

The Joint Venture Company started its production-activities since the year 2012, after establishing state of the art facilities at Village Phulgaon, Alandi Markal, District Pune, in respect of Electric Power Steering Systems for passenger cars, as main supplier to Tata Motors Limited and Ford India Private Limited.

The turnover of the Joint Venture Company, during the financial year under Report, registered decline from Rs. 3444.6 million to Rs. 3103.9 million and the losses for the year ended March 31, 2019, substantially went up from Rs. 147.6 million for the year ended March 31, 2018 to Rs. 833.7 million for the year ended on March 31, 2019. Total paid-up capital of the Joint Venture Company was Rs. 4975 million and our Company had invested Rs. 1293.50 million, by way of 26% equity-stake in it, at the year end. Accumulated losses of the Joint Venture Company, as of March 31, 2019, stood at Rs. 3836.9 million. One of the reasons for higher losses of the Joint Venture Company is that while preparing their Financial Statements for the financial year ended March 31, 2019, the basis applied was 'other than Going Concern'.

A Statement, pursuant to Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, containing the salient features of the financial statements of the Joint Venture Company is appended with the financial statement.

As informed from time to time, both the Joint-Venture Partners were concerned about the operations and continuation of the Joint Venture Company, for quite some time and were in regular discussion on the subject. But, as reported earlier, on February 14, 2019, Bosch issued a Notice to the Company, terminating the Joint-Venture Agreement. Simultaneously, Bosch also submitted a Winding-up Petition, as per the provisions of Section 271(e) and 275 of the Act, before the Hon'ble National Company Law Tribunal, Mumbai (**the Tribunal**) praying the Tribunal to wind-up the Joint Venture Company. In view of the Winding-up petition, the Joint Venture Company decided not to apply the 'Going Concern' concept, while preparing its financial statements for the year ended March 31, 2019 and valued its assets and liabilities accordingly. Based on those financial statements, the valuation of your Company's investment, in the Joint-Venture, works out to Rs. 295.91 million only.

Considering the accumulated losses and uncertainty arising out of above referred winding-up petition and termination of the Joint-Venture Agreement, in order to mitigate further business losses and as a measure of commercial expediency, the Board, after due discussion with Bosch, accepted the proposal of settlement, of the various issues, connected with the Joint-Venture with Bosch and decided to enter into a Share Purchase Agreement (**the Agreement**) with Bosch. This Agreement, subject to approval of Members, for sale and transfer of 129,350,000 equity shares of the Joint-Venture Company, to Bosch for a consideration of Rs. 625 million, was entered into on May 28, 2019, as reported earlier. The Members of the Company, in their Extraordinary General Meeting held on July 17, 2019, approved the said transaction. As per these approvals, the transaction was completed on July 23, 2019, and the Company has received the consideration from Bosch on that day.

The Company, based on the consideration mentioned in the Agreement, has made a provision of Rs. 668.50 million, in

respect of this business loss, which is disclosed under the '**Exceptional Item**' on the face of the Statement of the Profit and Loss, along with a Deferred Tax Asset of Rs. 233.60 million, in the Standalone Financial Statements for the financial year ended March 31, 2019.

In the Consolidated Financial Statements, for the same period, using the equity method of accounting, the value of the Company's equity investment in the Joint-Venture, was carried forward at Rs. 295.91 million.

Thus, the Joint-Venture Company ceased to be an Associate Company of your Company, with effect from July 23, 2019. Mr. Dinesh Munot, who was nominated by your Company, on the Board of the Joint-Venture Company, resigned from the directorship with effect from July 24, 2019.

Management Discussion and Analysis

Indian economy grew 6.8% in FY 2018-19, slowest in the last five years.

Fitch, the global rating agency, have lowered India's growth forecast to 6.6 per cent for the current fiscal from 6.8 per cent projected earlier, as manufacturing and agriculture sectors showed signs of slowing down over the past year. International Monetary Fund (IMF) too, has pared India's growth forecast for the next two years, citing softer recent growth and weaker global outlook, but expects the Country to retain its place as the fastest growing major economy.

The agrarian distress seems here to stay, owing to prevalent drought like situations in several states, near stagnant wage growth levels and signs of sluggish progress of monsoon, a recent report has said.

In the recent union budget, presented on July 5, 2019, substantial allocations are made in infrastructure investments, which should help the road transport sector. However, the automotive industry would, in the near future, face challenges, due to the paucity of the credit funds, which have been partly addressed in the said budget.

Apex industry body, like Society of Indian Automobile Manufacturers (SIAM) is of the opinion that the sector has been going through a very difficult time and the industry was expecting some form of a stimulus package in the Budget, in line with what had been done by the Government during, the previous two similar slowdowns. However, the industry was disappointed on this account.

Industry Structure and Developments

The overall Commercial Vehicles (**CV**) segment registered a growth of 17.5 per cent in April- March 2019 as compared to the same period previous year. Medium & Heavy Commercial Vehicles (M&HCVs) increased by 14.7 per cent and Light Commercial Vehicles grew by 19.5 per cent in April-March 2019, over the same period last year.

After around seven months' growth in FY 2018-19, Commercial Vehicle volumes started dwindling since November 2018. The Government last year hiked the loading limit for CVs, as a result of which fleet operators got more bandwidth to load goods and new purchases are getting postponed. Urban India, reeling from a difficult job market, took a pause. Rural India, hurting from

farm distress (over 60% of farm produce has reportedly been sold below the minimum support price), wasn't buying, either. As a result, inventory piled up, hurting everyone, especially the dealers. Almost all the Auto Manufacturers have declared production-cuts to reduce inventory. Tightening liquidity in the NBFC sector, leading to hike in lending rates and lower resale value of trucks, made things more difficult.

The Indian tractor industry witnessed a double digit growth for the third consecutive year in financial year 2018-19; however, the pace was slowest in the last three years. The tractor sales grew by 10.2 per cent as compared to 20.5 per cent in FY 2018 and 15.7 per cent FY 2017. The growth was marred due to weak sentiment in later part of the year as sales slipped into negative in February and March 2019 on year-on-year (yoy). Tractor sales that mirrors rural sentiment was struck due to erratic rainfall coupled with delayed sowing and low production of rabi crops in the last fiscal.

Financial Performance and state of the Company's affairs

Auto Components (Numbers)

Type	F.Y. 2018-19	F.Y. 2017-18	Growth
Power Steering	259,127	268,818	-3.6%
Mechanical Steering	116,830	117,644	-0.7%

Sales, in value terms, were marginally up by 3.5% for FY 2018-19, compared to FY 2017-18. The Company could not match the industry growth figures due to disturbed industrial relations at its Vadu Budruk Factory.

Renewable Energy-

Solar Energy

Your Company's 5 MW Solar Power Project at Gujarat Solar Park, Charnka Village, District Patan (Kutch), Gujarat, generated 7.6 million Units of Electricity with sales-revenue of Rs.84.8 million in the FY 2018-19. The entire electricity is purchased by Gujarat Urja Vikas Nigam Limited (GUVNL), a Government of Gujarat Company, in terms of the multi-year Power Purchase Agreement.

The Company's rooftop solar project, situate at its Vadu Budruk plant, generated around 1 million units of electricity in FY 2018-19, which was 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 8.9 million units in the FY 2018-19. All the units generated were used as captive consumption, which accounted for approximately 57.4% of the energy-consumption of the Company's factory at Village Vadu Budruk.

Finance cost

Some part of the Finance cost, allocable to the Pithampur project, was capitalised. Therefore, Finance cost charged to Statement of Profit & Loss, was Rs. 19.4 million for FY 2018-19 against Rs. 32.2 million in in FY 2017-18.

Credit Rating

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

Profitability

Profitability was substantially affected in view of the following major factors:

- As explained above, under the heading - "Joint Venture (JV)/ Associate Company 'Robert Bosch Automotive Steering Private Limited' & Exceptional item in the Financial Statements/ Results", the Company has made a provision of Rs. 668.5 million, shown under the 'Exceptional Item' in the Standalone Results.
- Material cost, which was 59.4% of the (Net of Excise) Sales during FY 2017-18, went up to 62.6% in FY 2018-19, due to rise in raw material prices, which could not be passed on to the customers.
- Owing to Deferred-tax credit on the Exceptional-item, Total Tax Expense for FY 2018-19 was (negative) at Rs. 124.2 million against Rs. 143.1 million for FY 2017-18, and it helped in reduction of the Loss After Tax.

The overall result, after considering the above, was Loss for the financial year at Rs. 13.1 million against Net Profit of Rs. 470.67 million for the FY 2017-18 in the Standalone Financial Statements. Earnings Per Share (EPS), as per the Standalone results, works out to negative (-) Rs. 1.44 for the financial year ended March 31, 2019.

Key Financial Ratios

In accordance with the relevant provisions of the Listing Regulations, the key financial ratios are as under:

	FY 2018-19	FY 2017-18
Debtors Turnover Ratio (in days)	64.6	78.1
Inventory Turnover Ratio (in days)	53.4	57.4
Interest Coverage Ratio	28.4	20.1
Current Ratio	1.4	1.3
Debt Equity Ratio	0.1	0.1
Operating Profit Margin	12%	14%
Net Profit Margin	-0.3%	10.6%
Return on Net Worth (Return has been calculated excluding exceptional item and the corresponding tax on that item)	11.5%	12.4%

- The Interest-coverage ratio is higher in view of the lesser interest charged to Statement of Profit & Loss.
- The Net Profit Margin is significantly affected in view of the one-time provision made under the Exceptional Item (explained in detail earlier in this Report).

Segment wise Profitability

Loss (after-tax), for the Auto-components segment, after the Exceptional Item, is Rs. 97.1 million vis-a- vis profit of Rs. 84.1 million for the Renewable Energy segment.

Outlook, Opportunities and Threat

Key concerns relate to monsoon, and dipped consumer sentiment continues to be challenges for the auto industry. It seems, FY 2019-20 will be a very challenging year. Q1 was subdued due to the elections and political uncertainty then. Also Q4 is expected to be difficult because of the transition to BS-VI, the new emission norm. No BS-IV vehicle will be registered from April 1, 2020.

Implementation of BS-VI norms, from April 2020, is expected to raise cost of trucks, initially in the basic value, to the tune of 10-12%. Transporters are also expected to be cautious in accepting BS-VI trucks, as they would have concerns over the vehicles fuel efficiency and maintenance cost.

As per the news report, an integrated policy to scrap commercial vehicles that are more than 10 years is currently under the Government's consideration aimed at to keep a check on air pollution. However, the Union Minister for Road Transport & Highways confirmed that there were no immediate plans of banning trucks and buses, which are over 15 years. Industry majors are also talking about negative growth in the current year for commercial vehicles.

The first long-range forecast for the south-west monsoon by the India Meteorological Department (IMD) signalled a positive market trends for FY 2019-20 as it predicted near to normal monsoon for the current year. Despite this, analysts remain conservative as they predict a mere 5 per cent growth in tractor sales for FY 2019-20.

Expansion and Capital Expenditure

Auto Components

As informed earlier, with a view to establish a second manufacturing unit for auto components, the Company has acquired on lease basis, an industrial plot, admeasuring 26,246 sq. meters, at Pithampur, District Dhar, Madhya Pradesh. The factory building is ready, machinery is being installed. The plant is expected to be operational by end of September 2019. This will add to the manufacturing capacity of the Company by three lakh numbers and also bring proximity with some of the major customers of the Company. Total investment at the Pithampur factory is expected to be in the range of Rs. 1750 million.

Wind Energy

During FY 2018-19, the Company installed and commissioned, additional 2.1 MW Windmill in Maharashtra state, at Anjanadi, Dist. Aurangabad, for the purpose of captive-consumption. Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) is yet to issue their permission to adjust the electricity generated out of this windmill against the Company's captive consumption at its factory at Vadu Budruk. Till then, the electricity generated is being sold to MSEDCL.

Internal Control System and its Adequacy

The Company has an effective Internal Control System commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit is decided by the Audit Committee and the Board. There is an internal audit department which checks all the vouchers, financial reports, registers etc. To maintain its objectivity and independence, the Board has also appointed an external Chartered Accountant firm, which reports to the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies for various functions in the organisation of the Company. The Audit Committee, Statutory Auditors and the process owners are periodically apprised of the internal audit findings. Important internal audit observations are also placed before the Board at their Meetings. Based on the report of Internal Auditor, process owners undertake corrective action, wherever required, in their respective areas and thereby strengthen the controls further. Audit observations and actions taken thereof are presented to the Audit Committee.

The Company's Audit Committee regularly reviews the financial management reports and data, and interacts with the External and Internal Auditors for ascertaining the adequacy of internal controls.

Human Resources/ Industrial Relations

As at end of March 31, 2019, the Company had 405 employees on its roll.

At the factory at Village Vadu Budruk, Taluka Shirur, District Pune 412216,

- The Company employs Engineers, in the 'Supervisory category' on the shop floor. Some of these Engineers have initiated legal proceedings, claiming that they are workmen. They have also submitted their charter of demands, which is not accepted by the Company.
- As informed earlier, in the financial year 2017-18, some 236 Engineers on the shop floor, remained absent from duty for 46 days continuously, without informing the Company. The Company had taken disciplinary action against these engineers, by terminating their employment contract with the Company. These Engineers have claimed wages for the said period of 46 days and also challenged their termination from services.

The Company is contesting the above litigations and has taken steps to seek approvals, if any required, as a matter of caution, for the above referred terminations of contracts of employment, without prejudice to the Company's stand about non-applicability of relevant legislations to these 236 engineers.

Cautionary statement

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

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.

Directors and Key Managerial Personnel

During the period under review, Mr. M L Rathi, after attaining the age of 78 years, resigned as Non-Executive Independent Director of the Board, effective from November 23, 2018, in view of his age. The Board places on record its deep appreciation for the services rendered by Mr. Rathi, during his tenure of over ten years as Independent Director and Chairman/ Member of various committees of the Board of Directors of the Company.

During the period, the Board, on recommendations of the Nomination and Remuneration Committee, re-appointed Mr. Manish Motwani, with effect from April 1, 2019 and Mr. S A Gundecha, with effect from September 15, 2019, as Independent Directors of the Company, for a second term, of five years. The Board, on recommendations of the Nomination and Remuneration Committee, re-designated Mr. Dinesh Munot as Whole-time Director and Chairman of the Company, with effect from August 1, 2019 to July 27, 2021 and Mr. Utkarsh Munot as Managing Director of the Company, with effect from August 1, 2019 to May 18, 2021, at a revised remuneration. All the above proposals were approved by the Members at the Extraordinary General Meeting held on July 17, 2019.

As other Independent Directors, Mr. Jitendra Pandit's and Mr. Shridhar Kalmadi's first term is due to expire on March 31, 2020, the Board, on recommendations of the Nomination and Remuneration Committee, proposed, for consideration of Members, their re-appointments as Independent Directors of the Company, for a second term of five years, subject to approval of the Members. These two proposals form part of the notice of 39th Annual General Meeting (AGM). The Board recommends to the Members to consider and approve these proposals.

Mr. Soumitra Bhattacharya retires by rotation at 39th AGM of the Company. He has communicated to the Company that owing to his pre-occupation, he does not wish to be re-appointed, as a Director of the Company, on this retirement. Thus, he will cease to be a Director of the Company, on conclusion of 39th AGM.

The Company has received notices, as per the provisions of Section 160 of the Act, from the Members, proposing candidature of following persons as Directors of the Company. These proposals have been considered and being recommended by the Nomination & Remuneration Committee and the Board

- Mr. Adit Rathi as a Non-Executive Independent Director of the Company
- Mr. Sandeep Nelamangala as a Non-Executive Director of the Company.

The above proposals have been included in the notice of 39th AGM, with brief profiles of the proposed appointees.

The Company has received declarations, from all the Independent Directors of the Company, confirming that they meet the criteria of independence, as prescribed, both under the Act and under the Regulation 16(b) of the Listing Regulations.

During the period, there was no change in the Key Managerial Personnel of the Company, except for the re-designations of the Whole-time Directors, as stated above.

Performance Evaluation

The Company has devised a Policy, for performance evaluation of Independent Directors, Board as a whole, Committees of the Board and other individual Executive/ Non-Executive Directors. The Policy includes criteria for performance evaluation. The criteria are based upon age, experience, quality of participation in Board/ Committee proceedings, attendance at meetings, contribution by strategic inputs and others. The criteria along with additional requirements prescribed by Section 149 of the Act are used for selection of Independent Directors. The Company carried out the performance evaluation during the year under report. The Board of Directors expressed satisfaction with the evaluation process.

Directors' Responsibility Statement

Your Directors state that:

- i. in the preparation of the annual financial statement for the financial year ended March 31, 2019, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- ii. 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, 2019 and of the loss of the Company for the financial year ended on that date.
- iii. 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.
- iv. the Directors have prepared the annual financial statement on a 'going concern' basis.
- v. 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
- vi. 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.

Corporate Governance Report

Pursuant to the provisions of Regulation 34(3) read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance is given in Annexure - II along with the Auditors' Certificate on its compliance, which forms part of this report.

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

The Company has not given any guarantee in connection with any loan covered under the provisions of Section 186 of the Act.

Details of Loans and Investments are disclosed in the Notes to the Financial Statements forming part of this Annual Report.

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered into by the Company with related parties, during the financial year, were on an arm's length basis and were in the ordinary course of business. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Considering the provisions of Section 134 of the Act, as all transactions with related parties referred to sub-section (1) of Section 188 of the Act and exemption is available only from the procedural compliance for transactions, which are in ordinary course of business and based on arm's length prices, the disclosure in the prescribed Form AOC – 2, including part 2 thereof is attached as Annexure III to this Report.

Corporate Social Responsibility (CSR)

Pursuant to the provisions of Section 135 of the Act and as per the Companies (Corporate Social Responsibility) Rules, 2014, read with various clarifications issued by the Ministry of Corporate Affairs, the Company has framed a CSR Policy, which is available on the Company's website www.zfindia.com. The Company has undertaken activities as per the CSR Policy. The Annual Report on CSR activities is annexed herewith marked as Annexure IV.

Risk Management

The Audit Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, legal, information technology, Regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company manages, monitors and reports on the major risks and uncertainties, those can impact its ability to achieve its strategic objectives. The Company has introduced several improvements in internal control management to drive a common integrated view of risks, optimal risk mitigation, responses and efficient management of internal control and assurance activities.

Auditors and Auditors' Report

Statutory Auditors

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s MGM & Co., Chartered Accountants (Firm Registration No. 117963W) (MGM) will cease to be the Statutory Auditors of the Company on the conclusion of forthcoming 39th AGM of the Company to be held on September 20, 2019.

In accordance with the provisions of Section 139 of the Act and Rules framed thereunder and in view of mandatory rotation of the Statutory Auditors, based on the recommendations of the Audit Committee, the Board of Directors has recommended the appointment of M/s Joshi Apte & Co., Chartered Accountants (Firm Registration No. 104370W) as the Statutory Auditors of the Company for a period of 5 years, from the conclusion of 39th AGM until the conclusion of 44th AGM of the Company, at a remuneration agreed upon by the Board of Directors and the Auditors subject to the approval of the Members.

A resolution seeking their appointment forms part of the Notice convening the 39th AGM and the same is recommended for your approval.

The Auditors' Report dated May 30, 2019, issued by MGM, for FY 2018-19, does not contain any reservation, adverse remark or disclaimer.

Secretarial Auditor

The Board had appointed Mr. I. U. Thakur (PCS Registration No. 1402), Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the same is annexed herewith as Annexure V. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosures

Meetings of the Board

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

Committees of the Board

Audit Committee

During the year under review, in view of Mr. M L Rathi's resignation as Director of the Company, the Audit Committee (the Committee) was re-constituted by the Board. Mr. Manish Motwani joined the Committee in place of Mr. Rathi. The Committee now comprises Independent Directors namely Mr. S. A. Gundecha (Chairman), Mr. Jitendra A. Pandit and Mr. Manish Motwani, as other members. All the recommendations made by the Audit Committee were accepted by the Board.

The details of all committees and its terms of reference are set out in the Corporate Governance Report.

Remuneration Policy

The Board, has on the recommendation of the Nomination & Remuneration Committee, approved a policy for selection, appointment and remuneration of directors and senior management. The detailed Remuneration Policy is placed on the Company's website www.zfindia.com.

Vigil Mechanism/ Whistle Blower Policy

The Vigil Mechanism of the Company also incorporates a whistle blower policy, in terms of the Listing Regulations. Protected disclosures can be made by a whistle blower through an e-mail/ telephone/ letter to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and Whistle Blower may be accessed on the website of the Company at www.zfindia.com.

Extract of the Annual Return

Extract of the Annual Return of the Company in Form MGT 9 is annexed herewith as Annexure VI to this Report and is also available on the Company's website ie. www.zfindia.com.

Particulars of Employees and related disclosures

Considering the provisions of Section 197 of the Act, read with the relevant rules and having referred to provisions of Section 136(1) of the Act, the Directors' Report is being sent to the Members of the Company, excluding details of particulars of employees and related disclosures. The said information/ details are available for inspection at the Registered Office of the Company during working hours, on any working day. Any Member interested in obtaining this information may write to the Company Secretary and this information would be provided on request.

Disclosure – 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 thereunder. 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.

General

1. The Company held no deposits at the beginning of the year, nor accepted any deposits during the year under report.
2. All equity shares issued by the Company rank pari- passu in respect of right to receive dividend, voting rights or otherwise.

3. During the year under report, no shares were issued as sweat equity to any of the employees or others.
4. The Company does not have any subsidiary, and no remuneration was received by any Whole-time Director of the Company from a subsidiary.
5. During the year under report, no strictures or material orders were passed by any Regulator or a Court or a Tribunal, which may impact on the going concern status of the Company or its operations in future.
6. As the Board of Directors, subject to approval of the Members, decided on May 28, 2019, to sell and transfer the Company's entire 26% equity stake in the Joint-Venture Company to Bosch, this is a material change/ commitment, after March 31, 2019 (the financial year closing), as detailed in the earlier paragraph titled as '*Joint Venture (JV)/ Associate Company 'Robert Bosch Automotive Steering Private Limited' & Exceptional item in the Financial Statements/ Results*' of this Report.
7. There has been no instance of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.
8. The Central Government, under Section 148(1) of the Act, has not prescribed maintenance of cost records in respect of the activities carried out by the Company.

Acknowledgement

The Board of Directors takes this opportunity to thank its Customers, Dealers, Members, Suppliers, Bankers, Business Partners/ Associates and the Government Authorities for the support and co-operation received by the Company.

The Board also acknowledges the understanding and support of all employees of the Company.

For and on behalf of the Board of Directors

Pune
July 31, 2019

Dinesh Munot
Chairman & Managing Director
(DIN: 00049801)