has any special rights, through formal or informal arrangements, with respect to the Company, including through any shareholder agreements. None of them is a 'wilful defaulter' as per the Reserve Bank of India Guidelines or fugitive economic offender. They have also undertaken to comply with the conditions as per sub-Regulation (4) of Regulation 31A of the Listing Regulations.

| Sr. No. | Name of the Promoters     | No. of Equity Shares held | % of total Share-capital of the Company |
|---------|---------------------------|---------------------------|---|
| 1       | Mrs. Amita Jinendra Munot | 1,52,457                  | 1.68                                    |
| 2       | Mr. Piyush Jinendra Munot | 1,21,813                  | 1.34                                    |
| 3       | Mr. Yash Munot            | 1,22,553                  | 1.35                                    |
|         | <b>Total</b>              | <b>3,96,823</b>           | <b>4.37%</b>                            |

Vide their request letters dated May 24, 2019, the above 3 individual members of the Promoter Group have requested the Company for re-classification of their shareholding (as mentioned in the table above) as Public Shareholding.

In view of the explanations given by the above mentioned individuals and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, the Board of Directors of the Company at their meeting held on May 30, 2019 have approved all the requests for re-classification received by

the Company, from 'Promoter and Promoters Group' category to 'Public' category shareholding, subject to approval by the Members and relevant regulatory authorities.

Further, it is reported that, as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding, as on date of the notice, fulfils the minimum public shareholding requirement of at least 25% and the proposed re-classification is not intended to achieve any increase in the public shareholding to comply with the minimum public shareholding requirement.

One of the conditions prescribed in Regulation 31A of the Listing Regulations is that for granting such permission by the Stock Exchange, the Company shall obtain the approval of the Members of the Company, for the said re-classification, hence, the present proposed resolution.

None of the Directors/ Key Managerial Personnel of the Company is in any way, concerned or interested, financially or otherwise, in the aforementioned Resolution. However, Mr. Jinendra Munot, who is a part of the Promoter Group and related to the aforementioned three individuals seeking re-classification, is also related to Mr. Dinesh Munot – Chairman & Managing Director of the Company, is deemed to be interested in the Resolution.

The Board is of the view that the shareholding of these individuals may be classified as Public Shareholding, and recommends the Ordinary Resolution set forth at Item No. 8 for approval of the Members.

**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 on General Meetings issued by The Institute of Company Secretaries of India.**

| Particulars         | Mr. Shridhar S Kalmadi                          | Mr. Jitendra A. Pandit  | Mr. Adit Madhusudan Rathi  | Mr. Sandeep Nelamangala                           |
|---------------------|---|---|--|---|
| DIN                 | 00044301  | 05359478  | 00084380   | 08264554  |
| Designation         | Non-Executive Independent Director              | Non-Executive Independent Director  | Non-Executive Independent Director   | Non-Executive Director                            |
| Age                 | 71 years  | 51 years  | 49 years   | 48 years  |
| Date of Appointment | May 26, 2009                                    | January 29, 2013  | Proposed to be appointed   | Proposed to be appointed                          |
| Qualifications      | D.M.E degree with specialization in Automobiles | Chartered Accountant (ICAI)<br>Cost Accountant (ICWAI)<br>Post Graduate Diploma in Business Finance from the Institute of Chartered Financial Analysts of India | Bachelor of Polymer Engineering,<br>Master of Science in Industrial Engineering. | Mechanical Engineering from University of Mysore. |